

Multistate Tax Alerts

Throughout the week, we highlight selected developments involving state tax legislative, judicial, and administrative matters. The alerts provide a brief summary of specific multistate developments relevant to taxpayers, tax professionals, and other interested persons. Read the recent alerts below or visit the archive.

Archive: <https://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-archive.html?id=us:2em:3na:stm:awa:tax>

Massachusetts enacts significant tax legislation, including adoption of single sales factor in 2025

On October 4, 2023, Governor Healy signed Massachusetts House Bill 4104 (H.B. 4104) into law. This legislation provides an estimated \$1 billion of overall tax relief, including the adoption of single sales factor apportionment, a reduction in the short-term capital gains rate, doubling the estate tax threshold, and expanding credits and deductions intended to aid lower income individuals. These provisions were offset by certain provisions intended to raise revenue, including a requirement that married couples filing jointly for federal tax purposes do so for Massachusetts purposes, intended to close a perceived loophole on the imposition of the 4% surcharge on income over \$1 million. H.B. 4104 also requires the Department of Revenue to analyze the potential impact of implementing an elective additional 4% passthrough entity tax to align with the 4% surcharge on individual income in excess of \$1 million.

This Multistate Tax Alert summarizes some of the provisions in H.B. 4104.

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URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-multistate-tax-alert-massachusetts-adopts-significant-tax-legislation-including-adoption-of-single-sales-factor-in-2025.pdf>

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