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Client Alert: State Tax Deferral for Massachusetts Retail & Hospitality Industries

By Adam Barnosky on September 23, 2020



On September 15, 2020, Massachusetts Governor Charlie Baker announced an extension of state tax deferral measures aimed at easing COVID-19 related financial burdens for the retail and hospitality sectors.

The tax deferral extension will include the following measures:

- **Extended Time Period for Deferral.** Sales tax, meals tax, and room occupancy taxes will be deferred for small businesses which would otherwise become due from March 2020 through April 2021.
- **New Due Date for Deferred Taxes.** Taxes that have been deferred as part of this initiative will be due in May 2021, unless further extended.
- **Eligibility for Relief from Sales, Meals, and Occupancy Taxes.** According to the state, “Businesses that collected less than \$150,000 in regular sales plus meals taxes in the twelve month period ending February 29, 2020 will be eligible for relief for sales and meals taxes, and businesses that collected less than \$150,000 in room occupancy taxes in the twelve month period ending February 29, 2020 will be eligible for relief with respect to room occupancy taxes. For these small businesses, no penalties or interest will accrue during this extension period.”

The Massachusetts Department of Revenue is expected to issue emergency regulations and additional information on the relief.

The state’s press release can be found in full here <https://www.mass.gov/news/massachusetts-announces-extension-of-administrative-tax-relief-for-local-businesses>.

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