

MASSACHUSETTS ANNOUNCES TAX AMNESTY PROGRAM - BUT YOU BETTER HURRY

October 10, 2024

The Massachusetts Department of Revenue (DOR) recently announced a tax amnesty program that will allow non-filers and taxpayers with outstanding Massachusetts tax liabilities to pay back taxes and avoid penalties (including interest on penalties) for all filing periods. The Massachusetts Tax Amnesty 2024 Program is open to all taxpayers who are required to file tax returns with the DOR and will run from November 1 through December 30, 2024.

Taxes eligible for the amnesty program include:

- Personal Income Tax
- Nonresident Composite Tax
- Partnership Income Tax
- Pass-Through Entity Withholding Tax
- Withholding Tax
- Corporate Excise Tax
- Sales and Use Tax
- Fiduciary Income Tax
- Estate Tax

Eligible taxpayers include:

- Individuals, businesses, estates, and trusts
- Taxpayers with unfiled returns, underreported obligations, or existing tax liabilities
- Taxpayers currently under an audit that will result in a penalty assessment
- Taxpayers with pending Resolution cases, pending cases with the Appellate Tax Board, and open Collection cases

Eligible non-filers will be required to file Massachusetts tax returns for only the three most recent years - returns due from January 1, 2022 through December 31, 2024 - rather than for the most recent seven (7) years which is the standard requirement outside of the amnesty program.

The following taxpayers are not eligible to seek relief under the amnesty program:

- Taxpayers who are seeking a waiver of penalties related to assessments already paid
- Taxpayers who received prior amnesty relief in 2015 or 2016 for the same tax type and period
- Taxpayers who are in active bankruptcy
- Taxpayers who are subject to a tax-related criminal investigation or prosecution

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- Taxpayers who filed a false or fraudulent return, statement, or amnesty claim
- Taxpayers who are seeking a refund of tax or a credit for an overpayment

To meet the program requirements, eligible taxpayers must submit the following to the DOR no later than December 30, 2024:

- Amnesty Request;
- Payment of the total tax and interest due; and
- All required tax returns

The type of information to be included in the Amnesty Request will vary depending on whether the taxpayer (i) has existing tax liabilities, (ii) wishes to file an amended return to correct the underreporting of a tax liability on an original return, or (iii) is a non-filer who is subject to Massachusetts taxation.

The Amnesty Request will be available on the DOR website beginning November 1, 2024. Taxpayers can submit an Amnesty Request for all filing periods with a return due on or before December 31, 2024.

Additional information about the Massachusetts Tax Amnesty 2024 Program, including frequently asked questions and a full list of eligible and ineligible tax types, can be found at:

- <https://www.mass.gov/info-details/massachusetts-tax-amnesty-2024#overview->
- <https://www.mass.gov/info-details/massachusetts-tax-amnesty-2024-frequently-asked-questions>
- <https://www.mass.gov/info-details/ma-tax-amnesty-2024-eligible-ineligible-account-tax-types>

The Massachusetts Tax Amnesty 2024 Program offers taxpayers with material Massachusetts tax exposure a rare opportunity to come into compliance with Massachusetts tax laws without incurring costly penalties. However, with the limited time window for submitting an amnesty request, taxpayers who wish to obtain the benefits of the program will need to act quickly.

If you have any questions regarding this program or this alert, please contact your accountant or your Cummings & Lockwood attorney.