

# MA Massachusetts

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## e-File Information

**Contact:** e-File Coordinator

Call . . . . . 617-887-5174

**e-File publication.** Publication M-1345, *Handbook for Electronic Filers of Massachusetts Individual Income Tax Returns*.

**Application.** Acceptance in the Massachusetts e-file program is automatic with acceptance in the federal e-file program.

**Signature document.** ERO must retain Form M-8453.

**e-File program.** The Massachusetts e-file program:

- Is an independent program.
- Allows electronic filing of part-year and nonresident returns.

**e-File mandate.** Income tax return preparers who completed 100 or more original Massachusetts Forms 1 and 1-NR/PY, including those e-filed, during the previous calendar year are required to use electronic means to file all personal income tax returns, unless the taxpayer specifically directs that the filing be on paper and signs Form EFO, *Personal Income Tax Declaration of Paper Filing*. Form EFO must be retained by the practitioner and made available for review upon the Department of Revenue's request.

**Exclusions from electronic filing.** Massachusetts does not accept:

- Returns containing more than 80 statements.
- Returns for any tax period other than January 1, 2015 to December 31, 2015.
- Married filing separate returns where one spouse claims over \$1,500 in the rental deduction.

**Payment for balance due returns.** See *Payment Options*, page MA-17.

## ■ New for 2015 ■

**Tax rate.** Effective for tax year 2015, the tax rate on most classes of taxable income is 5.15%. See *5.15% Income*, page MA-4.

**Health insurance requirement.** Massachusetts residents who do not obtain qualified health coverage may be subject to penalties from both the state of Massachusetts and the federal government. See *Health care penalty*, page MA-12.

**Circuit breaker tax credit increased.** The maximum credit allowed has increased to \$1,070 for 2015. See *Senior Circuit Breaker credit*, page MA-13.

**Farm and fisheries tax credit.** Effective for tax years beginning on or after January 1, 2015, a credit is allowed for certain taxpayers who are primarily engaged in agriculture, farming, or commercial fishing. See *Farming and fisheries personal income tax credit*, page MA-11.

**New gambling loss deduction.** Effective for tax years beginning on or after January 1, 2015, a deduction is allowed for certain gambling losses. See *New gambling loss deduction*, page MA-8.

## General Information

[www.mass.gov/dor](http://www.mass.gov/dor)

**Request tax assistance or forms and instructions:**

Call . . . . . 617-887-6367      Inside Massachusetts . . . 800-392-6089

## Where's My Refund?

Online . . . . . [www.mass.gov/dor/individuals/filing-and-payment-information](http://www.mass.gov/dor/individuals/filing-and-payment-information)  
Call . . . . . 617-887-6367 or Inside Massachusetts 800-392-6089

## Legal Information

[www.malegislature.gov/Laws/GeneralLaws](http://www.malegislature.gov/Laws/GeneralLaws)

**Massachusetts General Laws.** Title IX, *Taxation*, and Chapter 62, *Taxation of Incomes*.

**Conformity to IRC.** Massachusetts conforms to the Internal Revenue Code (IRC) as of January 1, 2005. Generally, Massachusetts will not adopt any federal tax law changes incorporated into the IRC after that date. However, certain specific provisions of the personal income tax automatically adopt the current Code. Provisions of the Code adopted on a current Code basis are (i) Roth IRAs, (ii) IRAs, (iii) the exclusion for gain on the sale of a principal residence, (iv) trade or business expenses, (v) travel expenses, (vi) meals and entertainment expenses, (vii) the maximum deferral amount of government employees' deferred compensation plans, (viii) the deduction for health insurance costs of self-employed, (ix) medical and dental expenses, (x) annuities, (xi) health savings accounts, and (xii) employer-provided health insurance coverage and amounts received by an employee under a health and accident plan. See TIRs 98-8, 02-11, 07-4, and 09-21 for further details on the Massachusetts personal income tax current Code provisions.

## 2015 Filing Requirements

**Residents and part-year residents.** Individuals are required to file if gross income is more than \$8,000.

**Nonresidents.** Individuals are required to file if Massachusetts-source income exceeds the individual's apportioned personal exemption. Nonresidents must multiply the personal exemption amount (\$4,400 Single or MFS, \$6,800 HOH, or \$8,800 MFJ) by a ratio of Massachusetts income to total income.

**Gross income.** Massachusetts gross income includes:

- Wages, salaries, tips, bonuses, and other compensation,
- Taxable pensions and annuities,
- Pension income from another state or political subdivision before any deduction,
- Taxable IRA/Keogh and Roth IRA distributions,
- Alimony,
- Income from a business, trade, profession, partnership, S corporation, trust, or estate,
- Rental, royalty, and REMIC income,
- Unemployment compensation,
- Taxable interest and dividends,
- Gambling winnings,
- Capital gains,
- Forgiveness of debt,
- Mortgage forgiveness,
- Taxable portion of scholarships and fellowships,
- Other income not specifically exempt,
- Interest from obligations of states and their political subdivisions other than Massachusetts and its political subdivisions, and
- Income earned by a resident from foreign employment.

## Residency Rules

**Resident.** A taxpayer is a full-year resident for tax purposes if domiciled in Massachusetts, or if a permanent place of abode is maintained in Massachusetts and, during the year, the taxpayer spent more than 183 days, in the aggregate, in the state.

**Nonresident.** A nonresident is a taxpayer who is not a resident but earned Massachusetts-source income, such as from a job in Massachusetts.

**Part-year resident.** A part-year resident is a taxpayer who moved into or moved out of Massachusetts during the year. Certain income, deductions, and exemptions must be reduced based on the number of days the taxpayer was a resident or on the amount of income that is subject to Massachusetts tax.

**Both nonresident and part-year resident.** A taxpayer must file as both a nonresident and a part-year resident if the taxpayer was a Massachusetts resident for part of 2015 and also earned Massachusetts-source income during the period the taxpayer was not a resident. If a taxpayer is both a nonresident and a part-year resident, file one Form 1-NR/PY as both a nonresident and as a part-year resident. Complete Schedule R/NR, *Resident/Nonresident Worksheet*, to calculate the portion of income earned while a part-year resident and the portion of income earned while a nonresident.

**Married taxpayers.** A joint Form-1 is not allowed if both spouses were not Massachusetts residents for the same portion of 2015.

## Military Personnel

If a Massachusetts resident enlists in the service and has not established a new domicile, and if gross income is more than \$8,000, the taxpayer is required to file as a Massachusetts resident. This applies even if stationed outside of Massachusetts. Nonresident military personnel stationed in Massachusetts are

subject to Massachusetts tax as a nonresident if they earn income other than from military sources.

**Military spouses.** Under the Military Spouses Residency Relief Act, a military spouse's state of residence does not change when moving to a new state to be with a service member stationed there if the residence or domicile is the same for the servicemember and spouse.

## Massachusetts Income Tax Forms

**Form 1,** *Massachusetts Resident Income Tax Return.*

**Schedule B,** *Interest, Dividends and Certain Capital Gains and Losses.*

**Schedule C,** *Massachusetts Profit or Loss From Business.*

**Schedule CB,** *Circuit Breaker Credit.*

**Schedule D,** *Long-Term Capital Gains and Losses Excluding Collectibles.*

**Schedule E Reconciliation,** *Total Supplemental Income and (Loss).* Includes: Schedule E-1, *Rental Real Estate and Royalty Income and (Loss)*, Schedule E-2, *Partnership and S Corporation Income and (Loss)*, and Schedule E-3, *Estate, Trust, REMIC and Farm Income and (Loss)*.

**Schedule HC,** *Health Care Information.*

**Schedule X,** *Other Income.*

**Schedule Y,** *Other Deductions.*

**Schedule Z,** *Other Credits.*

**Schedule RF,** *Other Refundable Credits.*

**Schedule H-2,** *Credit Recapture.*

**Form PV,** *Massachusetts Income Tax Payment Voucher.*

**Schedule DI,** *Dependent Information.*

**Form 1-NR/PY,** *Massachusetts Nonresident/Part-Year Resident Tax Return.*

**Schedule NTS-L-NR/PY,** *No Tax Status and Limited Income Credit.*

**Schedule R/NR,** *Resident/Nonresident Worksheet.*

## Return Due Date

2015 Massachusetts returns are due April 19, 2016.

## Filing Status

Massachusetts filing status is not required to be the same as the federal filing status. If more than one status applies to a taxpayer, select the most beneficial status.

**Single.** File as Single if the taxpayer was single as of December 31, 2015. This status applies if at the close of the taxable year, the taxpayer fit one of the following categories.

- Taxpayer was unmarried.
- Taxpayer was a widow or widower whose spouse died before 2015.
- Taxpayer was legally separated under a final judgment of the probate court.

A taxpayer is not single if:

- The taxpayer has obtained a judgment of divorce which has not yet become final.
- The taxpayer has a temporary support order.
- The taxpayer and spouse simply choose to live apart.

**Married Filing Jointly.** Taxpayers can file joint if legally married as of December 31, 2015. However, a joint return is not allowed if both spouses were not Massachusetts residents for the same portion of 2015. See *Residency Rules*, previous column.

**Same-sex married couples.** Legally married same-sex couples take applicable Massachusetts figures directly from their federal forms and complete their returns the same as other married couples.

**Head of Household.** This status is for unmarried people who paid over half the cost of keeping up a home for a qualifying person, such as a child who lived with the taxpayer or a dependent parent. Certain married people who lived apart from their spouse for the last six months of 2015 may also be able to use this status.

**Noncustodial parent.** A noncustodial parent is defined as a person who has a minor child, but does not live with the child. If a taxpayer is the biological parent of a child, but the taxpayer's parental rights have been terminated, the taxpayer is not the noncustodial parent of that child.

**Married Filing Separate.** Taxpayers can file separate returns if legally married as of December 31, 2015. The following exemptions, deductions, and credits are not allowed when married taxpayers file separate returns.

- A deduction of \$3,600 (\$7,200 for two or more dependents) for a dependent member of household under age 12, or dependent age 65 or over as of December 31, 2015 (not taxpayer or spouse) or a disabled dependent.
- No Tax Status if joint Massachusetts AGI was \$16,400 or less plus \$1,000 for each dependent.
- Limited income credit if joint Massachusetts AGI is between \$16,400 and \$28,700 plus \$1,750 for each dependent.
- Excess unused exemptions against interest income (other than interest from Massachusetts banks), dividends or capital gain income.
- A senior circuit breaker tax credit which allows senior citizens meeting certain eligibility criteria to claim a refundable credit on their state income taxes for the real estate taxes paid on the Massachusetts residential property they own or rent, and which they occupy as their principal residence.

U.S. tax purposes, a dependent exemption is not allowed for a person who would otherwise be a dependent but who files his or her own income tax return and claims a personal exemption. For Massachusetts tax purposes, a taxpayer can claim a dependent exemption for such a person.

**Age and blindness exemptions:**

Age 65 or over .....	\$700 each for taxpayer and/or spouse
Blindness.....	\$2,200 each for taxpayer and/or spouse

**Medical/dental expenses and adoption agency fee.** A taxpayer may claim an exemption for medical and dental expenses paid during 2015 only if these expenses are itemized on the federal Form 1040, Schedule A. If married filing a joint Form 1040, a joint Massachusetts Form 1 must be filed to claim this exemption. Enter in line 2e, item 1, the amount reported on the federal Form 1040, Schedule A, line 4.

If a taxpayer paid adoption fees to a licensed adoption agency during 2015, the taxpayer is eligible for an exemption of the total amount of the fees paid during the year. Fees paid during 2015 to an agency licensed to place children for adoption on account of the adoption process of a minor child regardless of whether an adoption actually took place during 2015 should also be included for this exemption.

**2015 Code Provision Differences**

With the exception of certain provisions which automatically adopt the current version of the Internal Revenue Code, Massachusetts generally will not adopt any federal tax law changes incorporated into the Code after January 1, 2005. See *Conformity to IRC*, page MA-1. Following is a list of Massachusetts treatments of current year IRC issues.

**Earned income credit.** The Massachusetts earned income credit equals 15% of the federal earned income credit. See *Earned income credit*, page MA-13.

**Parking, combined commuter highway vehicle transportation and T-Pass fringe benefit.** For tax year 2015, the IRS has calculated, based on inflation adjustments contained in the January 1, 2005 Code, the 2015 exclusion amounts for employer-provided parking and combined transit pass and commuter highway vehicle transportation benefits as \$250 and \$130 per month respectively. Massachusetts adopts these 2015 tax year monthly exclusion amounts because they are based on the January 1, 2005 Code. See TIR 14-2.

**Note:** Federal extender legislation raised the exclusion for commuter benefits to \$250 for 2015. See [www.mass.gov/dor](http://www.mass.gov/dor) for updates.

**Section 179 expensing.** As a trade or business deduction, Section 179 is adopted by Massachusetts on a current Code basis. Absent further federal legislation, the maximum deduction is \$25,000 for property placed in service in tax years beginning after 2013 and the overall investment threshold is \$200,000. *Note:* Federal extender legislation raised the Section 179 expense limit to \$500,000 and the investment phaseout amount to \$2,000,000 for 2015. See [www.mass.gov/dor](http://www.mass.gov/dor) for updates.

**Federal tax provisions that Congress may extend or change.** Guidance on changes to the Code that affect the provisions of Massachusetts income tax for 2015 will be provided at [www.mass.gov/dor](http://www.mass.gov/dor).

**Cancellation of indebtedness on principal residence.** Massachusetts does not adopt the federal exclusion of cancellation of indebtedness on a principal residence or the extension. These provisions were enacted after January 1, 2005.

**Resident Return Summary—Form 1**

**Form 1 Overview**

Massachusetts does not use the federal return as a starting point. Massachusetts gross income is divided into three categories.

**5.15% income.** Includes Massachusetts gross income not included in Schedule B (12% income) or Schedule D (long-term capital gain income).

**12% income.** Includes total interest, dividends, and certain capital gains.

**Long-term capital gain income.** Includes long-term capital gains and losses excluding collectibles.

After determining Massachusetts gross income for each category, income is further modified to determine adjusted gross income for each category. Finally, taxable income is calculated for each category and used to determine total tax.

**Exemptions**

**Personal exemptions:**

Single or MFS.....	\$4,400
HOH .....	\$6,800
MFJ .....	\$8,800

**Dependents.** A \$1,000 exemption is allowed for each dependent claimed on the federal return. Also fill out Schedule DI.

**Exceptions:** In a few cases, the number of dependents claimed for Massachusetts purposes and for U.S. purposes may differ. For

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**Bonus depreciation.** The federal bonus depreciation rate is generally 50%. Under 2002 legislation, Massachusetts decoupled from bonus depreciation allowed under IRC section 168(k), as amended and in effect for the current year. Therefore, Massachusetts does not adopt this additional depreciation deduction. See TIRs 02-11 and 03-25.

**Domestic production activity deduction.** Under 2004 legislation, Massachusetts decoupled from the production activity deduction allowed under IRC section 199, as amended and in effect for the current year. Therefore, Massachusetts does not adopt the federal domestic production activities deduction. See TIR 05-5.

**Safe-harbor method home office deduction.** In general, Massachusetts adopts the current federal rules for the optional safe harbor method home office deduction. A taxpayer who elects to use the safe harbor method of claiming the home office deduction on federal Schedule C may deduct the same amount on Massachusetts Schedule C.

However, for purposes of Massachusetts personal income tax, the taxpayer is not allowed to deduct any portion of mortgage interest and real estate taxes for a residence. Massachusetts does not allow the deduction of mortgage interest and real estate taxes for the non-business use of a home.

### Massachusetts Gross Income

Massachusetts gross income is similar to federal gross income, with the following exceptions.

- Massachusetts gross income includes the following:
  - Interest from obligations of states and local governments other than Massachusetts state and local governments.
  - Income earned by a resident from foreign employment. The federal foreign earned income exclusion does not apply.
- Massachusetts gross income does not include:
  - Interest from U.S. government obligations.
  - Social Security benefits.
  - Pension income received from a contributory annuity, pension, endowment or retirement fund of the U.S. Government or the Commonwealth of Massachusetts and its political subdivisions.

### 5.15% Income

**Wages, salaries, tips, and other employee compensation.** This amount is the same as the federal, with the following exceptions.

- **Massachusetts legal residents working in a foreign country.** Income earned by a Massachusetts resident in a foreign country is subject to tax in Massachusetts.
- **State or local employees contributing to pension plans.** Use the state wage amount from box 16, Form W-2, which is higher than the federal amount because pension contributions are excluded from income for federal tax purposes. However, contributions up to \$2,000 per taxpayer may still be deducted on line 11, Form 1.

**Pensions and annuities.** Income from most private pensions or annuity plans is taxable in Massachusetts. Certain government pensions are exempt under Massachusetts law. If a pension is exempt, enter “0” on line 4, Form 1, and note the source on the dotted line to the left.

In some cases, Massachusetts law requires an adjustment to the federal taxable amount. Distributions from annuity, stock bonus, pension, profit-sharing, or deferred payment plans or contracts described in IRC section 403(b) and IRC section 404 must be adjusted to account for contributions that have been previously taxed. Subtract the amount of the taxpayer’s contributions which were previously taxed until the total after tax contributions are recovered. If a pension falls into this category, enter the adjusted

amount on line 4. If a taxpayer is receiving distributions from an IRA or Keogh plan, do not report the income here. See *Other income from Schedule X*, page MA-5, for information on reporting these distributions.

The following pensions are exempt from Massachusetts tax:

- Social Security benefits.
- Pension income received from a contributory annuity, pension, endowment, or retirement fund of the U.S. government or the Commonwealth of Massachusetts and its political subdivisions.
- Pensions from other states or its political subdivisions which do not tax such income from Massachusetts or its political subdivisions may be eligible to be deducted from Massachusetts taxable income. This pension income, however, should be reported in line 4. To determine eligibility for a deduction, see *Deductible amount of qualified contributory pension income from another state or political subdivision included on line 4, Form 1*, page MA-7.
- Noncontributory military pension income or survivorship benefits.
- Massachusetts state court judges who were appointed on or after January 2, 1975, are participants in the Massachusetts contributory retirement system, and their pensions are nontaxable. State court judges who were appointed prior to January 2, 1975, receive taxable noncontributory pensions.

If a taxpayer retired under Chapter 32, sections 56–60 of Massachusetts General Laws, and is a veteran who began Massachusetts state service prior to July 1, 1939, all or part of the taxpayer’s pension income may be subject to tax. If the taxpayer elected to receive proceeds from contributions in one lump-sum distribution, the original contributions to the retirement system are not taxable. Noncontributory pension income received after a lump-sum distribution is fully taxable and should be reported on line 4.

**Lump-sum distributions.** Lump-sum distributions of qualified employee benefit plans in excess of the employee’s contributions which were previously subject to Massachusetts tax (or not previously excluded from Massachusetts tax) must be reported on line 4. Generally, qualified rollovers are not taxable in Massachusetts to the extent they are not taxable on the federal return. Lump-sum distributions related to IRA/Keogh and Roth IRA distributions should be reported on line 9.

**Rollover from a traditional IRA to a Roth IRA.** Taxpayers are allowed to make partial or complete rollovers from existing IRAs to Roth IRAs. Any taxable portion of these rollovers included in federal gross income is also included in Massachusetts gross income, except for amounts previously subject to Massachusetts personal income tax.

**Interest from Massachusetts banks.** Enter in line 5a, Form 1, the total amount of interest received or credited to deposit accounts (term and time deposits, including certificates of deposit, savings accounts, savings shares, and NOW accounts) in Massachusetts banks. Then, enter the exemption amount in line 5b (if Married Filing Jointly, enter \$200; otherwise, enter \$100). Subtract line 5b from 5a and enter the result in line 5, but not less than “0.”

Do not subtract interest forfeited or penalties charged for early savings withdrawal. These amounts are deducted on Schedule Y, line 2. All other interest, unless exempt, should be entered on Massachusetts Schedule B. Interest on an IRA/Keogh is not taxable until distributed.

**Business/profession or farm income or loss.** Use Schedule C, *Massachusetts Profit or Loss from Business*, to enter business/profession or farm income or loss. Enclose Massachusetts Schedule C with the Massachusetts return. Federal schedule C, *Profit or Loss from Business*, is not allowed as a substitute for Massachusetts Schedule C.

Taxpayers operating a farm as an individual or cooperative enter the amount of income or loss from operating a farm from federal Schedule F, *Profit or Loss from Farming*, line 34. Enclose a copy of federal Schedule F with the Massachusetts return. Complete a pro-forma federal Schedule F to report Massachusetts differences, such as bonus depreciation that Massachusetts does not allow.

**Rental, royalty, REMIC, partnership, S corporation, trust income or loss.** Use Massachusetts Schedule E.

**Schedule E, Reconciliation Total Supplemental Income and (Loss).** Schedule E is a summary sheet only. Separate the following schedules and complete for each type of income reported on each schedule.

- Schedule E-1, *Rental Real Estate and Royalty Income and (Loss)*.
- Schedule E-2, *Partnership and S Corporation Income and (Loss)*.
- Schedule E-3, *Estate, Trust, REMIC and Farm Income*.

Differences in amounts reported for federal versus state tax purposes include:

- Certain trust provisions.
- Deductible royalties from U.S. energy conservation patents.
- Passive losses reported on the 1987 federal and Massachusetts returns.
- The 10% deduction for the cost of renovating certain buildings located in an Economic Opportunity Area.
- Differences reported from partnerships and S corporations.
- Estate or non-grantor-type trust income differences.
- Interest and dividends other than from Massachusetts banks must be reported on Massachusetts Schedule B. Interest from Massachusetts banks must be reported on line 5a, Form 1.

**Unemployment compensation.** Include all unemployment compensation received.

**Massachusetts state lottery winnings.** Report all winnings from the Massachusetts state lottery. Do not enter less than "0." Taxpayers may only deduct the price of a winning ticket. Lottery losses claimed as itemized deductions on the federal Form 1040, Schedule A, are not allowed on the Massachusetts return.

**Other income from Schedule X.** The following income must be reported on Schedule X.

- Alimony received. Same amount as reported on the federal return.
- Taxable IRA/Keogh, qualified charitable IRA distributions, and Roth IRA conversion distributions. Complete the following *Schedule X, Line 2 Worksheet*, to calculate the taxable portion of any amount received from an IRA, Keogh, qualified charitable IRA distribution, or Roth IRA conversion distribution.
- Other gambling winnings. Includes all gambling winnings from casinos, raffles, races, beano, or other events of chance, wherever held, and winnings from non-Massachusetts lotteries. Do not enter less than "0." Taxpayers may only deduct the price of the winning ticket. Gambling losses and those claimed on federal Form 1040, Schedule A are not deductible.
- Fee income, such as payments for jury duty, election worker payments, director's fees, compensation received as executor or administrator of an estate, and commission income or tips not reported on line 3, Form 1.
- Prizes and awards.
- Forgiveness of debt and mortgage forgiveness.
- Other income reported on line 21, federal Form 1040.
- Pre-1996 installment sales.
- Embezzled and illegal activity income.

Do not report any NOLs reported as a negative on line 21, federal Form 1040. Do not report any refunds of federal or Massachusetts income taxes.

**Schedule X, Line 2 Worksheet—Taxable IRA/Keogh Plan, Qualified Charitable IRA Distributions, and Roth IRA Conversion Distributions**

- 1) Total IRA/Keogh plan distributions, qualified charitable IRA distributions, and Roth IRA conversion distributions in 2015 ..... 1) \_\_\_\_\_
- 2) Total IRA/Keogh plan contributions previously taxed by Massachusetts..... 2) \_\_\_\_\_
- 3) Total distributions received in previous years ..... 3) \_\_\_\_\_
- 4) Subtract line 3 from line 2. If line 3 is *larger* than line 2, enter "0" ..... 4) \_\_\_\_\_
- 5) Subtract line 4 from line 1 and enter result here. Not less than "0" ..... 5) \_\_\_\_\_
- 6) Total qualified charitable IRA distributions in 2015 included in line 1 ..... 6) \_\_\_\_\_
- 7) Taxable IRA/Keogh distributions or Roth IRA conversion distributions. Subtract line 6 from line 5. Enter the result here and in Schedule X, line 2. Not less than "0" ..... 7) \_\_\_\_\_

**Note:** Taxpayers must complete separate worksheets if married filing a joint return and both the taxpayer and spouse received IRA/Keogh plans and/or Roth IRA conversion distributions.

**5.15% Deductions**

Massachusetts allowable deductions differ from federal itemized deductions. Only the deductions specified on Massachusetts Form 1, lines 11 through 14, and Schedule Y are allowed.

**Amount paid to Social Security (FICA), Medicare, Railroad, U.S. or Massachusetts Retirement Systems.** If a taxpayer has paid into any of the retirement systems listed above during 2015, those contributions are deductible up to a maximum of \$2,000.

Enter in lines 11a and 11b the amount paid to Social Security (FICA), Medicare, or railroad retirement and the United States or Massachusetts retirement systems during 2015 as shown on the Form W-2, but not more than \$2,000 each. Payment amounts may not be combined or transferred from one spouse to the other. Medicare premiums deducted from Social Security or retirement benefits are not deductible.

Contributions into an IRA, Keogh, Simplified Employee Pension Plan (SEP), or Savings Incentive Match Plan for Employees (SIMPLE) Account are not deductible for Massachusetts income tax purposes.

**Child under age 13, or disabled dependent/spouse care expenses.** Massachusetts allows a deduction for employment related expenses for the care of a qualified child under the age of 13, a disabled dependent or a disabled spouse. The maximum deduction is \$4,800 for one qualifying individual and \$9,600 for two or more qualifying individuals. Complete the worksheet, page MA-6, to calculate the deduction. This deduction is not allowed if married filing a separate federal return.

Complete a pro forma federal Form 2441 if necessary. Enter \$4,800 (or \$9,600 for two or more qualifying persons) on line 27, Form 2441. The amount from this pro forma Form 2441, line 31, is then entered on line 1 of the worksheet, page MA-6.

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## Line 12 Worksheet—Child Under 13 or Disabled Dependent/ Spouse Care Deduction

- 1) Enter the amount of qualified expenses taxpayer incurred and paid in 2015 for a qualifying person(s). This amount may exceed the federal limit of \$3,000 for one qualifying person or \$6,000 for two or more persons. However, do not enter more than \$4,800 for one qualifying person or \$9,600 for two or more persons ..... 1) \_\_\_\_\_
- 2) Enter the amount from line 4, U.S. Form 2441 ..... 2) \_\_\_\_\_
- 3) Enter the amount from line 5, U.S. Form 2441 ..... 3) \_\_\_\_\_
- 4) Enter the smallest of line 1, 2 or 3 ..... 4) \_\_\_\_\_
- 5) If taxpayer paid 2014 expenses in 2015, enter the amount of the allowed 2014 expenses used to compute the credit on line 9, U.S. Form 2441. Otherwise, enter "0" ..... 5) \_\_\_\_\_
- 6) Add lines 4 and 5. Enter here and on line 12, Form 1 ... 6) \_\_\_\_\_

**Note:** If taxpayer chooses to take a deduction in line 12, taxpayer cannot take the deduction in line 13.

**Dependent member(s) of household under age 12, or dependents age 65 or over (not taxpayer or spouse) as of December 31, 2015, or disabled dependent.** A taxpayer may deduct \$3,600 for a dependent member of household, or \$7,200 for two or more dependents, under age 12, or dependent age 65 or over (not the taxpayer or spouse) as of December 31, 2015, or a dependent who is disabled. Enter the number of qualified dependents on line 13a, not to exceed two, and multiply that amount by \$3,600. Enter the result on line 13. The deduction is available only if Single, Head of Household, or Married Filing Jointly. This deduction is not allowed if married filing a separate return.

**Note:** The deduction on line 13, Form 1, is not allowed if the taxpayer chooses to take the deduction for line 12.

**50% rental deduction.** A taxpayer may be entitled to a rental deduction equal to 50% of the rent paid during 2015 (up to a maximum of \$3,000 per return) for a principal residence in Massachusetts. Enter the total amount of qualified rent paid during 2015 on line 14a. Divide line 14a by 2 and enter the result, or \$3,000 (\$1,500 if married filing a separate return), whichever is smaller, on line 14.

The deduction must be for rent paid for the rental or lease of a principal residence in Massachusetts. If two or more persons jointly rent a unit, each occupant using it as his or her principal residence is entitled to a deduction based on the amount of rent that each person paid. If the rent is paid by a third party (such as a parent) who maintains a principal residence elsewhere, no 50% rental deduction is allowed for either party.

A principal residence does not include any residence for vacation, an apartment for a person on a temporary assignment, or a student or faculty member who has a principal residence elsewhere. It also does not include any apartment or house in Massachusetts of a nonresident who has a legal residence in another state or country.

Payment for occupying a hotel, motel, or rooming house is not considered rent unless a rental agreement exists. All separately stated charges such as utilities, furnishings, or parking cannot be included in rent for purposes of this deduction. Also, rent does not include any advance payments (such as security deposit, last month's rent, etc.) until actually applied as rent.

**Married filing separately.** If married taxpayers file separate returns, they are each entitled to a rental deduction equal to 50% of the rent each pays, not to exceed \$1,500 per return. However, a married couple filing separately may allocate the rent deduction

differently, provided the amount taken by each spouse does not exceed 50% of the rent actually paid by that spouse, and provided their combined rental deductions do not exceed \$3,000. If the allocation results in one spouse claiming a deduction in excess of \$1,500, that spouse must enclose with his or her return a statement signed by the other spouse indicating consent to the allocation. The statement must contain the name, address and Social Security number of the consenting spouse and the amount of rental deduction taken by that spouse.

**Deductions from Schedule Y.** The following deductions are allowed by completing Schedule Y.

**Employee business expenses.** Unreimbursed expenses are deductible on the Massachusetts return if all the following conditions are met.

- The taxpayer itemized deductions.
- If filing a joint federal return, a joint Massachusetts return is filed.
- Unreimbursed business expenses plus other miscellaneous itemized deductions on the federal Schedule A exceed 2% of federal AGI.

## Schedule Y, Line 1—Massachusetts Employee Business Expense Deduction Worksheet

- 1) Enter the amount from line 10, U.S. Form 2106, or line 6, 2106-EZ ..... 1) \_\_\_\_\_
- 2) If the taxpayer is an employee other than an outside salesperson, enter the amount of unreimbursed expenses included in U.S. Form 2106 or 2106-EZ, line 4 ..... 2) \_\_\_\_\_
- 3) If the taxpayer is an employee other than an outside salesperson, enter the amount of unreimbursed meals and entertainment expenses included on line 9, column B, U.S. Form 2106, or line 5, 2106-EZ, except for meals incurred while away from home .. 3) \_\_\_\_\_
- 4) If the taxpayer is an individual with a disability, enter the amount of impairment-related expenses included in line 1 and claimed on line 28, U.S. Schedule A .... 4) \_\_\_\_\_
- 5) Add lines 2 through 4 ..... 5) \_\_\_\_\_
- 6) Subtract line 5 from line 1 ..... 6) \_\_\_\_\_
- 7) Enter the amount from line 27, U.S. Schedule A ..... 7) \_\_\_\_\_
- 8) Enter the *smaller* amount of line 6 or line 7 here and on line 1, Schedule Y ..... 8) \_\_\_\_\_

**Penalty on early savings withdrawal.** Same as federal amount.

**Alimony paid.** Same as federal amount.

**Amounts excludible under MGL Ch. 41, section 111F or U.S. Tax Treaty included on line 3, Form 1.** Applies to firefighters or police officers incapacitated in the line of duty and qualifying students exempt under a U.S. tax treaty.

**Moving expenses.** Same as federal amount.

**Medical savings account contributions.** Same as federal amount.

**Self-employed health insurance.** Same as federal amount. *Note:* Taxpayers who elected to claim the federal health coverage tax credit and had to reduce the deduction on the federal return may not add back the amount of the credit.

**Health savings accounts.** Same as federal amount.

**Other qualified deductions.** Write-in adjustments from line 36, Form 1040, are the same as the federal amount except amounts contributed to section 501(c)(18) pension plans. For Massachusetts purposes, contributions to section 501(c)(18) pension plans are not deductible. Also, the IRC section 404 deduction for contributions

on behalf of sole proprietors and partners is disallowed. Identify the type of deduction on the dotted line next to line 9, Schedule Y.

- Jury duty pay given to an employer—Jury pay.
- Reforestation amortization—RFST.
- Repayment of supplemental unemployment benefits—Sub-Pay TRA.
- Attorney fees and court costs involving certain unlawful discrimination claims—UDC.
- Deductible expenses related to income from the rental of personal property engaged in for profit—PPR.
- Business expenses of National Guard and Reserve members, performing artists, and fee-based government officials—fill appropriate oval.

**Student loan interest deduction.** Same as federal amount. If taken, the taxpayer cannot also take the Undergraduate Student Loan Interest deduction on line 12, Schedule Y.

**College tuition deduction.** A deduction is allowed for tuition payments paid by the taxpayer, for the taxpayer or a dependent, to a qualifying two- or four-year college leading to an undergraduate or associate’s degree, diploma, or certificate. Tuition payments for students pursuing graduate degrees at such a college or university are not eligible for the college tuition deduction. The deduction is equal to the amount by which the tuition payments, less any scholarships, grants, or financial aid received, exceed 25% of Massachusetts AGI.

Qualified tuition expenses include only those expenses designated as tuition or mandatory fees required for the enrollment or attendance of the taxpayer or any dependent of the taxpayer at an eligible educational institution. No deduction is allowed for any amount paid for room and board, books, supplies, equipment, personal living expenses, meals, lodging, travel, or research, athletic fees, insurance expenses, or other expenses unrelated to an individual’s academic course of instruction. Complete the *Massachusetts AGI Worksheet*, page MA-10, and the *Schedule Y, Line 11 Worksheet*, below.

**Schedule Y, Line 11 Worksheet—College Tuition Deduction**

- 1) Enter total tuition payments paid by taxpayer, for taxpayer or a dependent, to a qualifying two- or four-year college in 2015..... 1) \_\_\_\_\_
- 2) Enter amount of scholarships, grants, or financial aid received in 2015 for amounts shown in line 1.... 2) \_\_\_\_\_
- 3) Enter amount of reimbursements or refunds received in 2015 of amounts shown in line 1 reported by an insurer (from U.S. Form 8383, box 10) ..... 3) \_\_\_\_\_
- 4) Subtract lines 2 and 3 from line 1. If “0” or less, taxpayer does not qualify for this deduction ..... 4) \_\_\_\_\_
- 5) Enter amount from line 7 of the *Massachusetts AGI Worksheet*, page MA-10..... 5) \_\_\_\_\_
- 6) Multiply line 5 by 0.25..... 6) \_\_\_\_\_
- 7) If line 4 is *smaller* than line 6, the taxpayer is not eligible for this deduction. Enter “0.” If line 4 is *larger* than line 6, subtract line 6 from line 4 and enter the result here and in line 11, Schedule Y ..... 7) \_\_\_\_\_

**Undergraduate student loan interest deduction.** A deduction is allowed for interest paid on a qualified undergraduate student loan. To be eligible for the deduction, the “education debt” must be a loan that is administered by the financial aid office of a two-year or four-year college at which the taxpayer, or a qualified dependent, were enrolled as an undergraduate student. Additionally, the loan must have been secured through a state student loan program, a federal student loan program, or a commercial lender, and must have been spent solely for the purposes of paying tuition

and other expenses directly related to the school enrollment. Enter the amount of such interest paid on line 12, Schedule Y. This deduction is only allowed if not claiming the same expenses on line 10, Schedule Y, *Student Loan Interest Deduction*.

**Deductible amount of qualified contributory pension income from another state or political subdivision included on line 4, Form 1.** Massachusetts allows a deduction for contributory pension income received from another state or one of its political subdivisions which does not tax such income from Massachusetts or its political subdivisions. Enter any deductible amount on line 13, Schedule Y that was included on line 4, Form 1.

**Claim of right deduction.** Taxpayers who have paid Massachusetts personal income taxes in a prior year on income attributed to them under a “claim of right” may deduct the amount of that income from their gross income if it later develops that they were not in fact entitled to the income and have repaid the amounts in question. The deduction is allowed in the year of repayment, provided that the repayment is not otherwise deductible in determining Massachusetts taxable income. Some examples are:

- Stock under claim of ownership. Gains from sales of stock under a claim of ownership must be included, regardless of whether the taxpayer actually owned it.
- Employment contracts. Amounts in settlement of employment contracts must be included notwithstanding the prospect of eventual repayment to the employer of an amount equivalent to or greater than the amount received.
- Dividends. Where a taxpayer receives a dividend that must be repaid in a later year, the dividend must be included in the year of receipt.
- Mistake in validity of claim. The claim of right doctrine applies where a taxpayer merely mistakes the validity of his claim.
- Advanced insurance commissions.

**Commuter deduction.** A deduction is allowed for certain amounts paid by an individual for tolls paid for through an E-Z Pass account or for weekly or monthly transit commuter passes for MBTA transit or commuter rail, not including amounts reimbursed or otherwise deductible.

For Single, MFS, or HOH filers, this deduction applies only to the portion of such expended amount that exceeds \$150, and the total amount deducted cannot exceed \$750. For MFJ filers, this deduction applies only to the portion of such amount expended by each individual that exceeds \$150, and the total amount deducted cannot exceed \$750 for each individual. One spouse cannot transfer his or her excess deduction to the other spouse; separate worksheets must be completed to calculate the deduction. Complete the worksheet, below, to calculate the commuter deduction.

**Schedule Y, Line 15 Worksheet—Commuter Deduction**

- 1) Enter amount paid in 2015 for tolls through an E-Z Pass account..... 1) \_\_\_\_\_
- 2) Enter amount paid in 2015 for weekly or monthly transit commuter passes for MBTA transit or commuter rail. (Do not include amounts reimbursed or otherwise deductible.)..... 2) \_\_\_\_\_
- 3) Add lines 1 and 2. If \$150 or less, the taxpayer does not qualify for this deduction. Omit remainder of this worksheet. Otherwise, complete lines 4 through 6... 3) \_\_\_\_\_
- 4) Enter \$150 ..... 4) \_\_\_\_\_
- 5) Subtract line 4 from line 3..... 5) \_\_\_\_\_
- 6) Enter the lesser of line 5 or \$750 here and on line 15, Schedule Y..... 6) \_\_\_\_\_

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**Deduction for expenses of human organ transplant.** An individual may deduct certain expenses and other costs incurred in the process of donating an organ for a human organ transplant to another individual. For purposes of this deduction, "human organ" shall mean all or part of human bone marrow, liver, pancreas, kidney, intestine or lung. In the case of an individual who donates an organ to another person for human organ transplantation, the individual may deduct the following expenses that are incurred by the individual and related to the individual's organ donation: (i) travel expenses, (ii) lodging expenses, and (iii) lost wages not to exceed \$10,000.

**New for 2015: New gambling loss deduction.** Effective for tax years beginning on or after January 1, 2015, a deduction is allowed for gambling losses incurred at certain licensed gaming establishments or "racing meeting licensee or simulcasting licensee" establishments to the extent of winnings from such establishments included in gross income for the year. The new gambling loss deduction is the only deduction for gambling losses allowed a Massachusetts taxpayer, unless the gambling activities constitute a trade or business.

**5.15% income after exemptions.** If line 18, Form 1, exceeds line 17, and the taxpayer received interest income (other than interest from Massachusetts banks), dividends or capital gain income, complete the worksheet for Schedule B, line 36 and Schedule D, line 20, if applicable, on page MA-9.

### Interest and Dividend Income, Schedule B

A taxpayer must file Massachusetts Schedule B to report any of the following.

- Dividend income in excess of \$1,500.
- Any interest income other than from Massachusetts banks taxed at 5.15%.
- Short-term capital gains or losses.
- Carryover short-term losses from prior years.
- Long-term gains on collectibles.
- Pre-1996 installment sales classified as capital gain income for Massachusetts purposes.
- Gains or losses from the sale, exchange, or involuntary conversion of property used in a trade or business.
- Net long-term capital gains and losses.
- Excess exemptions.

**Other interest and dividends.** In addition to interest and dividends reported on the federal Schedule B, include the following on the Massachusetts Schedule B.

- Municipal bond interest from states other than Massachusetts.
- Taxable distributions from Massachusetts S corporations not reported on the federal Schedule B.
- Interest and dividends from a partnership, S corporation, grant-or-type trust, or non-Massachusetts estate or trust from Massachusetts Schedule E, if not already included on the federal Schedule B.
- Interest from a trade or business from line 32, Massachusetts Schedule C.
- Interest or dividends from a mutual fund, if not already included on the federal Schedule B.

**Other interest and dividends to be excluded.** The following are subtractions on Schedule B.

- Interest from Massachusetts banks. This interest is already reported on line 5, Form 1, so it needs to be subtracted from the total reported on Schedule B.
- U.S. government debt obligations.
- Interest and dividends taxed directly to Massachusetts estates and trusts on Massachusetts Form 2.
- Dividend distributions that represent a return of capital.

- Massachusetts municipal bond interest or dividends.
- Exempt interest or dividends from mutual funds that represent U.S. government interest or Massachusetts municipal bond interest.
- Interest on pre-retirement distributions from state and municipal contributory pension plans.

**Allowable deductions from a trade or business.** Enter on line 8, Schedule B, the appropriate amount from Massachusetts Schedule C-2 if the taxpayer qualifies for an excess trade or business deduction. Enter on line 14, Schedule B, the appropriate amount from Massachusetts Schedule C-2 if the taxpayer has any remaining excess trade or business deduction.

Generally, taxpayers may not use excess 5.15% deductions to offset other income. However, where the taxpayer files a Massachusetts Schedule C or Schedule E, Massachusetts law allows such offsets if the following requirements are met: the excess 5.15% deductions must be AGI deductions allowed under MGL Ch. 62, section 2(d); and these excess deductions may only be used to offset other income which is effectively connected with the active conduct of a trade or business or any other income allowed under IRC, section 469(d)(1)(B) to offset losses from passive activities.

**Available short-term losses (line 21, Schedule B).** Combine lines 19 and 20. This amount should be "0" or less. If line 21 is less than "0," go to line 22. If line 21 is "0," omit lines 22 through 28 and go to Part 3.

If Schedule B, line 21 is a loss and Schedule D, line 13 is a loss, omit line 22, enter the amount from line 21 in line 23 and line 40, omit lines 24 through 28 and complete Parts 3 and 4.

**Short-term losses applied against long-term gains (line 22, Schedule B).** If Schedule B, line 21 is a loss and Schedule D, line 13 is greater than "0," enter the smaller of Schedule B, line 21 (considered as a positive amount) or Schedule D, line 13 in Schedule B, line 22 and in Schedule D, line 14.

**Short-term gains and long-term gains on collectibles (line 24, Schedule B).** Enter the amount from Schedule B, line 19. If Schedule D, line 13 is "0" or greater, omit line 25 and enter the amount from line 24 in line 26. If Schedule D, line 13 is a loss, go to Schedule B, line 25.

**Long-term losses applied against short-term gains (line 25, Schedule B).** If Schedule B, line 24 is greater than "0," and Schedule D, line 13 is a loss, enter the smaller of Schedule B, line 24 or Schedule D, line 13 (considered as a positive amount) in Schedule B, line 25 and in Schedule D, line 14.

**Subtotal interest and dividends (line 31, Schedule B).** If Schedule D, line 15 is "0" or greater, omit Schedule B, line 32 and enter the amount from Schedule B, line 31 in Schedule B, line 33. If Schedule D, line 15 is a loss, go to Schedule B, line 32.

**Long-term losses applied against interest and dividends (line 32, Schedule B).** If Schedule B, line 31 is a positive amount and Schedule D, line 15 is a loss, complete the *Long-Term Capital Losses Applied Against Interest and Dividends Worksheet*, below, for Schedule B, line 32 and Schedule D, line 16. When completing the worksheet, be sure to enter all losses as a positive amount.

### Long-Term Capital Losses Applied Against Interest and Dividends Worksheet

For Schedule B, line 32 and Schedule D, line 16.

Complete only if Schedule B, line 31 is a positive amount and Schedule D, line 15 is a loss. Enter all losses as positive amounts.

- 1) Enter amount from Schedule B, line 29..... 1) \_\_\_\_\_
- 2) Enter the lesser of line 1 or \$2,000..... 2) \_\_\_\_\_
- 3) Enter the amount from Schedule B, line 30 ..... 3) \_\_\_\_\_



- 4) Subtract line 3 from line 2. If "0" or less omit the remainder of worksheet. Otherwise, complete lines 5 and 6..... 4) \_\_\_\_\_
- 5) Enter any loss from Schedule D, line 15 as a positive amount. Otherwise, enter "0" ..... 5) \_\_\_\_\_
- 6) If line 4 is *less than* or equal to line 5, enter line 4 here and in Schedule B, line 32 and in Schedule D, line 16. If line 4 is *larger* than line 5, enter line 5 here and in Schedule B, line 32 and in Schedule D, line 16..... 6) \_\_\_\_\_

**Line 36, Schedule B worksheet.** Use the following worksheet to determine the amount to enter on line 36.

**Schedule B, Line 36 and Schedule D, Line 20 Worksheet**

Excess exemptions from Interest and Dividend Income, 12% Income and Long-Term Capital Gain Income. (Only if Single, Head of Household, or Married Filing Jointly)

If total exemptions in line 18, Form 1, are more than the amount of 5.15% income after deductions in line 17, Form 1, the excess may be applied against all interest and dividend income and income taxed at 12%. Any remaining excess amount may then be applied against all long-term capital gain income.

Complete this worksheet only if line 17, Form 1, is less than line 18, Form 1, and the taxpayer received interest income (other than from Massachusetts banks), dividends or capital gain income to determine if the taxpayer qualifies for the excess exemption. Enter all losses as "0."

- 1) Enter amount from Schedule B, line 35. Not less than "0" ..... 1) \_\_\_\_\_
- 2) Enter amount from Form 1, line 18 ..... 2) \_\_\_\_\_
- 3) Enter amount from Form 1, line 17 ..... 3) \_\_\_\_\_
- 4) Subtract line 3 from line 2. If "0" or less, taxpayer does not qualify for this exemption. Omit remainder of worksheet..... 4) \_\_\_\_\_
- 5) Excess exemptions applied against interest and dividend income and 12% income. If line 1 is *larger* than line 4, enter line 4 here and in Schedule B, line 36. If line 4 is equal to or *larger* than line 1, enter line 1 here and in Schedule B, line 36. Complete lines 6 through 8..... 5) \_\_\_\_\_
- 6) Subtract line 5 from line 4. If "0," omit remainder of worksheet..... 6) \_\_\_\_\_
- 7) Enter Schedule D, line 19. Not less than "0" ..... 7) \_\_\_\_\_
- 8) Excess exemptions applied against long-term capital gain income. If line 7 is *larger* than line 6, enter line 6 here and in Schedule D, line 20. If line 6 is equal to or *larger* than line 7, enter line 7 here and in Schedule D, line 20 ..... 8) \_\_\_\_\_

**Tax Calculation on 5.15% Income—Residents**

Use the tax table on page MA-18. If line 21 is more than \$24,000, multiply line 21 by 5.15% and enter the result on line 22, Form 1.

**5.85% rate.** Taxpayers have the option to pay a higher rate on income taxed at the 5.15% rate. The optional 5.85% rate does not apply to items of income taxed at 12%.

**12% Income and Tax**

From line 39 of Massachusetts Schedule B. Generally, short-term capital gains and gains on collectibles are subject to the 12% tax rate versus the 5.15% rate on all other income.

**Long-Term Capital Gains, Schedule D**

Taxpayers must complete Massachusetts Schedule D if they had long-term gains or losses from the sale or exchange of capital

assets or from similar transactions which are granted capital gain or loss treatment on the federal return, or for capital gain distributions. If federal Schedule D was not filed and capital gain distributions are reported on the federal Form 1040, line 13, Massachusetts Schedule D is still required. Various differences between federal and Massachusetts law that may require adjustments on Schedule D include:

- Section 1244 stock losses.
- Deemed sale of capital assets held on January 1, 2001.
- Basis modifications to the sale of S corporation stock.
- Basis adjustments that take into account differences between Massachusetts and federal tax laws.

**Installment sales.** If a sale after 1995 is treated as an installment sale on the federal return, it may be treated the same way on the Massachusetts return. Gains from pre-1996 installment sales are classified as either capital gains or ordinary income, depending on Massachusetts law in effect on the date of the sale. See the Schedule D instructions for details.

**Massachusetts long-term capital gains and losses included in federal Form 4797, Part II (line 7, Schedule D).** Enter amounts included on federal Form 4797, Part II, treated as capital gains or losses for Massachusetts purposes (not included on lines 1 through 6). These include ordinary gains from the sale of section 1231 property, recapture amounts under sections 1245, 1250 and 1255, section 1244 losses and the loss on the sale, exchange or involuntary conversion of property used in a trade or business.

**Carryover losses from previous years (line 8, Schedule D).** If the taxpayer has a carryover loss from a prior year, enter on line 8 the total amount of carryover losses from the 2014 Schedule D, line 23.

**Differences (line 10, Schedule D).** Enter any differences between the gains or losses reportable for Massachusetts tax purposes and the federal gains or losses reported on Massachusetts Schedule D, lines 1 through 8. Differences include:

- Pre-1996 installment sales classified as ordinary income for Massachusetts purposes.
- Long-term capital gains or losses from transactions reported as installment sales for federal income tax purposes but not for Massachusetts.
- Massachusetts has adopted basis adjustment rules to take into account differences between Massachusetts and federal tax laws.

**Adjusted capital gains and losses (line 11, Schedule D).**

Subtract line 10 from line 9 and enter the result on line 11.

- If line 10 is a loss, add loss as a positive number to the amount recorded on line 9. See the examples, below.

**Schedule D**

Line	Example A	Example B	Example C	Example D
9	\$1,000	\$1,000	( \$700)	( \$700)
10	500	( 300)	500	( 500)
11	500	1,300	(1,200)	( 200)

- If on line 10, amounts were entered which increase the amounts reported from federal to Massachusetts, such as a long-term gain reported as installment sales for federal tax purposes but not for Massachusetts, add the amount on line 10 to the amount on line 9.

**Long-term gains on collectibles and pre-1996 installment sales (line 12, Schedule D).** Enter on line 12 the amount of long-term gains on collectibles and pre-1996 installment sales classified as capital gain income for Massachusetts purposes that are included on line 11.

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Long-term gains on collectibles and pre-1996 installment sales classified as capital gain income for Massachusetts purposes are taxed at the 12% rate and should be entered on Schedule B, line 11.

Collectibles have the same meaning as collectibles for federal tax purposes.

**Line 13, Schedule D subtotal.** Subtract line 12 from line 11 and enter the result on line 13.

If Schedule D, line 13 is a loss, and Schedule B, line 21 is less than "0," omit Schedule D, lines 14 through 16, enter the amount from Schedule D, line 13 in Schedule D, line 17, omit Schedule D, lines 18 through 22 and enter the amount from Schedule D, line 17 on Schedule D, line 23, and enter "0" on Form 1, line 24.

If Schedule D, line 13 is a gain, and Schedule B, line 21 is a loss, go to Schedule D, line 14.

If Schedule D, line 13 is a loss, and Schedule B, line 24 is "0" or greater, go to Schedule D, line 14.

If Schedule D, line 13 is a gain, and Schedule B, line 24 is "0" or greater, omit Schedule D, lines 14 through 16 and enter the amount from Schedule D, line 13 on Schedule D, line 17.

**Capital losses applied against capital gains (line 14, Schedule D).** If Schedule D, line 13 is a positive amount, and Schedule B, line 21 is a loss, enter the smaller of Schedule D, line 13 or Schedule B, line 21 (considered as a positive amount) on Schedule D, line 14 and on Schedule B, line 22.

If Schedule D, line 13 is a loss, and Schedule B, line 24 is a positive amount, enter the smaller of Schedule D, line 13 (considered as a positive amount) or Schedule B, line 24 on Schedule D, line 14 and in Schedule B, line 25.

**Line 15, Schedule D subtotal.** If line 13 is greater than "0," subtract line 14 from line 13. If line 13 is less than "0," combine lines 13 and 14.

If Schedule D, line 15 is a loss, and Schedule B, line 24 is "0" or greater, and Schedule B, line 31 is a positive amount, go to Schedule D, line 16.

If Schedule D, line 15 is a loss, and Schedule B, line 21 is "0" or less, omit Schedule D, line 16, enter the amount from Schedule D, line 15 on Schedule D, line 17, omit Schedule D, lines 18 through 22 and enter the amount from Schedule D, line 17 on Schedule D, line 23, and enter "0" on Form 1, line 24.

**Long-term capital losses applied against interest and dividends (line 16, Schedule D).** If Schedule D, line 15 is a loss, and Schedule B, line 24 is "0" or greater and Schedule B, line 31 is a positive amount, complete the *Long-Term Capital Losses Applied Against Interest and Dividends Worksheet*, page MA-8.

**Line 17, Schedule D subtotal.** Combine line 15 and line 16. If Schedule D, line 17 is "0," enter "0" on lines 18 through 21 and omit lines 22 and 23. If Schedule D, line 17 is a loss, omit lines 18 through 22 and enter the amount from line 17 on line 23.

**Line 18, Schedule D.** Enter the appropriate amount from Schedule C-2. See *Allowable deductions from a trade or business*, page MA-8, for an explanation.

**Excess exemptions (line 20, Schedule D).** Enter the amount from line 8 of the *Schedule B, Line 36 and Schedule D, Line 20 Worksheet*, page MA-9.

### Credit Recapture Amount

If any Brownfields credit (BC), Economic Opportunity Area credit (EOA), low-income housing credit (LIH), or historic rehabilitation credit (HR) property is disposed of or ceases to be in qualified use prior to the end of its useful life, the difference between the

credit taken and the total credit allowed for actual use must be added back to tax on Form 1. Use Schedule H-2, *Credit Recapture*.

### Additional Tax on Installment Sale

An addition to tax applies for taxpayers who have deferred the gain, and the tax associated with that gain, on certain installment sales. The tax amount represents an interest charge on the tax that has been deferred and applies to the following.

- Installment sales with a sales price over \$150,000 if the taxpayer is not a dealer and the aggregate face amount of installment obligations arising during the year and outstanding at the end of the year exceeds \$5 million.
- Installment sales of timeshares and residential lots if 1) the sale is of a timeshare right for six weeks or less, 2) the sale is for the recreational use of specified campgrounds, or 3) the sale is for a residential lot and neither the dealer nor someone related to the dealer is obligated to make any improvements on the lot.

### Massachusetts Adjusted Gross Income (AGI)

There are three tax provisions that use Massachusetts AGI:

- No tax status.
- Limited income credit.
- College tuition deduction. (See *College tuition deduction*, page MA-7.)

Use the *Massachusetts AGI Worksheet*, below, for each tax provision.

#### Massachusetts AGI Worksheet

- 1) Enter total 5.15% income from line 10, Form 1. Not less than "0"\* ..... 1) \_\_\_\_\_
- 2) Enter the total of lines 1 through 10, Schedule Y..... 2) \_\_\_\_\_
- 3) Subtract line 2 from line 1. Not less than "0" ..... 3) \_\_\_\_\_
- 4) Enter total Massachusetts bank interest or the interest exemption amount, whichever is *smaller*, from line 5a or line 5b, Form 1..... 4) \_\_\_\_\_  
**Note:** If line 10, Form 1, is a loss, combine line 10, Form 1, with the *smaller* amount of total Massachusetts bank interest or the interest exemption amount. Enter the result in line 4, above, unless the result is a loss. If the result is a loss, enter "0."
- 5) Enter amount from line 35, Schedule B. If there is no entry on line 35, Schedule B, or if not filing Schedule B, enter the amount from line 20, Form 1... 5) \_\_\_\_\_
- 6) Enter the amount from line 19, Schedule D.\*\* Not less than "0" ..... 6) \_\_\_\_\_
- 7) Add lines 3 through 6 ..... 7) \_\_\_\_\_

If Single and the total in line 7 is \$8,000 or less, the taxpayer qualifies for No Tax Status. Fill in the oval in line 27, enter "0" in line 28 and omit lines 29 and 30. Also, enter "0" in line 31 and complete Form 1. However, if there is an amount entered in line 25, Credit Recapture Amount and/or line 26, Additional Tax on Installment Sales, enter that amount in line 28 and complete line 30. If Single but not qualifying for No Tax Status, and the total in line 7 is \$14,000 or less, complete Form 1, line 28 and see Form 1, line 29 instructions for the Limited Income Credit. If filing as Head of Household or married filing a joint return, compare line 7 with the No Tax Status/Limited Income Credit Chart to see if the taxpayer may qualify for No Tax Status or the Limited Income Credit.

\* Add back any Abandoned Building Renovation deduction claimed on Schedule(s) C and/or E before entering an amount in line 1.

\*\* If filing Schedule D-IS, *Installment Sales*, see the Schedule D-IS instructions for the amount to enter in line 6.

**Line 27. No Tax Status—Single, MFJ, or HOH only.** If Massachusetts AGI was \$8,000 or less if Single, \$14,400 or less plus \$1,000 per dependent if Head of Household, or \$16,400 or less plus \$1,000 per dependent if married filing a joint return, the

taxpayer qualifies for No Tax Status. Taxpayers who qualify for No Tax Status fill in the oval in line 27, enter "0" in line 28 and omit lines 29 and 30. Also, enter "0" in line 31 and complete Form 1. However, if there is an amount entered in line 25, Credit Recapture Amount and/or line 26, Additional Tax or Installment Sale, enter that amount in line 28 and complete line 30.

**Line 29. Limited income credit—Single, MFJ, or HOH only.**

If a taxpayer does not qualify for No Tax Status, but is Single and Massachusetts AGI is between \$8,000 and \$14,000, or the taxpayer is filing as Head of Household and Massachusetts AGI is between \$14,400 and \$25,200 plus \$1,750 per dependent, or the taxpayer is married filing a joint return and Massachusetts AGI is between \$16,400 and \$28,700 plus \$1,750 per dependent, the taxpayer may qualify for the limited income credit. This credit is an alternative tax calculation that can result in a significant tax reduction for people whose income is close to the No Tax Status threshold. Use the worksheet, below, to figure this credit.

**Form 1, Line 29 Worksheet—Limited Income Credit**

(Only if Single, Head of Household, or Married Filing Jointly)

- 1) Enter amount from line 7 of *Massachusetts AGI Worksheet*, page MA-10..... 1) \_\_\_\_\_
- 2) Enter \$8,000 if Single. If MFJ or HOH, enter the amount from the No Tax Status column of the *No Tax Status/Limited Income Credit Chart*, below..... 2) \_\_\_\_\_
- 3) Subtract line 2 from line 1..... 3) \_\_\_\_\_
- 4) Enter in line 4 the amount of tax from line 28, Form 1, less any credit recapture amount entered in line 25 and/or additional tax on installment sales on line 26 .. 4) \_\_\_\_\_
- 5) Multiply line 3 by 10% (0.10)..... 5) \_\_\_\_\_
- 6) If line 4 is *smaller* than line 5, taxpayer is not eligible for this credit. Enter "0." If line 4 is *larger* than line 5, subtract line 5 from line 4 and enter the result here and on line 29, Form 1..... 6) \_\_\_\_\_

**No Tax Status/Limited Income Credit Chart**

Number of dependents (from Form 1, line 2b):	Filing status:			
	Head of Household. Line 7 of the AGI worksheet is less than or equal to:		Married filing a joint return. Line 7 of the AGI worksheet is less than or equal to:	
	\$14,400	\$25,200	\$16,400	\$28,700
0	\$15,400	\$26,950	\$17,400	\$30,450
1	\$16,400	\$28,700	\$18,400	\$32,200
2	\$17,400	\$30,450	\$19,400	\$33,950
3	\$18,400	\$32,200	\$20,400	\$35,700
4	\$19,400	\$33,950	\$21,400	\$37,450
5	\$20,400	\$35,700	\$22,400	\$39,200
6	Taxpayer qualifies for the <b>No Tax Status</b>	Taxpayer may qualify for the <b>Limited Income Credit</b>	Taxpayer qualifies for the <b>No Tax Status</b>	Taxpayer may qualify for the <b>Limited Income Credit</b>

If the number of dependents is more than six, add \$1,000 per dependent to the No Tax Status column, or \$1,750 per dependent to the Limited Income Credit column.

If the taxpayer qualifies for No Tax Status, fill in the oval in line 27, enter "0" in line 28 and omit lines 29 and 30. Also, enter "0" in line 31 and complete Form 1. However, if there is an amount entered in line 25, Credit Recapture Amount and/or line 26, Additional Tax on Installment Sales, enter that amount in line 28 and complete line 30. If the taxpayer may qualify for the Limited Income Credit, go to line 28 and complete the *Form 1, Line 29 Worksheet—Limited Income Credit*, above.

**Lead paint.** A credit is allowed for expenses up to \$1,500 for covering or removing lead paint on residential property.

**Septic.** A credit is available for expenses incurred to comply with sewer system requirements for a principal residence under various state or federal laws.

**Brownfields.** A credit is available for expenses to rehabilitate contaminated property located within an economically distressed area which is used for business or nonprofit purposes.

**Low-income housing.** A taxpayer eligible for the federal low-income housing credit may also qualify for this state credit.

**Historic rehabilitation.** A credit is available for a historic rehabilitation project certified by the Massachusetts Historical Commission.

**Film incentive.** Two credits are available to motion picture production companies.

**Medical device.** A credit is available for medical device companies that develop or manufacture medical devices in Massachusetts.

**Employer wellness program tax credit.** Effective for tax years beginning on or after January 1, 2013, a business that employs 200 or fewer workers may qualify for a tax credit for up to 25% of the cost of implementing a certified wellness program for its employees. Certification must be obtained from the Department of Public Health (DPH) prior to claiming the credit.

**New for 2015: Farming and fisheries personal income tax credit.** Effective for tax years beginning on or after January 1, 2015, the credit applies to personal income taxpayers primarily engaged in agriculture, farming or commercial fishing. The amount of the credit is 3% of the cost or other basis for federal income tax purposes of qualifying property acquired, constructed or erected during the tax year. Qualifying property is defined as tangible personal property and other tangible property including buildings and structural components which are located in Massachusetts and used solely in farming, agriculture, or fishing. The property must have a depreciable life of at least four years.

**Income tax paid to another state.** If any income reported on the Massachusetts return is subject to taxation in another state or jurisdiction, and a return was filed and taxes were paid in the other state or jurisdiction, complete the *Schedule Z, Part 2, Line 12 Worksheet*, page MA-12, and enter the amount of credit on line 12. The credit is allowed for taxes paid to the following jurisdictions: (a) other states in the United States, including payments made under the Rhode Island Temporary Disability Insurance Act (see DOR Directive 12-1), (b) any territory or dependency of the United States (including Puerto Rico, the Virgin Islands, Guam, the District of Columbia), or (c) the Dominion of Canada or any of its provinces (less any U.S. credit amount allowable from U.S. Form 1116).

The total credit is the smaller of the amount of taxes due to other jurisdictions (net of certain adjustments) or the portion of Massachusetts tax due on gross income that is taxed in such other jurisdictions.

Credit is not given for a property tax due to another jurisdiction on account of capital stock or property. This does not refer to a tax on gain or income from the sale of capital stock or property, as included on Schedule B or D.

Complete separate worksheets if the taxpayer had 5.15% and interest income (other than interest from Massachusetts banks), dividends or capital gain income taxed by another jurisdiction. If this worksheet is used to calculate a credit for interest income (other than interest from Massachusetts banks), dividends or capital gain income, substitute interest income (other than interest from Massachusetts banks), dividends or capital gain income for

**Other Credits, Schedule Z**

Tax credits available by filing Schedule Z include:

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5.15% income in line 1. Also substitute Schedule B, line 7 (interest and dividend income) and Schedule B, line 13 (taxable 12% capital gains) or Schedule D, line 13, (gross long-term capital gains and losses), but not less than "0," for Form 1, line 10 in line 2 of the worksheet, and the total of Form 1, line 20 multiplied by .0515 (tax on interest and dividend income) and Form 1, line 23 (12% tax) or line 24 (tax on long-term capital gains) for Form 1, line 19 in line 4 of the worksheet.

When using this worksheet to calculate credit for interest income (other than interest from Massachusetts banks), dividends or capital gain income, enter on line 1 such income taxed in another jurisdiction calculated as if it was earned in Massachusetts.

## Schedule Z, Part 2, Line 12 Worksheet— Income Tax Paid to Another Jurisdiction

- 1) Enter the total 5.15% income included in line 10, Form 1, on which the taxpayer paid taxes to another jurisdiction..... 1) \_\_\_\_\_
- 2) Enter the total of line 10, Form 1, and the total Massachusetts bank interest or the interest exemption amount, whichever is *smaller*, from line 5a or line 5b, Form 1 ..... 2) \_\_\_\_\_
- 3) Divide line 1 by line 2. Not greater than "1" ..... 3) \_\_\_\_\_
- 4) Multiply line 19, Form 1, by 0.0515\* ..... 4) \_\_\_\_\_
- 5) Enter any Limited Income Credit from line 29, Form 1 ..... 5) \_\_\_\_\_
- 6) Subtract line 5 from line 4 ..... 6) \_\_\_\_\_
- 7) Multiply line 6 by line 3 ..... 7) \_\_\_\_\_
- 8) Enter the total tax paid to other jurisdictions on income also reported on this return, including payments made under the Rhode Island Temporary Disability Insurance Act, unless the tax was paid to Canada. If the tax was paid to Canada, the amount reported in this line must be reduced by the amount claimed as a foreign tax credit on line 47, U.S. Form 1040. Credit is only allowable for amount of tax paid ..... 8) \_\_\_\_\_
- 9) Enter the *smaller* of lines 7 or 8 here and on line 11, Schedule Z ..... 9) \_\_\_\_\_

\* If the taxpayer chose to pay the optional 5.85% tax rate, substitute .0585 for .0515 in line 4 of the worksheet.

**Solar and wind energy.** Taxpayers who had expenditures for certain renewable energy source items, such as equipment which uses or transmits solar or wind energy to heat, cool, or provide hot water for their principal residence in Massachusetts, may qualify for a credit. Complete Schedule EC, *Residential Energy Credit*.

## Massachusetts Use Tax

A Massachusetts use tax of 6.25% is due on taxable purchases of tangible personal property purchased for use in Massachusetts on which Massachusetts sales or use tax was not paid. These include, but are not limited to, purchases made out-of-state, on the Internet, or from a catalog, where no Massachusetts sales tax was paid. The use tax does not apply to out-of-state purchases that are exempt from the sales tax (for example, clothing that costs \$175 or less).

Generally, anyone who pays a sales or use tax to another state or territory of the United States on tangible personal property to be used in Massachusetts is entitled to a credit against the Massachusetts use tax, up to 6.25%. This credit is allowed for sales or use tax paid to another state only if that state has a corresponding credit similar to the Massachusetts credit.

**Safe harbor.** Taxpayers may use the table, next column, to self-report a "safe-harbor" amount of use tax based on their Massachusetts AGI. A taxpayer may pay this amount in lieu of the actual

amount of use tax that would otherwise be due with respect to such purchases.

The estimated liability applies only to purchases of any individual items, each having a total sales price of less than \$1,000. For each taxable item purchased at a sales price of \$1,000 or greater, the actual use tax liability for each purchase must be added to the amount of the estimated liability derived from the table, below.

## AGI from Line 7 of Massachusetts AGI Worksheet (page MA-10)

AGI Worksheet:	Use tax liability:
\$ 0 to 25,000.....	\$ 0
25,001 to 40,000.....	20
40,001 to 60,000.....	31
60,001 to 80,000.....	44
80,001 to 100,000.....	56
100,001 and over .....	AGI × 0.000625

Taxpayers not using the safe harbor amount or with items having a sales price of \$1,000 or more must use the following worksheet to calculate use tax. Taxpayers who purchased items with a sales price over \$1,000 who are reporting a safe harbor amount must add the amount from the worksheet to the safe harbor amount.

## Form 1, Line 33 Worksheet—Use Tax Due on Out-of-State Purchases

- 1) Total of purchases in 2015 subject to Massachusetts use tax ..... 1) \_\_\_\_\_
- 2) Use tax. Multiply line 1 by .0625 (6.25%) ..... 2) \_\_\_\_\_
- 3) Credit for sales/use tax paid to other states or jurisdictions. Add the amount of any sales/use tax paid to another state or jurisdiction, or 6.25% of the sales price, whichever is less, on each purchase reported in line 1 ..... 3) \_\_\_\_\_
- 4) Total amount due. Subtract line 3 from line 2. Not less than "0." Enter result here and on Form 1, line 33 ..... 4) \_\_\_\_\_

**Health care penalty.** Most Massachusetts residents age 18 and over are required to have health insurance, if it is affordable for them. Residents who have access to affordable coverage, but do not obtain it, may face tax penalties. Schedule HC must be completed to determine if the taxpayer is subject to a penalty.

**Note:** For tax years beginning on or after January 1, 2014, a taxpayer who does not have health insurance meeting both the Massachusetts standard of creditable coverage and the federal standard of minimum essential coverage may be subject to both the Massachusetts penalty and the federal shared responsibility payment. However, the amount of the taxpayer's Massachusetts penalty is reduced by the amount of the federal shared responsibility payment made.

## Health Care Penalty Worksheet

Complete the following worksheet to calculate the penalty. If married filing a joint return and both spouses are subject to a penalty, separate worksheets must be filled out to calculate the separate penalty amounts for each spouse, using Married Filing Jointly income. Each separate penalty amount must then be entered on line 34a and line 34b, Form 1, or line 39a and line 39b, Form 1-NR/PY.

**Note:** If the taxpayer answered Yes in line 6, Schedule HC, indicating that income was at or below 150% of the federal poverty level, the penalty does not apply. Do not complete this worksheet. Skip the remainder of Schedule HC.

*continued on next page*

- 1) Enter federal AGI from line 2, Schedule HC..... 1) \_\_\_\_\_
- 2) Look at *Table 5, Annual Income Standards*, below, and enter column A, B, C, or D, based on family size (from line 1c, Schedule HC) and income (from line 1, above)..... 2) \_\_\_\_\_
- 3) Based on the column entered in line 2, go to *Table 6, Penalties for 2015*, below, to determine the monthly penalty amount. Enter that amount here. If the taxpayer entered column D, enter the penalty amount that corresponds to the taxpayer's age ..... 3) \_\_\_\_\_
- 4) Enter the number of gap(s) in coverage of four or more consecutive months in which the taxpayer was uninsured, as shown on line 7, Schedule HC.\* If uninsured for all of 2015, enter "0" ..... 4) \_\_\_\_\_
- 5) Enter the total number of months for the gap(s) in coverage in which the taxpayer was uninsured from line 4. If uninsured for all of 2015, enter "12" .. 5) \_\_\_\_\_
- 6) Multiply line 4 by the number 3..... 6) \_\_\_\_\_
- 7) Subtract line 6 from line 5..... 7) \_\_\_\_\_
- 8) Multiply line 3 by line 7. This is the penalty amount .. 8) \_\_\_\_\_

If subject to a penalty because the taxpayer is deemed able to afford insurance in 2015 but did not obtain it, the taxpayer may appeal the application of the penalty. If filing an appeal, do not enter a penalty amount on line 34a or line 34b, Form 1, or line 39a or line 39b, Form 1-NR/PY. If the taxpayer is not appealing the penalty, enter the penalty amount from line 8 on line 34a or line 34b, Form 1, or line 39a or line 39b, Form 1-NR/PY.

\*Turning 18, part-year residents, or a taxpayer was deceased. When completing line 4, do not include the number of unfilled ovals for months that the mandate did not apply, as determined in line 7, Schedule HC.

**Table 5, Annual Income Standards**

Family size	Column A		Column B		Column C		Column D
	From	To	From	To	From	To	Above
1	\$17,506	– \$23,340	\$23,341	– \$29,175	\$29,176	– \$35,010	\$ 35,010
2	23,596	– 31,460	31,461	– 39,325	39,326	– 47,190	47,190
3	29,686	– 39,580	39,581	– 49,475	49,476	– 59,370	59,370
4	35,776	– 47,700	47,701	– 59,625	59,626	– 71,550	71,550
5	41,866	– 55,820	55,821	– 69,775	69,776	– 83,730	83,730
6	47,956	– 63,940	63,941	– 79,925	79,926	– 95,910	95,910
7	54,046	– 72,060	72,061	– 90,075	90,076	– 108,090	108,090
8	60,136	– 80,180	80,181	– 100,225	100,226	– 120,270	120,270
Additional	+ \$ 6,090 +	\$ 8,120	+ \$8,120 +	\$ 10,150	+ \$10,150 +	\$ 12,180	+ \$12,180

**Table 6, Penalties for 2015**

Column	Monthly penalty amount
A.....	\$20.00
B.....	\$39.00
C.....	\$59.00
D-1 (age 18–30)* .....	\$60.00
D-2 (age 31+)* .....	\$91.00

\* If the taxpayer turned 31 during 2015, use the Column D-1 (age 18–30) amount in line 3 of the *Health Care Penalty Worksheet*, page MA-12.

**Refundable Credits**

**Earned income credit.** Taxpayers who qualify for and claim the federal EIC are allowed a refundable credit equal to 15% of the federal amount. Schedule DI, *Dependent Information*, must also be filed if claiming the credit for one or more qualifying children/dependents.

**Senior Circuit Breaker credit.** Certain senior citizens in Massachusetts may be eligible to claim a refundable credit on their state income taxes for the real estate taxes paid on the Massachusetts residential property they own or rent and which they occupy as their principal residence. The maximum credit allowed is \$1,070 for the tax year beginning January 1, 2015. If the credit due the taxpayer exceeds the amount of the total income tax payable for the year by the taxpayer, the excess amount of the credit will be refunded to the taxpayer without interest. Complete and enclose Schedule CB, *Circuit Breaker Credit*, with Form 1.

**Real estate taxes paid in calendar year 2015 for a principal residence (line 10, Schedule CB).** Enter the amount of real estate taxes paid in calendar year 2015. Include real estate tax payments made pursuant to the Community Preservation Act, the Cape Cod Open Space Land Acquisition Program and/or paid to a tax-levying district.

Real estate taxes paid in a calendar or taxable year generally reflect taxes assessed for two different fiscal years. If a community collects taxes quarterly, a taxpayer may have made four payments during a calendar year. These payments are billed as due on the following dates: February 1, May 1, August 1, and November 1. If a community collects taxes semi-annually, a taxpayer may have made two payments during the calendar year. The first payment is billed as due on May 1 and the second as due on November 1, or 30 days after it is mailed, if the bill is mailed after October 1. If a taxpayer owns a multi-family home, mixed-use property, or a principal residence has a land area in excess of one acre, contact the local city or town's collector's office if there are any questions in determining the amount of real estate taxes paid in calendar year 2015 for a principal residence.

**Water and sewer use charges paid in 2015 (line 13, Schedule CB).** Contact the town official to determine if a community has elected to include water and sewer debt charges in the property tax assessment. Taxpayers residing in communities that do not include water and sewer debt charges in the property tax assessments may include 50% of the actual water and sewer use charges paid during the taxable year. If they have elected to include those charges in the property tax assessment, enter "0" in line 13, Schedule CB. If they have not elected to include those charges, enter 50% of the actual water and sewer use charges paid in 2015.

If a taxpayer owns a multi-family home, mixed-use property, or a principal residence has a land area in excess of one acre, see TIR 01-19 for information on how to prorate water and sewer use charges.

**Other Refundable Credits**

Use Schedule RF to report other refundable credits.

**Refundable film credit.** Motion picture production companies qualify to elect a refundable film credit if they have not transferred or carried forward a portion of the film credit for the production/certificate number to be refunded. Complete Schedule RFC, *Refundable Film Credit*.

**Refundable dairy credit.** The Massachusetts dairy farmer tax credit was established to offset the cyclical downturns in milk prices paid to dairy farmers and is based on the U.S. Federal Milk Marketing Order for the applicable market. A taxpayer who holds a certificate of registration as a dairy farmer is allowed a refundable tax credit based on the amount of milk produced and sold. The Department of Agricultural Resources-issued certificate number must be entered on both Schedule RF and Schedule Z.

**Conservation land tax credit.** A credit is allowed for qualified donations of certified land to a public or private conservation agency. The credit is equal to 50% of the fair market value of the

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qualified donation. The amount of the credit that may be claimed by a taxpayer for each qualified donation cannot exceed \$75,000. The credit is refundable but not transferable. The certification process is conducted by the Executive Office of Energy and Environmental Affairs (EEA). The certificate number must be entered on Schedule RF.

**Community investment tax credit.** For tax years beginning on or after January 1, 2014, a credit is available equal to 50% of qualified investments made by the taxpayer during the taxable year. Qualified investments include certain cash investments made to a community development corporation, community support organization, or a community partnership fund. See the regulation 830 CMR 62.6M.1 *Community Investment Tax Credit* for more information. The DOR-issued certificate number must be entered on Schedule RF.

### Nonresident or Part-Year Resident Summary—Form 1-NR/PY

**Form 1-NR/PY overview.** Part-year and nonresidents determine Massachusetts gross income based on income from all sources while a resident and income from Massachusetts sources while a nonresident using the same rules as full-year residents. Nonresidents with income from employment or business that is earned both inside and outside Massachusetts, where the exact Massachusetts amount is not known, must apportion the income. Part-year residents determine a ratio based on the number of days as a Massachusetts resident. Nonresidents determine a ratio based on total Massachusetts-source income to total income from all sources. The ratio amounts are applied to certain deductions and to exemptions. Tax is calculated for part-year and nonresidents using the same rules as full-year residents.

### Massachusetts-Source Income for Nonresidents

A nonresident is subject to tax on items of income derived from the following.

- A trade, business, or employment carried on in Massachusetts.
- Participation in any lottery or wagering transaction in Massachusetts.
- Ownership of any interest in real or tangible personal property located in Massachusetts.

Examples of types of income taxable to a nonresident include:

- Wages, salaries, tips, bonuses, fees, and other compensation which relate to activities carried on in Massachusetts, regardless of where or when the compensation is paid.
- Unemployment compensation related to previous Massachusetts employment.
- Profit from a business, trade, profession, partnership, or S corporation conducted in Massachusetts.
- Rents and royalties from real and tangible personal property located in Massachusetts or from other business activities in Massachusetts.
- Gain from the sale of real or tangible personal property located in Massachusetts.
- Interest and dividends only if derived from or connected with Massachusetts business activity, or the ownership of Massachusetts real estate or tangible personal property.
- Gain from the sale of a business or interest in a business, separation, sick or vacation pay, deferred compensation, income from covenants not to compete, and nonqualified pension income that federal law allows states to tax.

The same exemptions and deductions allowed to residents are allowed to nonresidents provided these items relate to, or are allocable to Massachusetts-source income.

### Form 1-NR/PY Line Instructions

Use the *Resident Return Summary—Form 1*, page MA-3, to fill out Form 1-NR/PY where rules are the same for residents, nonresidents, and part-year residents. The following are noted differences.

**Nonresident composite return.** Applies to professional athletic teams who may file a return on behalf of two or more qualified electing nonresidents.

**Part-year resident proration formula.** Part-year residents must calculate the proration formula based on a ratio of the number of days as a Massachusetts resident to the number of days in the year. Round the decimal to four places. The part-year resident proration formula is applied to certain deductions and to exemptions.

#### Personal exemptions:

Single or MFS.....	\$4,400
HQH .....	\$6,800
MFJ .....	\$8,800

Deductions for the number of dependents, age 65 or over, blindness, medical/dental expenses, and adoption agency fees are calculated the same as full-year residents. Total exemptions are prorated on line 22, Form 1-NR/PY. Nonresidents prorate exemptions by the nonresident deduction and exemption ratio. Part-year residents prorate exemptions by the part-year proration formula.

**Lines 5 through 11.** Nonresidents report Massachusetts-source income only. Part-year residents report income earned only while a resident. Taxpayers filing as both a nonresident and part-year resident must complete Schedule R/NR, *Resident/Nonresident Worksheet*, before completing Form 1-NR/PY.

**Wages, salaries, tips, etc.** Nonresidents only report earnings from employment inside Massachusetts. Part-year residents report earnings from all employment during the period of residency.

**Pensions and annuities.** Payments to nonresidents from qualified pension plans are not subject to Massachusetts tax, even if they apply to previous employment within Massachusetts. Payments to nonresidents from a nonqualified pension plan related to a Massachusetts trade, business, or employment are subject to Massachusetts tax. See *Pensions and annuities*, page MA-4, for a list of pensions exempt from Massachusetts tax for residents, as well as nonresidents and part-year residents.

**Interest from Massachusetts banks.** Interest income for a nonresident is only taxable if it is related to a Massachusetts trade, business, profession, partnership, or S corporation, or to the ownership of real estate or tangible personal property located in Massachusetts. Part-year residents report interest earned while they were a resident and are entitled to the \$100 exemption amount (\$200 if MFJ) on line 7b.

**Business, rental, partnerships, S corporations, etc.** Nonresidents engaged in a business or rental activity in Massachusetts must pay tax on their profits. Part-year residents must report income or loss from an activity received while a resident of Massachusetts, whether derived from sources inside or outside of Massachusetts.

**Unemployment compensation.** Nonresidents enter the portion of unemployment compensation from Form(s) 1099-G that is related to previous Massachusetts employment. Part-year residents enter the portion of unemployment compensation from Form(s)

1099-G for the period the taxpayer was a resident of Massachusetts, regardless of whether or not it is related to employment inside of Massachusetts.

**Massachusetts state lottery winnings.** Nonresidents and part-year residents are subject to Massachusetts tax on all of their winnings from the Massachusetts state lottery. The price of the winning ticket is the only deduction allowed against winnings. Losses reported on the federal Schedule A are not allowed.

**Other income (from Schedule X).** Enclose Schedule X.

**Alimony received.** Nonresidents are not subject to Massachusetts tax on alimony. Part-year residents report the amount received while a Massachusetts resident.

**Taxable IRA/Keogh and Roth IRA conversion distributions.** Does not apply to nonresidents. Part-year residents use the *Schedule X, Line 2 Worksheet*, page MA-5. Enter on line 1 of the worksheet only those distributions received while a Massachusetts resident, whether derived from sources inside or outside of Massachusetts.

**Other gambling winnings.** Nonresidents pay tax only on winnings from Massachusetts sources. Part-year residents pay tax on winnings from all sources inside and outside of Massachusetts during the period of residency. See *New for 2015: New gambling loss deduction*, page MA-8, for certain gambling losses that may be deducted.

**Fees and other 5.15% income.** Nonresidents report other line 21, federal Form 1040 type income from sources within Massachusetts. Part-year residents report these amounts from all sources for the period of residency.

**Line 13, Nonresident Apportionment Worksheet.** Use this worksheet to determine the amounts to enter on line 5 or 8, Form 1-NR/PY, when business or employment requires the taxpayer to work both inside and outside Massachusetts, and the taxpayer does not know the actual amount of income earned from working in Massachusetts. Nonresidents that must apportion income, but cannot use this worksheet include:

- Independent business or professional persons whose income does not depend on sales, days, or mileage.
- An entertainer or athlete whose income does not depend solely on receipts or winnings.
- A general or limited partner in a partnership.
- A shareholder of an S corporation with Massachusetts-source income.

See the Form 1-NR/PY instructions for Special Apportionment Methods for these types of taxpayers.

If a taxpayer is allowed to use the Nonresident Apportionment Worksheet, there are three methods to determine income apportioned to Massachusetts.

**Working days basis.** Use for employees or self-employed persons who are compensated on an hourly, daily, weekly, or monthly basis. Divide the number of days spent working in Massachusetts by the total number of days worked during the year.

**Mileage basis.** Use for employees or self-employed persons who are compensated on a per mile basis. Divide the number of miles traveled for work within Massachusetts by total miles traveled for work during the year.

**Sales basis.** Use for employees or self-employed persons who are compensated on a sales or commission type basis. Divide the total compensation received related to sales made inside Massachusetts by total compensation for the year.

**Line 14, nonresident deduction and exemption ratio.** Nonresident taxpayers must complete items on line 14 to determine the ratio for apportioning the following deductions.

- Line 16, child under age 13, or disabled dependent/spouse care expenses.
- Line 17, dependent member(s) of household under age 12, or dependents age 65 or over (not the taxpayer or spouse) as of December 31, 2015, or disabled dependent.
- Alimony paid.
- Medical savings account deduction.
- Health savings account deduction.
- Deduction for attorney's fees and court costs involving certain unlawful discrimination suits (claim only if it is directly related to Massachusetts income as reported on line 11, Form 1-NR/PY).
- Student loan interest deduction.
- College tuition deduction.
- Undergraduate student loan interest deduction.
- Commuter deduction.
- Line 22a, exemption amount.
- Line 45, earned income credit.

**Line 14e, non-Massachusetts-source income.** Enter the income from non-Massachusetts sources not included in Massachusetts taxable income that would have been included had the taxpayer been a Massachusetts resident for the entire year. This amount is often not the same as the difference between total federal income reported on line 3 and Massachusetts-source income reported on line 14d due to the differences between Massachusetts and federal tax laws. Do not include amounts already reported on line 14d. To reconcile these differences, see *Massachusetts Gross Income*, page MA-4, for a consideration of federal taxable income not subject to Massachusetts tax and federal tax exempt income subject to Massachusetts tax.

**Lines 15 through 19, deductions.** See *5.15% Deductions*, page MA-5, for descriptions of the deductions allowed on lines 15 through 19. For line 15, nonresidents can only take the deduction based on earnings from Massachusetts business or employment. For line 18, nonresidents generally will not qualify as the deduction only applies to a principal residence located in Massachusetts as their sole residence. For the line 16 deduction, part-year and nonresidents use the following worksheet.

**Line 16 Worksheet—Child Under 13 or Disabled Dependent/Spouse Care Deduction**

Part-year residents, enter amounts paid while a Massachusetts resident.

**Note:** See instructions if taxpayer received dependent care benefits.

- 1) Enter the amount of qualified expenses taxpayer incurred and paid in 2015 for a qualifying person(s). This amount may exceed the federal limit of \$3,000 for one qualifying person or \$6,000 for two or more persons. However, do not enter more than \$4,800 for one qualifying person or \$9,600 for two or more persons..... 1) \_\_\_\_\_
- 2) Enter the amount from line 4, U.S. Form 2441 ..... 2) \_\_\_\_\_
- 3) Enter the amount from line 5, U.S. Form 2441 ..... 3) \_\_\_\_\_
- 4) Enter the smallest of line 1, 2, or 3..... 4) \_\_\_\_\_
- 5) For 2014 expenses in 2015, enter the amount of the allowed 2014 expenses used to compute the credit on line 9, U.S. Form 2441. Otherwise, enter "0"5) \_\_\_\_\_
- 6) Add lines 4 and 5 ..... 6) \_\_\_\_\_
- 7) Part-year residents, enter here the amount from line 6 and on line 16, Form 1-NR/PY; nonresidents, multiply line 6 by line 14g, Form 1-NR/PY, and enter the result here and on line 16, Form 1-NR/PY ..... 7) \_\_\_\_\_

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## Other deductions from Schedule Y:

**Allowable employee business expenses.** Use the worksheet on page MA-6 to calculate allowable deduction. Expenses for this deduction must be related to income reported on Form 1-NR/PY.

**Penalty on early savings withdrawal.** Expenses for this deduction must be related to income reported on Form 1-NR/PY.

**Alimony paid.** Part-year residents report the amount paid while a resident. Nonresidents prorate alimony paid by the nonresident deduction and exemption ratio.

**Amounts excludible under MGL Ch. 41, sec. 111F or U.S. tax treaty included in Form 1-NR/PY, line 5.** Exclude qualifying amounts that are included in income reported on Form 1-NR/PY.

**Moving expenses.** Nonresidents and part-year residents report expenses that are related to Massachusetts employment.

**Medical savings account deduction.** Nonresidents prorate the federal deduction by the nonresident deduction and exemption ratio. Part-year residents prorate the federal deduction by the part-year resident proration formula.

**Self-employed health insurance deduction.** Report the amount that is related to Massachusetts employment. *Note:* Taxpayers who elected to claim the federal health coverage tax credit and had to reduce the deduction on the federal return may not add back the amount of the credit.

**Health savings accounts deduction.** Nonresidents prorate the federal deduction by the nonresident deduction and exemption ratio. Part-year residents prorate the federal deduction by the part-year resident proration formula.

**Certain qualified deductions from U.S. Form 1040.** Expenses for these deductions must be related to income reported on Form 1-NR/PY. See *Other qualified deductions*, page MA-6, for how to report.

**Student loan interest deduction.** Nonresidents prorate the federal deduction by the nonresident deduction and exemption ratio. Part-year residents prorate the federal deduction by the part-year resident proration formula. This deduction is only allowed if not claiming the same expenses for the undergraduate student loan interest deduction.

**College tuition deduction.** Use the worksheet, below, to calculate the allowable deduction.

### Schedule Y, Line 11 Worksheet—College Tuition Deduction

- 1) Enter total tuition payments paid by taxpayer, for taxpayer or a dependent, to a qualifying two- or four-year college in 2015..... 1) \_\_\_\_\_
- 2) Enter amount of scholarships, grants, or financial aid received in 2015 for amounts shown in line 1.... 2) \_\_\_\_\_
- 3) Enter amount of reimbursements or refunds received in 2015 of amounts shown in line 1 reported by an insurer (from U.S. Form 8383, box 10)..... 3) \_\_\_\_\_
- 4) Subtract lines 2 and 3 from line 1. If "0" or less, taxpayer does not qualify for this deduction ..... 4) \_\_\_\_\_
- 5) Enter amount from line 10 of Schedule NTS-L-NR/PY.. 5) \_\_\_\_\_
- 6) Multiply line 5 by 0.25..... 6) \_\_\_\_\_
- 7) If line 4 is *smaller* than line 6, the taxpayer is not eligible for this deduction. Enter "0." If line 4 is *larger* than line 6, subtract line 6 from line 4 and enter the result here ..... 7) \_\_\_\_\_
- 8) Nonresidents, multiply line 7 by line 14g, Form 1-NR/PY. Enter the result here and on line 11, Schedule Y. Part-year residents, multiply line 7 by line 2, Form 1-NR/PY. Enter the result here and on line 11, Schedule Y..... 8) \_\_\_\_\_

**Undergraduate student loan interest deduction.** Nonresidents prorate the federal deduction by the nonresident deduction and exemption ratio. Part-year residents prorate the federal deduction by the part-year resident proration formula. This deduction is only allowed if not claiming the same expenses in the student loan interest deduction.

**Deductible amount of qualified contributory pension income from another state or political subdivision.** Massachusetts allows a deduction for income received from another state or one of its political subdivisions which does not tax such income from Massachusetts or its political subdivisions. Report any deductible amount of such income that was included on line 6, Form 1-NR/PY.

**Claim of right deduction.** Taxpayers who have paid Massachusetts personal income taxes in a prior year on income attributed to them under a "claim of right" may deduct the amount of that income from their gross income if it later develops that they were not in fact entitled to the income and have repaid the amounts in question. The deduction is allowed in the year of repayment, provided that the repayment is not otherwise deductible.

**Commuter deduction.** Use the worksheet, below, to calculate the allowable deduction.

### Schedule Y, Line 15 Worksheet—Commuter Deduction

- 1) Enter amount paid in 2015 for tolls through an E-Z Pass account..... 1) \_\_\_\_\_
- 2) Enter amount paid in 2015 for weekly or monthly transit commuter passes for MBTA transit or commuter rail. (Do not include amounts reimbursed or otherwise deductible.)..... 2) \_\_\_\_\_
- 3) Add lines 1 and 2. If \$150 or less, the taxpayer does not qualify for this deduction. Omit remainder of this worksheet. Otherwise, complete lines 4 through 6.... 3) \_\_\_\_\_
- 4) Enter \$150 ..... 4) \_\_\_\_\_
- 5) Subtract line 4 from line 3..... 5) \_\_\_\_\_
- 6) Enter the lesser of line 5 or \$750..... 6) \_\_\_\_\_
- 7) Part-year residents, multiply line 6 by line 2, Form 1-NR/PY. Enter the result here and on line 15, Schedule Y. Nonresidents, multiply line 6 by line 14g, Form 1-NR/PY. Enter the result here and on line 15, Schedule Y..... 7) \_\_\_\_\_

**Line 23, 5.15% income after exemptions.** If line 22 exceeds line 21, and the taxpayer received interest income (other than interest from Massachusetts banks), dividends, or capital gain income, complete the worksheet, below, for Schedule B, line 36 and Schedule D, line 20, if applicable.

### Schedule B, Line 36 and Schedule D, Line 20 Worksheet

Excess exemptions from Interest and Dividend Income, 12% Income and Long-Term Capital Gain Income.

(Only if Single, Head of Household, or Married Filing Jointly)

If total exemptions in line 22, Form 1-NR/PY, are more than the amount of 5.15% income after deductions in line 21, Form 1-NR/PY, the excess may be applied against any interest and dividend income and income taxed at 12%. Any remaining excess amount may then be applied against any long-term capital gain income. Complete this worksheet only if line 21, Form 1-NR/PY is less than line 22, Form 1-NR/PY to determine if the taxpayer qualifies for the excess exemption. Enter all losses as "0."

- 1) Enter amount from Schedule B, line 35. Not less than "0" ..... 1) \_\_\_\_\_
- 2) Enter amount from Form 1-NR/PY, line 22..... 2) \_\_\_\_\_

*continued on next page*



- 3) Enter amount from Form 1-NR/PY, line 21 ..... 3) \_\_\_\_\_
- 4) Subtract line 3 from line 2. If "0" or less, the taxpayer does not qualify for this exemption. Omit remainder of worksheet..... 4) \_\_\_\_\_
- 5) Excess exemptions applied against interest and dividend income and 12% income. If line 1 is *larger* than line 4, enter line 4 here and in Schedule B, line 36. If line 4 is equal to or *larger* than line 1, enter line 1 here and in Schedule B, line 36. Complete lines 6 through 8 ..... 5) \_\_\_\_\_
- 6) Subtract line 5 from line 4. If "0," omit remainder of worksheet..... 6) \_\_\_\_\_
- 7) Enter Schedule D, line 19. Not less than "0" ..... 7) \_\_\_\_\_
- 8) Excess exemptions applied against long-term capital gain income. If line 7 is *larger* than line 6, enter line 6 here and in Schedule D, line 20. If line 6 is equal to or *larger* than line 7, enter line 7 here and in Schedule D, line 20 ..... 8) \_\_\_\_\_

**Tax Calculation on 5.15% Income—Nonresidents and Part-Year Residents**

Use the tax table on page MA-18. If income exceeds \$24,000, multiply taxable income by 5.15%.

**12% Income**

Use the same information as residents. See *12% Income and Tax*, page MA-9.

**Long-Term Capital Gains, Schedule D**

Use the same information as residents. See *Long-Term Capital Gains, Schedule D*, page MA-9.

**Additional Tax on Installment Sale**

Use the same information as residents. See *Additional Tax on Installment Sale*, page MA-10.

**Massachusetts AGI**

There are three tax provisions that use Massachusetts AGI:

- No tax status.
- Limited income credit.
- College tuition deduction. (See *College tuition deduction*, page MA-16.)

For nonresidents and part-year residents, complete Schedule NTS-L-NR/PY to calculate Massachusetts AGI, the No Tax Status, and the limited income credit.

**Other Credits, Schedule Z**

These credits are generally the same as the ones allowed for residents. See *Other Credits, Schedule Z*, page MA-11.

**Assembling Paper-Filed Returns**

**Massachusetts attachments.** Enclose (do not staple) required schedules and statements with the return.

**Federal attachments.** If schedule is filed with federal return, enclose Schedule F.

**W-2 and 1099s.** Attach to front left side of Form 1 or Form 1-NRPY with a single staple.

**Mailing Addresses**

**Returns without bar codes:**

Refund or no tax due ..... Massachusetts Department of Revenue  
P.O. Box 7000, Boston, MA 02204-7000

Balance due ..... Massachusetts Department of Revenue  
P.O. Box 7003, Boston, MA 02204-7003

**Returns with bar codes:**

Refund or no tax due ..... Massachusetts Department of Revenue  
P.O. Box 7001, Boston, MA 02204-7001

Balance due ..... Massachusetts Department of Revenue  
P.O. Box 7002, Boston, MA 02204-7002

**Payment Options**

- **Electronic payment.** Go to [www.mass.gov/dor/payonline](http://www.mass.gov/dor/payonline) for online payment options.
- **Check or money order.** Make checks payable to the Commonwealth of Massachusetts and write the taxpayer's Social Security number on the front of the check or money order in the lower left corner. Enclose payment and Form PV, *Massachusetts Income Tax Payment Voucher*.

**Extension Information**

Massachusetts allows an automatic 6-month extension.

- Without filing an application if 100% of total tax liability is paid by the return due date, or
- If the taxpayer files Form M-4868, *Application for Automatic Six-Month Extension of Time to File Massachusetts Income Tax Return*, via the web or by mail and pays at least 80% of total tax liability.

**Extension web mandate.** Taxpayers who owe no tax, or who are making a payment of \$5,000 or more, must file the extension via the web at [www.mass.gov/dor](http://www.mass.gov/dor). Payments can be made through electronic funds withdrawal.

**Extension mailing address:**

Form M-4868 ..... Massachusetts Department of Revenue  
P.O. Box 7070  
Boston, MA 02204-7070

**Estimated Tax Information**

**Form 1-ES.** Every resident or nonresident who expects to pay more than \$400 in Massachusetts income tax on income which is not covered by Massachusetts withholding must pay Massachusetts estimated taxes. Required payments:

- 80% of current year tax liability,
- 66⅔% of current year tax liability for qualified farmers and fishermen, or
- 100% of prior year's tax liability.

**Payment dates.** April 15, June 15, September 15, and January 15.

**Estimate mailing address:**

Form 1-ES ..... Massachusetts Department of Revenue  
P.O. Box 7007  
Boston, MA 02204-7007

Form 1-ES may also be filed online. Go to [www.mass.gov/dor](http://www.mass.gov/dor) and click on WebFile for Income.

**MASSACHUSETTS**

**2015 Massachusetts Income Tax Table at the 5.15% Rate**

Use this table to calculate tax for taxable 5.15% income (line 21) of not more than \$24,000.

**Line 22 instructions:** To find tax on 5.15% income (line 22), read down the tax table income column to the line containing the amount entered in line 21. Then read across to the "Tax" column and enter this amount in line 22. If taxable 5.15% income in line 21 is greater than \$24,000, multiply the amount by 0.0515. Enter the result in line 22.

**Note:** If choosing the optional 5.85% tax rate, multiply line 21 and the amount in Schedule D, line 21 by 0.0585.

INCOME			INCOME			INCOME			INCOME			INCOME			INCOME		
More than	But not more than	TAX	More than	But not more than	TAX	More than	But not more than	TAX	More than	But not more than	TAX	More than	But not more than	TAX	More than	But not more than	TAX
\$ 1 - \$ 50		\$ 1	\$ 4,000 - \$ 4,050		\$ 207	\$ 8,000 - \$ 8,050		\$ 413	\$ 12,000 - \$ 12,050		\$ 619	\$ 16,000 - \$ 16,050		\$ 825	20,000 - \$20,050		\$ 1,031
50 - 100		4	4,050 - 4,100		210	8,050 - 8,100		416	12,050 - 12,100		622	16,050 - 16,100		828	20,050 - 20,100		1,034
100 - 150		6	4,100 - 4,150		212	8,100 - 8,150		418	12,100 - 12,150		624	16,100 - 16,150		830	20,100 - 20,150		1,036
150 - 200		9	4,150 - 4,200		215	8,150 - 8,200		421	12,150 - 12,200		627	16,150 - 16,200		833	20,150 - 20,200		1,039
200 - 250		12	4,200 - 4,250		218	8,200 - 8,250		424	12,200 - 12,250		630	16,200 - 16,250		836	20,200 - 20,250		1,042
250 - 300		14	4,250 - 4,300		220	8,250 - 8,300		426	12,250 - 12,300		632	16,250 - 16,300		838	20,250 - 20,300		1,044
300 - 350		17	4,300 - 4,350		223	8,300 - 8,350		429	12,300 - 12,350		635	16,300 - 16,350		841	20,300 - 20,350		1,047
350 - 400		19	4,350 - 4,400		225	8,350 - 8,400		431	12,350 - 12,400		637	16,350 - 16,400		843	20,350 - 20,400		1,049
400 - 450		22	4,400 - 4,450		228	8,400 - 8,450		434	12,400 - 12,450		640	16,400 - 16,450		846	20,400 - 20,450		1,052
450 - 500		24	4,450 - 4,500		230	8,450 - 8,500		436	12,450 - 12,500		642	16,450 - 16,500		848	20,450 - 20,500		1,054
500 - 550		27	4,500 - 4,550		233	8,500 - 8,550		439	12,500 - 12,550		645	16,500 - 16,550		851	20,500 - 20,550		1,057
550 - 600		30	4,550 - 4,600		236	8,550 - 8,600		442	12,550 - 12,600		648	16,550 - 16,600		854	20,550 - 20,600		1,060
600 - 650		32	4,600 - 4,650		238	8,600 - 8,650		444	12,600 - 12,650		650	16,600 - 16,650		856	20,600 - 20,650		1,062
650 - 700		35	4,650 - 4,700		241	8,650 - 8,700		447	12,650 - 12,700		653	16,650 - 16,700		859	20,650 - 20,700		1,065
700 - 750		37	4,700 - 4,750		243	8,700 - 8,750		449	12,700 - 12,750		655	16,700 - 16,750		861	20,700 - 20,750		1,067
750 - 800		40	4,750 - 4,800		246	8,750 - 8,800		452	12,750 - 12,800		658	16,750 - 16,800		864	20,750 - 20,800		1,070
800 - 850		42	4,800 - 4,850		248	8,800 - 8,850		454	12,800 - 12,850		660	16,800 - 16,850		866	20,800 - 20,850		1,072
850 - 900		45	4,850 - 4,900		251	8,850 - 8,900		457	12,850 - 12,900		663	16,850 - 16,900		869	20,850 - 20,900		1,075
900 - 950		48	4,900 - 4,950		254	8,900 - 8,950		460	12,900 - 12,950		666	16,900 - 16,950		872	20,900 - 20,950		1,078
950 - 1,000		50	4,950 - 5,000		256	8,950 - 9,000		462	12,950 - 13,000		668	16,950 - 17,000		874	20,950 - 21,000		1,080
1,000 - 1,050		53	5,000 - 5,050		259	9,000 - 9,050		465	13,000 - 13,050		671	17,000 - 17,050		877	21,000 - 21,050		1,083
1,050 - 1,100		55	5,050 - 5,100		261	9,050 - 9,100		467	13,050 - 13,100		673	17,050 - 17,100		879	21,050 - 21,100		1,085
1,100 - 1,150		58	5,100 - 5,150		264	9,100 - 9,150		470	13,100 - 13,150		676	17,100 - 17,150		882	21,100 - 21,150		1,088
1,150 - 1,200		61	5,150 - 5,200		267	9,150 - 9,200		473	13,150 - 13,200		679	17,150 - 17,200		885	21,150 - 21,200		1,091
1,200 - 1,250		63	5,200 - 5,250		269	9,200 - 9,250		475	13,200 - 13,250		681	17,200 - 17,250		887	21,200 - 21,250		1,093
1,250 - 1,300		66	5,250 - 5,300		272	9,250 - 9,300		478	13,250 - 13,300		684	17,250 - 17,300		890	21,250 - 21,300		1,096
1,300 - 1,350		68	5,300 - 5,350		274	9,300 - 9,350		480	13,300 - 13,350		686	17,300 - 17,350		892	21,300 - 21,350		1,098
1,350 - 1,400		71	5,350 - 5,400		277	9,350 - 9,400		483	13,350 - 13,400		689	17,350 - 17,400		895	21,350 - 21,400		1,101
1,400 - 1,450		73	5,400 - 5,450		279	9,400 - 9,450		485	13,400 - 13,450		691	17,400 - 17,450		897	21,400 - 21,450		1,103
1,450 - 1,500		76	5,450 - 5,500		282	9,450 - 9,500		488	13,450 - 13,500		694	17,450 - 17,500		900	21,450 - 21,500		1,106
1,500 - 1,550		79	5,500 - 5,550		285	9,500 - 9,550		491	13,500 - 13,550		697	17,500 - 17,550		903	21,500 - 21,550		1,109
1,550 - 1,600		81	5,550 - 5,600		287	9,550 - 9,600		493	13,550 - 13,600		699	17,550 - 17,600		905	21,550 - 21,600		1,111
1,600 - 1,650		84	5,600 - 5,650		290	9,600 - 9,650		496	13,600 - 13,650		702	17,600 - 17,650		908	21,600 - 21,650		1,114
1,650 - 1,700		86	5,650 - 5,700		292	9,650 - 9,700		498	13,650 - 13,700		704	17,650 - 17,700		910	21,650 - 21,700		1,116
1,700 - 1,750		89	5,700 - 5,750		295	9,700 - 9,750		501	13,700 - 13,750		707	17,700 - 17,750		913	21,700 - 21,750		1,119
1,750 - 1,800		91	5,750 - 5,800		297	9,750 - 9,800		503	13,750 - 13,800		709	17,750 - 17,800		915	21,750 - 21,800		1,121
1,800 - 1,850		94	5,800 - 5,850		300	9,800 - 9,850		506	13,800 - 13,850		712	17,800 - 17,850		918	21,800 - 21,850		1,124
1,850 - 1,900		97	5,850 - 5,900		303	9,850 - 9,900		509	13,850 - 13,900		715	17,850 - 17,900		921	21,850 - 21,900		1,127
1,900 - 1,950		99	5,900 - 5,950		305	9,900 - 9,950		511	13,900 - 13,950		717	17,900 - 17,950		923	21,900 - 21,950		1,129
1,950 - 2,000		102	5,950 - 6,000		308	9,950 - 10,000		514	13,950 - 14,000		720	17,950 - 18,000		926	21,950 - 22,000		1,132
2,000 - 2,050		104	6,000 - 6,050		310	10,000 - 10,050		516	14,000 - 14,050		722	18,000 - 18,050		928	22,000 - 22,050		1,134
2,050 - 2,100		107	6,050 - 6,100		313	10,050 - 10,100		519	14,050 - 14,100		725	18,050 - 18,100		931	22,050 - 22,100		1,137
2,100 - 2,150		109	6,100 - 6,150		315	10,100 - 10,150		521	14,100 - 14,150		727	18,100 - 18,150		933	22,100 - 22,150		1,139
2,150 - 2,200		112	6,150 - 6,200		318	10,150 - 10,200		524	14,150 - 14,200		730	18,150 - 18,200		936	22,150 - 22,200		1,142
2,200 - 2,250		115	6,200 - 6,250		321	10,200 - 10,250		527	14,200 - 14,250		733	18,200 - 18,250		939	22,200 - 22,250		1,145
2,250 - 2,300		117	6,250 - 6,300		323	10,250 - 10,300		529	14,250 - 14,300		735	18,250 - 18,300		941	22,250 - 22,300		1,147
2,300 - 2,350		120	6,300 - 6,350		326	10,300 - 10,350		532	14,300 - 14,350		738	18,300 - 18,350		944	22,300 - 22,350		1,150
2,350 - 2,400		122	6,350 - 6,400		328	10,350 - 10,400		534	14,350 - 14,400		740	18,350 - 18,400		946	22,350 - 22,400		1,152
2,400 - 2,450		125	6,400 - 6,450		331	10,400 - 10,450		537	14,400 - 14,450		743	18,400 - 18,450		949	22,400 - 22,450		1,155
2,450 - 2,500		127	6,450 - 6,500		333	10,450 - 10,500		539	14,450 - 14,500		745	18,450 - 18,500		951	22,450 - 22,500		1,157
2,500 - 2,550		130	6,500 - 6,550		336	10,500 - 10,550		542	14,500 - 14,550		748	18,500 - 18,550		954	22,500 - 22,550		1,160
2,550 - 2,600		133	6,550 - 6,600		339	10,550 - 10,600		545	14,550 - 14,600		751	18,550 - 18,600		957	22,550 - 22,600		1,163
2,600 - 2,650		135	6,600 - 6,650		341	10,600 - 10,650		547	14,600 - 14,650		753	18,600 - 18,650		959	22,600 - 22,650		1,165
2,650 - 2,700		138	6,650 - 6,700		344	10,650 - 10,700		550	14,650 - 14,700		756	18,650 - 18,700		962	22,650 - 22,700		1,168
2,700 - 2,750		140	6,700 - 6,750		346	10,700 - 10,750		552	14,700 - 14,750		758	18,700 - 18,750		964	22,700 - 22,750		1,170
2,750 - 2,800		143	6,750 - 6,800		349	10,750 - 10,800		555	14,750 - 14,800		761	18,750 - 18,800		967	22,750 - 22,800		1,173
2,800 - 2,850		145	6,800 - 6,850		351	10,800 - 10,850		557	14,800 - 14,850		763	18,800 - 18,850		969	22,800 - 22,850		