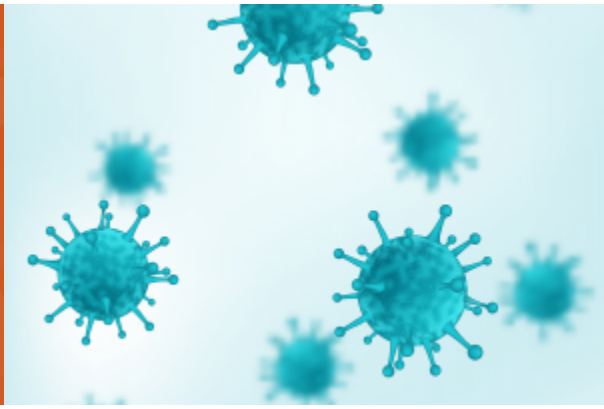
COVID-19 Alert: Administrative Tax Relief

Massachusetts Extends Administrative Tax Relief for Small Businesses

By:Joseph E. Hunt IV
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On September 15, 2020, Governor Charlie Baker, with the support of both Massachusetts House Speaker Robert DeLeo and Massachusetts Senate President Karen Spilka, announced the extension of administrative tax relief measures aimed at delaying tax payment deadlines for certain Massachusetts small businesses.

As part of the tax relief measures, sales taxes, meals taxes, and room occupancy taxes originally due to the Commonwealth from March 2020 through April 2021 are deferred until May 2021, and those small businesses that take advantage of this deferral will not accrue either penalties or interest during the extension period.

In order to qualify for the deferral, Massachusetts businesses must have collected less than (i) $150,000 in regular sales plus meals taxes or (ii) $150,000 in room occupancy taxes, in the 12-month period ended February 29, 2020. Massachusetts businesses that do not meet these threshold limitations (and therefore, do not qualify for the deferral) will still benefit from limited tax relief in the form of having any late-file and late-pay penalties waived during the period of March 2020 through April 2021.

The Massachusetts Department of Revenue will issue emergency regulations as well as a Technical Information Release to implement these administrative tax relief measures. It is important to note that these administrative tax relief measures amount to a deferral of tax only; small businesses who qualify for and take advantage of the deferral are still legally obligated to remit the deferred taxes in May 2021, subject to further administrative action.

The Morse Tax Practice Group is following this issue closely. Please feel free to contact Joe Hunt should you have any questions.

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