

Legislative Brief



We're working to keep you informed in a world that changes by the minute. If you have anything you'd like to share, or if we can help you in any way, please email [Zach Donah](#) or [Larry Liuzzo](#).

MassCPAs Releases Whitepaper Pushing State to Update Tax Code

MassCPAs, in collaboration with MultiState, a full-service state and local government relations company, [released a whitepaper](#) supporting Governor Baker's proposal to [update the conformity date for individual income tax](#) purposes from 2005 to 2022.

An easily digestible document for all, our arguments to update the conformity date state that:

- Massachusetts is the only state that conforms to a 2005 version of the Internal Revenue Code (IRC). This makes our state a unique outlier and defeats the entire purpose of conformity.
- There is no economic or tax policy reason for Massachusetts not to update its conformity date. It's a routine action that nearly every other state has taken to increase simplicity for the Department of Revenue (DOR) and taxpayers.
- Conformity eases complexity for taxpayers, tax practitioners and the DOR. Many Massachusetts taxpayers must calculate their federal income tax return and then do a variety of separate calculations to determine their state income tax liability due to the state's conformity to the 2005 IRC. Updating the conformity date alleviates this administrative nightmare.
- Conformity is convenient for states, as they can piggyback off the federal government's definitions, audits and taxpayer data. Conformity in no way impacts the legislature's authority to make tax policy decisions for Massachusetts. The Legislature will still retain full control over state-specific deductions and exemptions.

- Updating the conformity date would have an extremely minimal impact on the state's revenue (roughly \$32.9 million, according to the DOR).

“Massachusetts conforms to the 2005 IRC, but most states conform to 2021 IRC, which makes us more outdated than any other state by a landslide,” said MassCPAs President and CEO, Amy Pitter. “There is no economic or tax policy reason for Massachusetts not to update its conformity date. This low cost and necessary update will provide consistency and simplicity for Massachusetts taxpayers and streamline tax administration at the Department of Revenue (DOR). We urge the Legislature to include this important provision in its upcoming FY23 budget proposals.”

We look forward to working with the Legislature to ensure this critical update is passed into law. We will keep you posted on any developments as they arise.

Meet Mireille Eastman, Massachusetts Taxpayer Advocate

The MassCPAs government affairs team recently met with Mireille Eastman, the new taxpayer advocate, to discuss her new role and how her office and MassCPAs can work best on your behalf. Check out our conversation, in part, below.

Tell us about yourself and your professional background.

I started at the Department of Revenue (DOR) as an intern in 2004 when I was in my third year at Boston University School of Law. After graduation, I worked in the Litigation Bureau for seven years,



where I worked on many kinds of disputes; from small dollar penalty cases to some of DOR's most complicated corporate tax cases. I have always had an interest in tax policy, so I moved to the Rulings and Regulations Bureau where for 10 years I was involved in the drafting and development of various regulations and other public written statements, participated in various working groups and provided guidance to internal and external stakeholders.

How do you see the role of Taxpayer Advocate?

One of my favorite aspects of government work is that we are acting on behalf of the entire Commonwealth of Massachusetts, so our view cannot be confined to a single matter or perspective. The Taxpayer Advocate's primary responsibility is to identify and propose solutions and changes for systemic problems that increase the burden on, or create issues for, taxpayers. Where appropriate, the Advocate will recommend administrative changes to resolve or mitigate these problems. As someone who litigated cases and worked with taxpayers, I am keenly aware of the burdens and frustrations that arise when systemic issues are not resolved proactively. Given my background in tax policy development, I understand that taking a proactive approach in the development of our policies, and how we administer and communicate those policies, can benefit all parties. In my new role, I hope to marry my legal knowledge, my advocacy skills, and my passion for serving the people of the Commonwealth.

How can MassCPAs and our members best assist you in this role?

Keep sending emails about questions and issues as they arise. We do our best to keep our website updated, but sometimes changes come quickly, so if there is a discrepancy, error or important topic impacting the community that we have not addressed, we are grateful for the feedback. We recommend using three resources on our website, like:

- [What's Trending?](#) - information about recent changes and new initiatives

- [Current Filing Season Overview](#) - videos and relevant information related to the TY21 filing season
- [Information for Tax Professionals](#) - collection of useful links and resources
- [DOR Hot Topics for Tax Professionals](#) - timely updates on important issues

Last but not least, I am excited to work with MassCPAs President and CEO Amy Pitter on the DOR Advisory Council, which offers another opportunity to collaborate on DOR's important initiatives to better serve the needs of Massachusetts taxpayers.

To read the entire conversation and learn more about Mireille, [click here](#).

DOR Tax Season Information

Massachusetts taxpayers will have until [Tuesday, April 19](#), to file their federal and state 2021 income tax returns, file for personal income extensions and submit Q1 estimated payments.

Below are links to various DOR webpages outlining important tax season information. The DOR has committed to updating these webpages when necessary. If you have questions for the DOR or if there is inaccurate or confusing information listed on their website, please email [Larry Liuzzo](#).

- [DOR Tax Due Dates and Extensions](#)
- [DOR: What's Trending Webpage](#) (Last updated February 8)
- [Approved Software Vendors](#) (Last updated February 11)
 - **As of Tuesday, 2/15:** The DOR has advised the Thomson Reuters/Ultra Tax software team on the necessary changes the company must make for the form to be approved by the agency. We will notify you as we hear more information.
- [New 2022 Trustee Tax Return Lines](#)
- [DOR Filing Season Presentation](#)
- [DOR Health Connector "Simple Sign-Up" Checkbox on Schedule HC](#)
- [TIR: 22-2: MA Tax Implications of Selected Provisions of the Federal Consolidated Appropriations Act, 2021 and the ARPA of 2021](#)
- [TIR: 22-1 Reporting Rules Related to Centralized Federal Partnership Audits](#)

State and Local Tax (SALT) Information

DOR update: Eligible pass-through entities (PTE) must register for the 63D-ELT tax type before making a payment. Do not make 63D-ELT payments on other pre-existing tax types. The PTE must file its annual return and make the election before filing the 2021 Form 63D-ELT.

SALT Links:

- [Form 63D-ELT](#)
- [SALT FAQs](#) (Last updated February 14)
- [Working Draft TIR – PTE](#)
- [MassCPAs PTE Webinar](#) (Passcode: ^v*1aoy) and [Presentation](#)

To sign up to receive important updates directly from the DOR, [click here](#).

IRS Tax Filing Information

- [IRS Special Filing Season Alerts](#) (Updated February 15)
- [IRS to Delay Some K-2 and K-3 Reporting Requirements for Partnerships](#)

- [IRS Suspends Mailing of Additional Letters](#)
- [IRS 2021 Filing Season FAQs](#)
- [IRS FAQs for 2021 Recovery Rebate Credit](#)
- [IRS Updates FAQs for 2021 Child Tax Credit & Advance Child Tax Credit Payments](#)
- [Treasury Rule Provides Flexibility for State and Local Government COVID Aid](#)

Small Business Administration Information

- [IRS Issues Further Guidance on Tax Treatment of PPP Loan Forgiveness](#)
- [SBA PPP Direct Forgiveness Portal](#)
- [PPP FAQs](#)

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