



COMMONWEALTH OF MASSACHUSETTS

Department of Revenue

Tax Year 2024 Filing Season Update

Geoffrey E. Snyder, Commissioner



Presentation Topics

- **2024 Legislative Changes**
 - **What's new on 2024 Forms & Schedules**
 - **Helpful Hints**
 - **Updates to Popular Credits**
 - **Staying Informed**
 - **DOR Contact Information**
-



2024 Legislative Changes



2024 Legislative Changes and Recent DOR Initiatives

- **Tax Provisions in FY25 Budget**
 - **Tax Provisions in FY24 Supplemental Budget**
 - **Other Legislation in 2024**
 - **Other DOR Guidance in 2024**
 - **MTC Form 1 Upgrades/Direct File for Tax Year 2024**
 - **Language Access Initiative 2024**
-



Tax Provisions in FY25 Budget

Conforming to Code as of January 1, 2024 (effective for tax year 2024)

- Pursuant to the [FY25 Budget](#), the Massachusetts personal income tax generally conforms to the Code as amended on **January 1, 2024**, and in effect for the taxable year for these purposes, effective for taxable years beginning on or after January 1, 2024.
- Examples of Code provisions that now conform includes:
 - The extension of the limitation on excess business losses in IRC § 461(I)
 - The limitation on qualified conservation contributions for purposes of the federal charitable contribution deduction in IRC § 170

Clarification on the Availability of the Title 5 Credit for Mandated Septic System Repairs, Replacements, Upgrades and Sewer Connections

- The FY25 Budget clarifies that eligible repairs, replacements, upgrades, or connections shall include, but not be limited to:
 - Upgrades to best available nitrogen reducing technology pursuant to 310 CMR 15.215(2)(a) or (2)(d)1, or pursuant to the requirements of a watershed permit issued in accordance with 314 CMR 21.00; and
 - Connections to a sewer pursuant to the requirements of a watershed permit issued in accordance with 314 CMR 21.00.
-



Tax Provisions in FY25 Budget

Repeal of Deduction of Interest and Dividends from Massachusetts Banks

Repeal of the Sales Tax Exemption for Certain Publications of Tax-exempt Organizations

Exemption from the Joint Filing Requirement for Certain Married Couples

- For tax years beginning on or after January 1, 2024, a married couple filing a joint federal income tax return for any year must also file a joint income tax return in Massachusetts, pursuant to G.L. c. 62C, § 6(a)(2).
- The FY25 Budget allows an exemption if at least one of the spouses would not otherwise be required to file a Massachusetts return because their Massachusetts gross income did not exceed \$8,000 in the taxable year.
- For more information about joint filing requirements see [830 CMR 62.5A.1](#): Non-Resident Income Tax (PROPOSED REGULATION).

Tax Amnesty Program for FY2025

- The FY25 Budget allows the Commissioner to establish a 60-day tax amnesty program within fiscal year 2025.

For more information see [TIR 24-14: Tax Provisions in the Fiscal Year 2025 Budget](#)



Tax Provisions in FY24 Supplemental Budget

Child and Family Tax Credit for Noncustodial Parents

- Clarifies that a noncustodial parent may claim the child and family tax credit for a child dependent that is age 13 or older and who is physically or mentally incapable of caring for himself or herself, if certain conditions are met.

Estate Tax Change with respect to Real or Personal Property Outside of Massachusetts

- Change the estate tax calculation by excluding property located outside of Massachusetts from the federal gross estate.

For more information see [TIR 24-13: Tax Provisions in the Fiscal Year 2024 Supplemental Budget](#)



Other Legislation in 2024

The Affordable Homes Act, [St. 2024, c 150](#); [TIR 24-16: Tax Credit Provisions in the Affordable Homes Act](#)

- For taxable years beginning on or after January 1, 2025, there is a new **Massachusetts Homeownership Credit** for a qualified homeownership development project as authorized by MA Housing Finance Agency (MHFA).
- For taxable years beginning on or after January 1, 2025, there is a new **Qualified Conversion Project Credit** for a qualified conversion project as authorized by the Executive Office of Housing and Living Communities (EOHLC).
- **Historic Rehabilitation Credit's** annual cap increased from \$55 million to \$110 million and extended to tax years ending on or before December 31, 2030.
- **Community Investment Credit's** annual cap increased from \$12 million to \$15 million, and it was made permanent.

The Veteran's Act, [St. 2024, c. 178](#); [TIR 24-15: Tax Provisions in An Act Honoring, Empowering, and Recognizing Our Servicemembers and Veterans](#)

- Effective August 8, 2024, veterans are exempt from the motor vehicle excise tax where the United States Department of Veterans Affairs determines the veteran to “(i) have a combined service-connected disability rating of 100 per cent; or (ii) be individually unemployable due to their service-connected disability.”
 - Starting with tax year 2024, the **Veterans Hire Credit** is increased from \$2,000 to \$2,500 and employers have 6 months after the qualified veteran begins work to get the required certification from the Dept. of Career Services.
 - Effective for purchases made on or after February 8, 2025, taxpayers who have been issued a motor vehicle license plate “displaying the words ‘Disabled Veteran’ or a Purple Heart distinctive registration plate” are eligible for the sales tax exemption for certain disabled veterans purchasing motor vehicles.
-



Other DOR Guidance in 2024

- **TIR 24-11: Legislation Impacting Residency Rules for Military Servicemembers and their Spouses**
 - For tax years beginning on or after January 1, 2023, a servicemember and military spouse, for any taxable year of the marriage, may elect as their state of residence for tax purposes, regardless of the date of the marriage, any of the following: (a) the residence or domicile of the servicemember; (b) the residence or domicile of the military spouse; or (c) the permanent duty station of the servicemember.
 - **TIR 24-8: Tax Relief for Taxpayers Affected by a Presidentially Declared Disaster**
 - DOR grants automatic extensions to file returns, submit payments of tax (including payments of estimated tax), and file extension forms only for affected income and estate taxpayers
 - The extension does not apply to claims for refund or abatement, amending returns, making elections, the filing of any other tax documents with the Department, or filings with the Appellate Tax Board or tax appeals filed with Massachusetts courts.
 - Taxpayers other than income and estate taxpayers who are unable to file or pay tax timely due to a presidentially declared disaster may apply for a waiver if their failure to timely file and pay results from reasonable cause
-



Other DOR Guidance in 2024 (cont'd)

- **TIR 24-7: Temporary Authorized Training Tax Credit for Emergency Assistance**
 - The Temporary Authorized Training Tax Credit for Emergency Assistance is available to taxpayers that provide training to a qualified trainee through an authorized training program during the capacity limitation on the emergency shelter assistance program.
 - Effective for tax years beginning on or after January 1, 2024, through December 31, 2025 (or when limitation ends, whichever is sooner).
 - **TIR 24-6: Tax Changes in Fiscal Year 2023 Closeout Supplemental Budget**
 - Clarifies the tax treatment of sport wagering income and allows a deduction for sports wagering losses.
 - Additional time for employers to verify the National Guard status for the Hiring Tax Credit (draft 830 CMR 38KK.1).
 - Clarifies that single sales factor is effective for tax years starting on or after January 1, 2025.
-



TIR 24-4: Provisions in the 2023 Tax Relief Legislation

Expanded Credits and Deductions (effective for tax year 2023)

- Earned income tax credit (EITC) increased from 30% to 40% of the federal credit.
- Child and Family Tax credit was \$310/dependent for tax year 2023 and goes up to \$440 starting in tax year 2024; no limit on number of qualifying dependents.
- Child and Family Tax credit replaces the child and dependent care expenses and household dependent credits.
- Senior Circuit Breaker credit maximum increased to \$2,590 for tax year 2023.
- Rental deduction maximum increased from \$3,000 to \$4,000.
- Title V Tax (Septic) credit maximum increased from \$6,000 to \$18,000.
- Commuter deduction expanded to include other expenses; including all MBTA fares, bike purchases and improvements, and additional public commuter boats.
- Lead Paint Abatement Credit maximum increased from \$1,500 to \$3,000 per dwelling unit.

Short-term Capital Gains rate is decreased from 12% to 8.5%.

- Long-term gains rate from the sale or exchange of collectibles (after a 50% deduction) is still 12%.

Estate Tax Changes – effective for decedents who died on or after January 1, 2023

- Estates valued at \$2 million or less no longer have a filing requirement in Massachusetts.
 - Estates valued over \$2 million will be allowed a credit of up to \$99,600.
-



MTC Form 1 Upgrades/Direct File for Tax Year 2024

MTC Form 1

- Available for Massachusetts resident returns starting with tax years 2021.
- Form 1 on [MassTaxConnect](#) is a question-and-answer format for ease of use.
- Free to file the return, but taxpayers must create a logon.
- They must have filed at least one Massachusetts tax return in the past three years.
- They must have been a resident for the entire year.
- Looking to expand this option to nonresidents.

Direct File

- Massachusetts residents that file their federal return through IRS Direct File will be able to file in Massachusetts using MTC.
 - Once the federal return is submitted, they will be able to upload the information from the federal filing to the Massachusetts Form 1.
-



Language Access Initiative 2024

What's new?

- Spanish interactive voice response (IVR) for Where's my Refund
- The personal income tax bureau now offers a live Spanish line, staffed with Spanish speaking customer service representatives
- Ask MA chatbot offers multiple languages

Other non-English resources

- Multiple sample DOR notices are translated into Spanish and posted on mass.gov/dor - when the English notice is sent to taxpayers, it includes a message in Spanish with a QR code that links to this webpage
 - Spanish subtitles of MTC video tutorials
 - Live phone support in multiple languages
 - Web translation resources [guide](#)
-



What's new on 2024 Forms & Schedules



Changes to Form 1 and 1-NR/PY

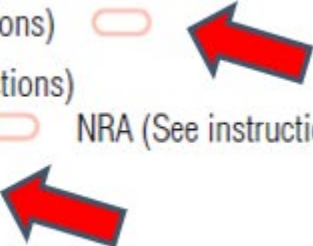
- **Form 1 and 1-NR/PY, line 1, Filing Status:** Two new ovals added to this section.
- As of tax year 2024, a married couple filing a joint federal income tax return for any year must also file a joint income tax return in Massachusetts, pursuant to G.L. c. 62C, § 6 (a)(2). There are limited exceptions where taxpayers use a different filing status on their federal and Massachusetts returns. Where an exception applies, a taxpayer must fill in the ovals below, as applicable.

1 FILING STATUS. Fill in only **one** filing status. Fill in if **not** using same filing status on the federal return (See instructions) ☐

☐ Single ☐ Married filing joint return (both must sign return) ☐ Head of household (see instructions)

☐ Married filing separate return (enter spouse's name and Social Security number in the appropriate areas above) ☐ NRA (See instructions)

Fill in if joint filing exemption for spouses with Massachusetts gross income under \$8,000 (See instructions) ☐



- To make room for this change, the check box for custodial parent who has released claim to exemption for child(ren) has been moved to the section above line 1.

Fill in if you are a custodial parent who has released claim to exemption for child(ren). ☐

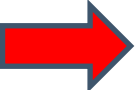


Changes to Form 1 and 1-NR/PY (cont'd)

- Form 1, line 5, Massachusetts bank interest (1-NR/PY, line 7):** the boxes to enter a deduction have been removed due to the repeal of the deduction of interest and dividends from Massachusetts banks

Massachusetts bank interest Exemption amount. If married filing jointly, enter \$200; otherwise enter \$100.

5 a. 0 0 b. 0 0 a - b (not less than 0) = 5 0 0

 5 Massachusetts bank interest 5 0 0

- Form 1-NR/PY, line 14b, Interest Income:** Reserved for future, also due to repeal of the deduction of interest and dividends from Massachusetts banks

b. Reserved for future use 14b 0 0 0 0 0



Helpful Hints



Helpful hints

Schedule DI: Dependent information

- Taxpayers must complete and submit a [Schedule DI: Dependent Information](#) with their return if they:
 - Claim a dependent exemption(s) on Form 1, line 2b or Form 1-NR/PY, line 4b or
 - Take the earned income credit or Child and Family Tax Credit on Form 1, lines 43 or 46, respectively or Form 1-NR/PY, lines 47 or 50, respectively.

Massachusetts Alternative Taxpayer Identification number (MATIN)

- Starting with tax year 2023, a Massachusetts taxpayer can claim the Child and Family Tax Credit for one or more qualifying individuals that do not have a Social Security number (SSN) or an Individual Taxpayer Identification number (ITIN)
- The taxpayer must file a return using a Massachusetts Alternative Taxpayer Identification number (MATIN) for the qualifying individual.
- Note that the taxpayer must still have an SSN or ITIN.
- Instructions for Requesting a MATIN are on our [website](#).

Massachusetts 1099-K reporting [requirements](#) reminder

- Third party settlement organizations (“TPSOs”) must report the gross amount paid in settlement to a payee with a Massachusetts address using a Form 1099-K when the gross amount paid in a calendar year is **\$600** or greater and is subject to taxation under G.L. c. 62, regardless of the number of transactions between the TPSO and the payee.
-



Helpful hints - Request for Information letter

What is a Request for Information letter?

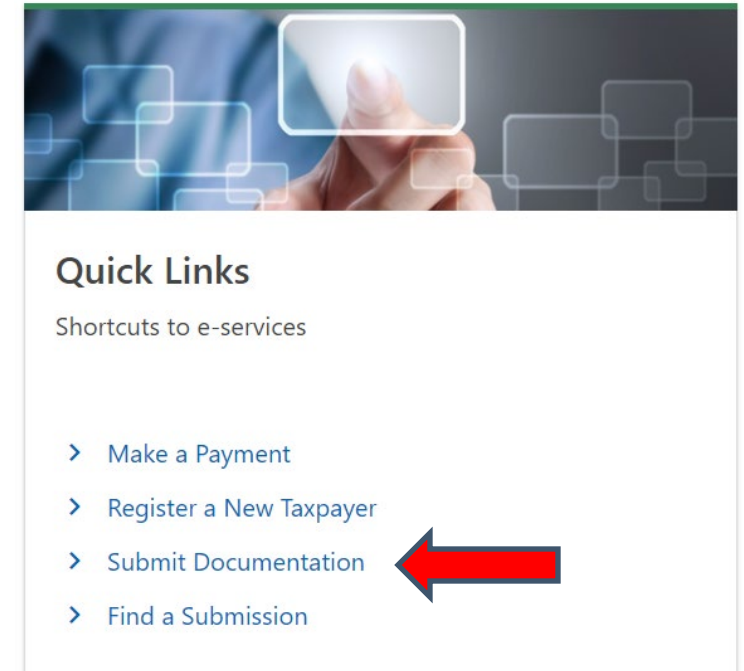
- A [Request for Information](#) letter is how DOR asks for more information and may relate to one of the following:
 - Massachusetts withholding credit
 - Earned Income Tax Credit
 - Circuit Breaker Credit

Why do taxpayers receive a Request for Information letter?

- A Request for Information letter may be issued for various reasons, but it is often used to protect both the taxpayers and the Commonwealth from identity theft and fraud.
- DOR uses a complex selection process before issuing such letters.

How should a taxpayer respond to a Request for Information letter?

- For the fastest, most secure method of responding, documentation can be submitted electronically on MassTaxConnect using the letter ID.
- Please be sure to submit all documentation requested with the letter to avoid delays in processing your tax return.





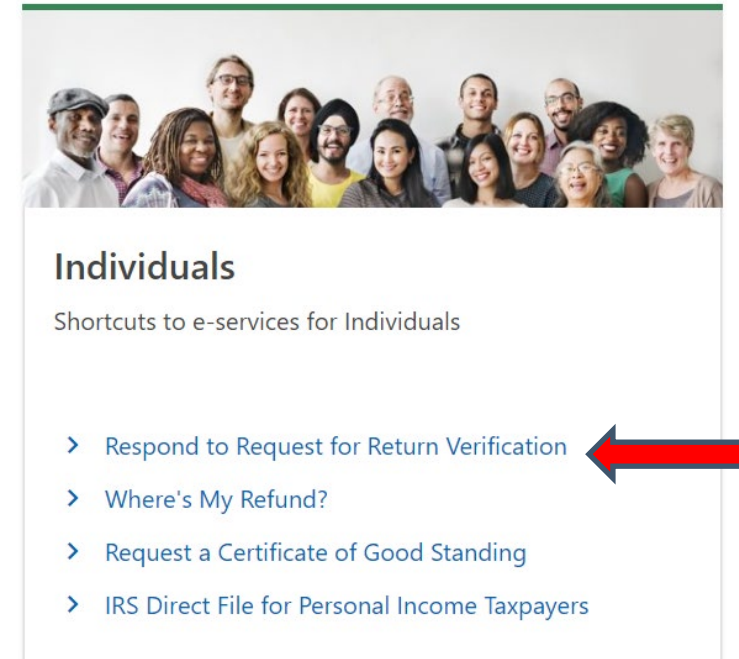
Helpful hints - Request for Verification letter

What is a Request for Verification letter?

- A [Request for Verification](#) letter is how DOR asks for more information to verify that a return was actually filed by the taxpayer, and not by someone impersonating the taxpayer.

How should a taxpayer respond to a Request for Verification letter?

- For the fastest, most secure method of responding, verification can be submitted electronically on MassTaxConnect using the letter ID.
- Please be sure to submit all information requested with the letter to avoid delays in processing your tax return.





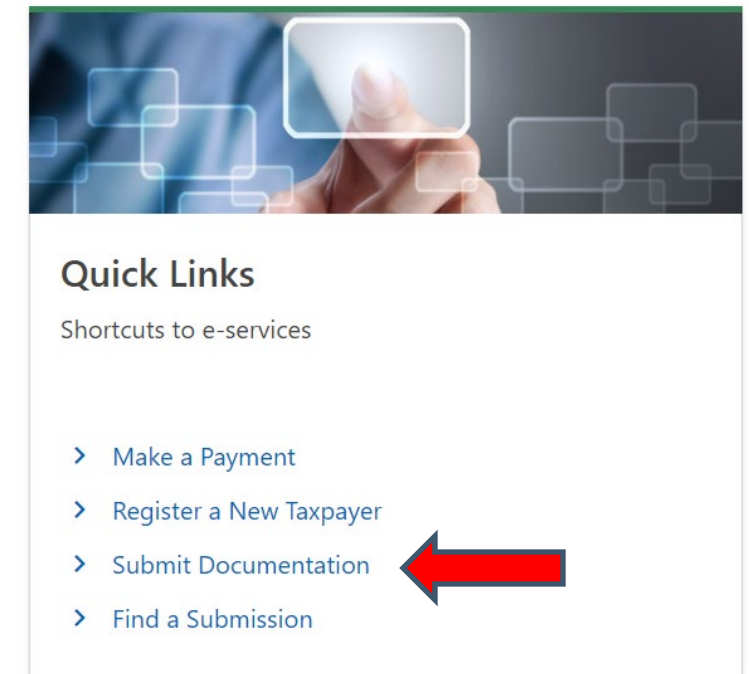
Helpful hints - Request for Information letter and ID letter

What is a Request for Information letter?

- A Request for Information and ID letter verifies credits on the return in addition to the taxpayer's identity.
- Like the Request for Information letter, you may be asked to verify the following credits as well as verifying your identity:
 - Massachusetts withholding credit
 - Earned Income Tax Credit
 - Circuit Breaker Credit

How should a taxpayer respond to a Request for Information letter?

- For the fastest, most secure method of responding, documentation can be submitted electronically on MassTaxConnect using the letter ID.
- Please be sure to submit all documentation requested with the letter to avoid delays in processing your tax return.





Updates to Popular Credits



Massachusetts Earned Income Tax Credit (EITC)

- The Earned Income Tax Credit is a federal and Massachusetts refundable credit for people with low or moderate earned income.
- You do not have to have a tax due to claim the credit.
- The credit will reduce your tax bill and may result in a refund.
- Massachusetts grants 40% of the federal credit for those who qualify.
- The credit can be claimed on Form 1, line 43 (or for part-year residents on Form 1-NR/PY, line 47)
- Note: Nonresident taxpayer are not eligible.
- Taxpayers claiming the EITC who file Married Filing Separately must qualify for the Massachusetts exception for victims of domestic abuse.
- For more information go to mass.gov/dor/eitc.

Maximum AGI limit for tax year 2024 from irs.gov



| Children or relatives claimed | Filing as single, head of household, or widowed | Filing as married filing jointly |
|-------------------------------|---|----------------------------------|
| Zero | \$18,591 | \$25,511 |
| One | \$49,084 | \$56,004 |
| Two | \$55,768 | \$62,688 |
| Three | \$59,899 | \$66,819 |



Senior Circuit Breaker Credit for tax year 2024

- This is a refundable credit for real estate taxes paid by persons ages 65 and older. For joint returns, only one spouse must be 65 or older.
- You may be able to include 50% of actual water and sewer charges.
- You may be eligible if you own or rent a home in Massachusetts. But you cannot receive a federal and/or state rent subsidy or rent from a tax-exempt entity.
- There are special rules if your principal residence is held in trust, you live in an assisted living facility, a multi-unit dwelling, a land area bigger than 1 acre, or a multi-purpose building or land area.
- Maximum credit \$2,730 but cannot exceed amount of real estate taxes actually paid.
- Maximum assessed value of home \$1,172,000.
- Note: Nonresident taxpayer and/or those filing Married Filing Separately are not eligible.
- See [TIR 24-10](#) and [mass.gov](https://www.mass.gov) for more information.

You do not have to have a tax due to claim the credit, but your income cannot exceed:

- \$72,000 for Single Filers
- \$91,000 for Head of Household
- \$109,000 for Joint returns

Calculation of total income for the senior circuit breaker credit is:

- Massachusetts adjusted gross income **PLUS**
- All other income excluded from Massachusetts gross income **MINUS**
- The personal income dependent, over age 65, and blindness exemptions.

Child and Family Tax credit

- Massachusetts has a [Child and Family Tax credit](#), which is a refundable tax credit for people with dependent children under age 13, dependents age 65 or over, dependents or a spouse who are physically or mentally incapable of taking care of themselves and principally living with the taxpayer.
- For tax year 2024, the credit is \$440 for each qualifying dependent.
- There is no limit on the number of qualifying dependents.
- You do not have to have a tax due to claim the credit.
- Taxpayers with a qualifying dependent that does not have an SSN or ITIN, may apply for a MATIN to claim the credit.
- Noncustodial parents may qualify for a child dependent that is age 13 or older and who is physically or mentally incapable of caring for himself or herself, if certain conditions are met.





How to Stay Informed & Contact DOR



Staying informed

What's Trending page has information on current issues

Hot Topics – Go to mass.gov/dor and search for Hot Topics at DOR

Tax Guides – Go to mass.gov/dor and search for Tax Guides

DOR Approved Software Developers – We post a list of approved vendors on mass.gov/dor.

E-mail for tax professionals

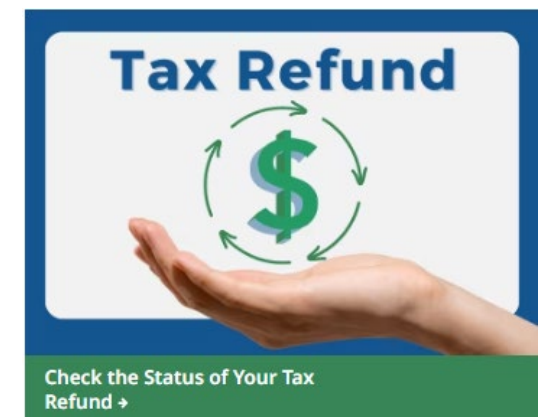
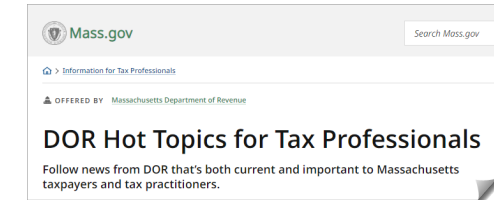
- prohelp@dor.state.ma.us
- Ask a general question and let us know about problems that involve multiple clients
- Continue to use MassTaxConnect secure messages for inquiries about specific taxpayer accounts

Sign up to receive email updates and DOR news

- All DOR legal guidance, DOR News, and other special updates

Use MassTaxConnect to check the status of your refund

- You do not need a MassTaxConnect account





DOR contact information

MassTaxConnect - mass.gov/masstaxconnect

- Use MassTaxConnect to send e-messages, submit documentation, make payments, and more.
- Using MassTaxConnect saves time and can tie your activity to a specific account.

Tax Contact Center

- 617-887-6367

Collections Bureau Hotline/Hardship Unit

- 617-887-6400

Problem Resolution Office - prohelp@dor.state.ma.us

- 617-626-3833

Taxpayer Advocate - taxadvocate@dor.state.ma.us

- 617-626-2280

Disclaimer: All rights reserved. This presentation is provided as a public service and is intended for training purposes only. While every attempt has been made to ensure that the content of this training is accurate, please refer to the Massachusetts Department of Revenue website for the latest and most accurate information regarding 2024 tax filing season updates. This presentation is not a public written statement within the meaning of 830 CMR 62C.3.1.
