

This Week in State Tax (TWIST)

May 19, 2025



Massachusetts: DOR Addresses Amended Research Credit Claims by Financial Institutions

The Massachusetts Department of Revenue (Department) issued a Technical Information Release (TIR) to assist financial institutions seeking to file amended returns to claim the state research credit in light of [State Street Co. v. Massachusetts Commissioner of Revenue](#). In that case, the Massachusetts Appellate Tax Board determined that financial institutions are eligible for the research credit under the plain language of the statute, as opposed to the credit being available only to general corporations subject to the corporation excise tax as the Department had contended.

In the TIR, the Department acknowledged that financial institutions may seek to file amended returns taking advantage of the credit in open years. The Department intends to waive a regulatory requirement that requires a taxpayer to elect into an “alternative simplified method” for computing the credit on its original return. Instead, the Department will permit a financial institution affected by *State Street* to make the election on its amended return, and it intends to promulgate an updated version of the regulation to that effect. Please contact [Nikhil Sequeira](#) for more information on [TIR 25-3](#).

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