



The Commonwealth of Massachusetts
Department of Revenue
Rulings and Regulations Bureau

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April 9, 2015

Joseph Kriesberg, President
Massachusetts Association of Community Development Corporations
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Dear Joe,

I am writing in response to your email dated April 1, 2015 asking if a taxpayer who has made a qualified investment to a community partner or community partnership fund in 2014 can claim the credit on his, her, or its 2015 tax return rather than wait for the Department of Revenue ["Department"] to issue a certificate number so as to claim it on a 2014 return. In asking this question, you suggest that you think it should be, given the five year roll over language in subsection (f) of the authorizing statutes, G. L. c. 62, § 6M and G.L. c. 63, § 38EE.

Under subsection (g) of both the authorizing statutes noted above it is stated that the "credit . . . shall be allowed for the taxable year in which a qualified investment is made" by the taxpayer. See also, the Department's *Community Investment Tax Credit* Regulation, 830 CMR 62.6M.1(5) ("Regulation"). Therefore, a credit allowed for a 2014 qualified investment must be claimed on a 2014 tax return.

The "roll over language" you refer to is a carry forward provision that applies only in cases where the credit claimed exceeds the tax for the taxable year, leaving a balance that the taxpayer may elect to carry forward. Under the authorizing statutes and Regulation it is provided that if the amount of the credit allowed exceeds the taxpayer's tax liability for such taxable year, the Commissioner of Revenue ("Commissioner") shall refund the balance of the credit to the taxpayer, without interest, unless the taxpayer elects to carry forward the balance and apply it against the taxpayer's tax liability for any 1 or more of the succeeding 5 taxable years; the portion, as reduced from year to year, of the credit which exceeds the tax for the taxable year. G. L. c. 62, § 6M(f); G.L. c. 63, § 38EE(f); and 830 CMR 62.6M.1(7) and (8). This carry over provision has no effect on the initial year in which the credit can be claimed.

Taxpayers who have not received a certificate number prior to the due date for filing their returns should request an extension of time to do so, if an automatic extension of time to file a return, as discussed in TIR 06-21, does not apply. As stated in that TIR, the Commissioner will grant certain taxpayers an automatic six month extension of time to file a return, without requiring the submission of an application for such extension, provided that (1) the taxpayer

Joseph Kriesberg
April 9, 2015
Page two

owes no tax with the return (including cases where the taxpayer is due a refund) and (2) 100% of the tax due for the taxable year has been paid, through e.g. withholding or timely estimated payments of tax, by the original due date for filing the return. TIR 06-21 is available on the Department's website at www.mass.gov/dor."

This e-mail response is an "information letter" within the meaning of the Letter Ruling Regulation, 830 CMR 62C.3.2. It is intended to provide general information such as the potential applicability of Department of Revenue public written statements or well-established principles of tax law, but it is not intended to provide authoritative guidance on the application of the tax laws to a specific set of facts. This response is not a "ruling" or "letter ruling" that is legally binding on the Department.

Very truly yours,



Pamela L. Swart, Tax Counsel
Rulings & Regulations Bureau

Cc: Jennifer Constable

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