



CUTTING TAXES SAVING YOU MONEY

In 2023, Governor Healey cut taxes for the first time in more than 20 years.
Find out if you're eligible for new and expanded credits.

Child & Family Tax Credit

\$440 per dependent

Governor Healey increased the Child and Family Tax Credit (CFTC) from \$180 per dependent to **\$440** and lifted the two-dependent cap. It's the most generous child tax credit in the country.

You may be eligible if you're caring for a child, senior 65 or older, or person with disabilities. To claim the CFTC, file a state income tax return, even if you don't have any income to report.

LEARN MORE AT

MASS.GOV/DOR/CHILD-FAMILYCREDIT

Senior Circuit Breaker

\$2,730

Governor Healey increased the Senior Circuit Breaker Tax Credit to help low-income seniors minimize their taxes. The maximum credit this year is **\$2,730**.

You may be eligible if you were 65 or older by December 31, 2024, you rent or own in Massachusetts, and your income is below a certain amount based on your filing status. To apply, complete Schedule CB with your state income tax return.

LEARN MORE AT

MASS.GOV/DOR/CIRCUITBREAKER

Earned Income Tax Credit | **40% of federal credit**

Governor Healey increased the Earned Income Tax Credit from 30% to 40% of the federal credit. If you have low or moderate income, the EITC may reduce your tax bill and give you a refund.

The EITC is available to certain people and families who meet the requirements for the federal EITC and are Massachusetts residents for at least part of the taxable year. To claim the EITC, file and claim the credit on your federal tax return. Then, you can claim 40% of the credit amount on your state tax return.

LEARN MORE AT **MASS.GOV/DOR/EITC**

For more information on Governor Healey's tax cuts, eligibility, how to file
and help preparing your taxes, visit **Mass.gov/TaxCuts**



More Ways to Save for Businesses, Renters, Commuters, Student Borrowers and Others

You may be eligible for more savings through provisions in Governor Healey's tax package that expand credits, add exemptions, and increase deductions on things like rent, public transit fares, and more. **A full list of provisions included in the tax package is below.**

Child and Family Tax Credit: Eliminated two-dependent cap and increased credit from \$180 per dependent child, disabled adult, or senior to \$440.

Earned Income Tax Credit (EITC): Increased credit from 30% to 40% of the federal credit.

Senior Circuit Breaker Tax Credit: Doubled credit maximum which, indexed to inflation, is currently \$2,730.

Rental Deduction: Increased cap from \$3,000 to \$4,000.

Estate Tax: Increased threshold from \$1 million to \$2 million with a credit that mitigates cliff effect.

Short-Term Capital Gains: Reduced from 12% to 8.5%.

Deductible Commuter Transit Benefits: Added public transit fares, RTA fares and bicycle expenses to deductible commuter expenses.

Student Loan Repayment Assistance: Exempted employer student loan repayment assistance from taxable income.

Lead Paint Abatement Credit: Doubled credit cap to \$3,000 for full abatement and \$1,000 for partial abatement.

Title V (Septic) Tax Credit: Tripled maximum credit to \$18,000, increased percentage of eligible expenses from 40% to 60%; and allowed taxpayers to claim up to \$4,000 in any year, versus \$1,500 in current law.

Municipal Affordable Housing Property Tax Exemption: Permits municipalities to adopt local property tax exemption for affordable real estate.

Property Tax Liability Reduction for Senior Volunteer Services: Permits municipalities to increase the maximum property tax abatement available to seniors who perform volunteer services from \$1,500 to \$2,000.

Single Sales Factor: Shifted three-factor apportionment system based on business's share of sales, payroll, and property to apportionment based on sales.

Dairy Tax Credit: Increased annual program cap from \$6 million to \$8 million.

Cider Tax Rate: Applied lower tax rates to a broadened class of beverages.

Apprenticeship Tax Credit: Expanded occupations.

Low-Income Housing Tax Credit (LIHTC): Increased annual program cap from \$40 million to \$60 million.

Housing Development Incentive Program (HDIP): Increased annual program cap from \$10 million to \$57 million in 2023, and thereafter to \$30 million annually.

Stabilization Fund Cap: Increased the cap on Stabilization Fund deposit from 15% to 25.5% of budgeted revenues.

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