

Schedule CMS Instructions

Note: The taxpayer must complete and enclose a Credit Manager Schedule with its tax return in order to report all credits generated, taken or carried over from prior years.

Changes to Credit Manager Schedule for 2017

The method of reporting credits has been changed to better reflect the requirement that a taxpayer must complete and submit a Credit Manager Schedule with its tax return. Tax return forms have been changed to remove specific credit line item references which must now be reported in the Credit Manager Schedule. In general, tax return forms now contain a single line item summarizing the taxpayer's claimed credits. The taxpayer must complete and submit the Credit Manager Schedule as an attachment to the return to specifically report credits available for use and credit amounts used in the current tax year in support of the summarized credits reported on its tax return.

MGL chapter and section	Credit name	Notes	Refundable?	Enumeration
Ch. 62 § 6(j), Ch. 63 § 38Q	Brownfields Credit	Certificate # Required	No	BRWFLD
Ch. 62 § 6(q), Ch. 63 § 38BB	Certified Housing Credit	Certificate # Required	No	CRTHOU
Ch. 62 § 6M, Ch. 63 § 38EE	Community Investment Credit	Certificate # Required	Yes, @ 100%	CMMINV
Ch. 62 § 6(p), Ch. 63 § 38AA	Conservation Land Credit	Certificate # Required	Yes, @ 100%	CNSLND
Ch. 62 § 6(o), Ch. 63 § 38Z	Dairy Farm Credit	Certificate # Required	Yes, @ 100%	DAIFRM
Ch. 62 § 6(g), Ch. 63 § 38N	EDIP Credit	Certificate # / Sch. EDIP Required	If Authorized, @ 100%	EDIPCR
Ch. 62 § 6N, Ch. 63 § 38FF	Employer Wellness Credit	Certificate # Required	No	EMPWLL
Ch. 62 § 6(g), Ch. 63 § 38N	EOAC Credit	Period End Date / Sch. EOAC Required	If Authorized	EOACCR
Ch. 62 § 6(l), Ch. 63 § 38X	Film Incentive Credit	Certificate # Required	If Authorized, @ 90%	FLMCRD
Ch. 63 § 38P	Harbor Maintenance Credit	Period End Date / Sch. HM Required	No	HRBMNT
Ch. 62 § 6J, Ch. 63 § 38R	Historic Rehabilitation Credit	Certificate # Required	No	HISRHB
Ch. 63 § 31A	Investment Tax Credit	Period End Date / Sch. H Required	No	INVTAX
Ch. 62 § 6(n), Ch. 63 § 31M	Life Science (FDA) Credit	Period End Date /Sch RLSC	If Authorized, @ 90%	LFSFDA
Ch. 62 § 6(m), Ch. 63 § 38U	Life Science (ITC) Credit	Period End Date /Sch RLSC	If Authorized, @ 90%	LFSITC
Ch. 62 § 6(r), Ch. 63 § 38CC	Life Science (Jobs) Credit	Period End Date /Sch RLSC	If Authorized, @ 90%	LFSJOB
Ch. 63 § 38W	Life Science (RD) Credit	Period End Date /Sch RLSC	If Authorized, @ 90%	LFSRDC
Ch. 62 § 6I, Ch. 63 § 31H	Low Income Housing Credit	Certificate # Required	No	LOWINC
Ch. 62 § 6 1/2, Ch. 63 § 31L	Medical Device Credit	Certificate # Required	No	MEDDVC
Ch. 63 § 38M	Research Credit	Period End Date / Sch. RC Required	No	REARCH
Ch. 63 § 31E	Vanpool Credit	Period End Date / Sch. VP Required	No	VANPOL
Ch. 62 § 6(e)	Lead Paint	Period End Date / Sch. LP Required	No	LEDPNT
Ch. 62 § 6(i)	Septic	Period End Date / Sch. SC Required	No	SEPTIC
Ch. 62 § 6(s)	Farming and Fisheries	Period End Date / Sch. FAF Required	No	FRMFSH
Ch. 62 § 6(d)	Solar and Wind Energy	Period End Date / Sch. EC Required	No	SLRWND
Ch. 62 § 6(u), Ch. 63 § 38GG	Veteran's New Hire Tax Credit	Certificate # Required	No	VETHIR
Ch. 62 § 6I, Ch. 63 § 31H	Low-Income Housing Donation Credit	Certificate # Required	No	LIHDON

Instructions

Taxpayers with credits available for use in the current tax year must file a Credit Manager Schedule (Schedule CMS) to report such credits and the amount of each credit used. For credits tracked by certificate numbers (issued by the Department of Revenue or another state agency) that must be used to claim the credit, the taxpayer must enter each certificate number and its associated credit separately. For credits not tracked by certificate number, enter credits separately by type and the year to which they relate. List credits available whether or not they are being used in the current tax year. For each credit, report the amount of the credit available for use and the amount of credit taken this tax year to reduce tax or excise due. For corporations filing a combined report, report the amount of credit shared with affiliates in the credit shared column. For pass-through entities, report the amount of credits distributed to partners/shareholders/beneficiaries in the credit shared column.

The taxpayer must enter the beginning and ending dates of its taxable year (as shown on its federal income tax return) and its name (as shown on the federal income tax return, if filed) and Federal Identification number. It must also enter the total credits the taxpayer has taken this year (by adding lines 1h and 3i) and the total refundable credits allowable to the taxpayer this year (by adding lines 2g and 4h).

Section 1. Non-refundable credits

The Credit Manager Schedule is used to report the taxpayer's credits available (including credits carried over from prior years) and the credits taken not received via a lower tier entity or credit transfer. The exceptions to this rule are Brownfields Credit, Film Incentive Credit, and/or Medical Device Credit received via credit transfers/sales. Credits are shown in a table format and may be listed in any order in column (a). Taxpayers with more than one credit available may choose how much of each credit to take in the current year. A taxpayer participating in a combined report and allowing other members of the combined group to use its credits as allowed in 830 CMR 63.32B.2(9), also reports the amount or each credit shared on this schedule.

Some credits are identified on the Credit Manager Schedule by a certificate number. The certificate number for the credit is assigned by the issuing agency (which may be the Department of Revenue) and must always be reported to claim the credit in column (d). A taxpayer with multiple certificates for the same type of credit will enter each separately, with the available(unused) balance associated with that certificate in column (e) and the amount of the credit used in the current year in column (f). Taxpayer's claiming the EDIP Credit for a Certified Jobs Creation Project must enter a certificate number but are only required to complete the header section of schedule EDIP.

Some credits are identified by the period end date which refers to the period in which the credit originated. This may be the current taxable year or a prior year if the credit is being carried forward from a prior year(column (c)). If the period of origin is the current year, a schedule detailing the calculation of the amount of credit must be enclosed with the return. If the period of origin is a prior year, only the amount carried over to and available in the current year is shown in column (e) and no calculation schedule is required.

If, by operation of M.G.L. c. 63, s. 32C or another provision of law, a credit normally identified by period of origin is eligible for indefinite carryover, the credit should be reported as "non-expiring;" the taxpayer is not required to identify the period of origin on the Credit Manager Schedule. (Non-expiring credits were formerly referred to as "unlimited.")Report this information in column (b).

The abbreviation in the enumeration column is used to identify the credit type on the Credit Manager Schedule (in column a Part 1 and Part 2 and column b in Part 3 and Part 4).

Example with taxpayer that did not receive any credits from lower tier entities:

In the example below, the taxpayer is filing a return for the taxable year ending 12/31/2017 and has an Investment Tax Credit from the current year, all of which is being used in the current year. The taxpayer must enclose schedule H with the return, showing the calculation of the current year credit. The taxpayer also has a non-expiring Investment Tax Credit and used only \$500 of the credit in the current year. No Schedule H is required for the non-expiring credit, which is a credit carried forward from a prior year that is not tracked by a certificate number. The taxpayer also has two different Film Credits available and enters them separately with the certificate numbers. All of the 1st credit and part of the 2nd credit are used by the taxpayer. These credits, regardless of the year in which they originate, must be identified by the certificate number.

1a. Credit type	1b. Fill in if non-expiring	1c. Period end date (mm/dd/yyyy)	1d. Certificate number	1e. Credit available or certificate balance	1f. Credit taken this year	1g. Credit shared this year
INVTAX		12/31/2016		\$8,000	\$8,000	
INVTAX	○			\$3,500	\$500	
FLMCRD			0000000000	\$5,000	\$5,000	
FLMCRD			0000000001	\$6,500	\$3,500	
HRBMNT		12/31/2015		\$3,000		
					\$17,000	

The taxpayer also has a Harbor Maintenance tax credit that originated in the 12/31/2015 year. This is shown on the credit although none of the Harbor Maintenance credit is used in the current year. Because the credit relates to a prior year, schedule HM is not required.

The total of the credits taken in column (f) is reported on the taxpayer's return.

Taxpayers participating in a combined report filing form 355U enter the total amount of the taxpayer's own EDIPC, EOAC, Investment Tax Credit, Brownfields Credit and Vanpool Credit taken on U-IC line 2, the total amount of the (Part 38M) Research Credit on U-IC, line 5 and the total amount of any other credits taken on schedule U-IC, line 8. Credits the corporation allows affiliates to use under the sharing rules are reported in column (g) of the Credit Manager. The recipient of the shared credits reports them on schedule U-CS and, in the appropriate category, on their own schedule U-IC. (Per U-IC instruction)

Section 2. Refundable credits

Section 2 reports any refundable credits claimed in the current year that were not received via Massachusetts K1s or via credit transfer.* Certain credits are refundable only if specifically authorized or, in the case of the Film Credit, if the original recipient has not transferred the credit to another. Other conditions may apply depending on the terms applicable to the specific credit. Credits are identified separately. The amount in column (f) is the amount of the refund requested, which may be 100% or 90% of the amount reported in column (e). In the example below, the taxpayer is has refundable film credit (allowed at 90% of the available balance) and a refundable conservation land credit (allowed at 100%). Although not shown in the example, taxpayer reported both credits on Section 1 of the Credit Manager Schedule and used part of the film credit to reduce its excise for the year to 0; the \$10,000 amount shown in column (d) of Section 2 is the balance remaining after deducting the portion used in the current year and shown in column (f) of Section 1.)

2a. Credit type	2b. Period end date (mm/dd/yyyy)	2c. Certificate number	2d. Credit available or certificate balance	2e. Reduction in balance for refund	2f. Refundable credit taken (100% or 90%)
FLMCRD		0000000011	\$10,000	\$10,000	\$9,000
CNSLND		1110000000	\$1,000	\$1,000	\$1,000

The total of the amounts shown in column (f) are shown on the appropriate line of the taxpayer's return.

Section 3. Non-Refundable Credits Received from Massachusetts K-1s or via Credit Transfer

Section 3 is used to report any credit that the taxpayer received from Massachusetts K-1s or from credit transfers. (**Note:** The Brownfields Credit, Film Incentive Credit, and/or Medical Device Credit cannot be reported in Section 3. Taxpayers receive new certificate numbers to be used in Section 1 after applying through the Department of Revenue to request transfers/sales of these credits.) Taxpayers must report on Section 3 the amounts used to reduce the total excise or tax, passed to partners/shareholders/beneficiaries, or shared with affiliates. List all credits available, including those credits which were not used in the current year. **Note:** If you are using a tax credit that does not have an expiration date, fill in the "Non-Expiring" oval and leave the "Period end date" and "Certificate number" fields blank.

Section 4. Refundable Credits Received from Massachusetts K-1s or via Credit Transfer

Section 4 is used to report any refundable credits that the taxpayer received from Massachusetts K-1s or from credit transfers (**Note:** The Film Incentive Credit cannot be reported in this section. Taxpayers receive new certificate numbers to be used in Section 2 after applying through the Department of Revenue to request transfers of these credits). For each such refundable credit, the taxpayer must report the amount of the credit available after taking into consideration any credits which may have been taken or shared in Section 3. The taxpayer must enter the amount by which the available credit balance is being reduced as well as the amount to be treated as a refundable credit (this may be either 90% or 100% of the reduction; see TIR 13-6, example #3, for an illustration of this).

Comprehensive example with taxpayers that receive credits from a lower tier partnership:

In the example below, the taxpayer is a partnership with a Federal ID number of 987654321 filing a return for the taxable year ending 12/31/2016 and has a Conservation Land Tax Credit of \$50,000 awarded in the current year. Partner A, B, and C respectively own 50%, 30%, 20% of the partnership. The partnership should file Part 1 of the Schedule CMS to reflect the claimed credit of \$50,000 and the pass-through of those credits to its partners via Section 1, column g.

Partnership's Section 1

1a. Credit type	1b. Fill in if non-expiring	1c. Period end date (mm/dd/yyyy)	1d. Certificate number	1e. Credit available or certificate balance	1f. Credit taken this year	1g. Credit shared this year
CNSLND			222222222	\$50,000		\$50,000

Partner A is a C-Corporation that applies \$5,000 of the credit against its excise and claims a refund for the remaining portion of the credit. Partner A completes Section 3 to reflect the receipt of the lower tier credits and fills in Section 3, column 3g to reflect the application of the \$5,000 against its excise. Partner A also completes Section 4 to identify the refundable balance of the credit (originating from a lower tier) being available and the amount refunded.

Partner A's Section 3

3a. Federal ID number of credit source	3b. Credit type	3c. Fill in if non-expiring	3d. Period end date (mm/dd/yyyy)	3e. Certificate number	3f. Credit received	3g. Credit taken this year	3h. Credit shared this year
987654321	CNSLND			222222222	\$25,000	\$5,000	

Partner A's Section 4

4a. Federal ID number of credit source	4b. Credit type	4c. Period end date (mm/dd/yyyy)	4d. Certificate number	4e. Credit available or certificate balance	4f. Reduction in balance for refund	4g. Refundable credit taken (100% or 90%)
987654321	CNSLND		222222222	\$20,000	\$20,000	\$20,000

Partner B is an S-Corporation with a Federal ID number of 888888888 that elects to pass-through its distributive share of the Conservation Land Tax Credit to its shareholders. Partner B completes Section 3 to claim the credit it received from the lower tier partnership and also completes Part 3, column 3h to reflect the distribution of those credits to its shareholders. Partner B has three shareholders that each own one-third of the ownership interests in the S-Corporation.

Partner B's Section 3

All three shareholders utilize their distributive share of credits and fill in Section 3 accordingly.

3a. Federal ID number of credit source	3b. Credit type	3c. Fill in if non-expiring	3d. Period end date (mm/dd/yyyy)	3e. Certificate number	3f. Credit received	3g. Credit taken this year	3h. Credit shared this year
987654321	CNSLND			222222222	\$15,000		\$15,000

Shareholder X, Y, Z's Section 3

3a. Federal ID number of credit source	3b. Credit type	3c. Fill in if non-expiring	3d. Period end date (mm/dd/yyyy)	3e. Certificate number	3f. Credit received	3g. Credit taken this year	3h. Credit shared this year
888888888	CNSLND			222222222	\$5,000	\$5,000	

Finally, Partner C is a C-Corporation that is part of a Unitary Group that files in Massachusetts. Partner A and B are not part of this unitary group. Partner C will be applying its distributive share of the Conservation Land Tax Credit against its excise. Partner C also received a distributive share of Low-Income Housing Credit from another lower tier partnership with a Federal ID number of 555555555. Partner C will be allowing affiliates to use this credit under the sharing rules and will report the shared credit in Section 3, column h.

Partner C's Section 3

3a. Federal ID number of credit source	3b. Credit type	3c. Fill in if non-expiring	3d. Period end date (mm/dd/yyyy)	3e. Certificate number	3f. Credit received	3g. Credit taken this year	3h. Credit shared this year
987654321	CNSLND			222222222	\$10,000	\$10,000	
555555555	LOWINC			333333333	\$5,000		\$5,000

Example illustrating the application of Residential Property credits to individual taxpayers:

The Credit Manager Schedule will now also be used by individual taxpayers for certain credits. In the example below, the taxpayer is an individual with a Federal ID number of 333333333 filing a return for the taxable year ending 12/31/2016 and has an available Septic Credit of \$8,000 in the current year. Since this is the first year the taxpayer is claiming the Septic Credit, the individual taxpayer must also enclose a Schedule SC. The individual should file Section 1 of the Schedule CMS to reflect a claimed credit of \$1,500 (Schedule SC, Line 13).

Individual taxpayer's Section 1

1a. Credit type	1b. Fill in if non-expiring	1c. Period end date (mm/dd/yyyy)	1d. Certificate number	1e. Credit available or certificate balance	1f. Credit taken this year	1g. Credit shared this year
SEPTIC		12/31/2016		\$8,000	\$1,500	
					\$1,500	