



# This Week in State Tax (TWIST)

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## Massachusetts: Draft Guidance Issued on Recent Corporate Excise Changes

The Massachusetts Department of Revenue has issued a working draft Technical Information Release or TIR addressing the 2023 tax relief legislation entitled “An Act to Improve the Commonwealth’s Competitiveness, Affordability, and Equity” (Act). While many of the changes in the legislation are individual income tax changes, the Act also amended Chapter 63 to require all financial institutions and business corporations to apportion their income to Massachusetts using the receipts or sales factor only. The Act indicated an effective date of January 1, 2025 for these amendments. The working draft TIR confirms that these changes are effective for tax years beginning on or after January 1, 2025. The Act also revised the method to be used by financial institutions to source receipts from investment and trading assets and activities. The draft TIR confirms there is no elective variation from the new rule and that this change is likewise effective for tax years beginning on or after January 1, 2025. Please contact George Burns with questions.

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