

Amnesty:

Massachusetts: New Law Authorizes 60-Day Amnesty Program During FY 2025 with Potential 100% Penalty Waiver

H.B. 4800, signed by gov. 7/29/24. New law authorizes the Massachusetts Department of Revenue (“Department”) to establish a tax amnesty program for a 60-day period within fiscal year 2025 that expires no later than June 30, 2025, during which most penalties that could be assessed by the Department must be waived without the need for any showing by the taxpayer of reasonable cause or the absence of willful neglect for the taxpayer’s failure to:

URL: <https://malegislature.gov/Bills/193/H4800>

- Timely file any proper return for any tax type and for any tax period;
- Timely pay any tax liability; or
- Pay the proper amount of any required estimated payment toward a tax liability.

According to the legislation, the tax amnesty program shall apply to tax returns due on or before December 31, 2024, and if a qualifying participant comes into compliance with tax obligations pursuant to this program, the Department “may apply limited look-back periods for unfiled returns, not to exceed 4 years,” unless the Department determines that the taxpayer acted with fraudulent intent. Moreover, the scope of the tax amnesty program, including the particular tax types, periods covered and the applicability of the look-back periods, shall be determined by the Department. The new law also notes that qualifying program participants generally must file the required return(s) and pay the tax(es) shown as due on the return(s) during the amnesty period together *with* accrued interest, as the Department is *not* authorized to waive any related interest. Additionally, the new law requires the Department to establish administrative procedures and methods to “prevent a taxpayer who utilizes the tax amnesty program from utilizing any future tax amnesty programs for the next consecutive 10 years, beginning in calendar year 2024.” Please contact us with any questions.

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