• Call DOR for information about the processing of your return or the status of your refund or payment(s); and

• Respond to certain DOR notices that you have shared with the preparer about math errors, offsets and return preparation. The notices will not be sent to the preparer.

You are not authorizing the paid preparer to receive any refund check, bind you to anything (including any additional tax liability), or otherwise represent you before DOR. If you want to expand the paid preparer's authorization, see Form M-2848, Power of Attorney and Declaration of Representative. Form M-2848 is available at mass.gov/dor.

The authorization cannot be revoked. However, the authorization will automatically end no later than the due date (without regard to extensions) for filing your 2026 tax return. This is April 15, 2027 for most people.

E-File Opt Out

Income tax return preparers who completed more than 10 original Massachusetts Forms 1 and 1-NR/PY (including those E-filed) during the previous calendar year are required to use electronic means to file all personal income tax returns, unless the taxpayer specifically directs on the paper form that the filing be on paper and signs Form EFO, Personal Income Tax Declaration of Paper Filing. Fill in the oval at the bottom of page 4 of Form 1 if you do not want your preparer to file your return electronically. See TIR 11-13 for more information.

Mailing

E-filing is the fastest most efficient way to submit your return and to receive your refund. However, if you are mailing your return follow these guidelines:

• If you are expecting a refund or if you have no tax due, use the white mailing label on the back of the envelope that came with this booklet. If you do not have one, mail your original or amended Form 1 to **Massachusetts Department of Revenue, PO Box 7000, Boston, MA 02204-7000.** If using a tax software product, be sure to use the correct PO box. See the inside front cover for this information.

• If you have a tax due, use the light blue mailing label on the back of the envelope that came with this booklet. If you do not have one, mail your original or amended Form 1 to **Massachusetts Department of Revenue, PO Box 7003, Boston, MA 02204-7003.** If using a tax software product, be sure to use the correct PO box. See the inside front cover for this information.

Note: Schedule lines without specific instructions are considered to be self-explanatory. Be sure to list on each schedule the name and Social Security number that appears first on Form 1. Do not cut or separate schedules.

Schedule DI

Dependent Information

Be sure to enclose with Form 1.

You must complete this schedule if you are claiming a dependent exemption(s) on Form 1, line 2b or taking a credit(s) on Form 1, lines 43 or 46 (if applicable). Failure to provide this information will delay the processing of your return. You must complete the information for each dependent.

In the spaces provided enter the name, Social Security number, date of birth and the relationship of the dependent to you (son, daughter, mother, father, etc.). Also, if the dependent is a qualifying child for the Earned Income Credit, fill in the oval. If you are claiming more than 10 dependents, enclose a statement listing the name, Social Security number, date of birth and the relationship of the dependent to you and if the dependent is a qualifying child for the Earned Income Credit.

Schedule X

Other Income

Be sure to enclose with Form 1.

Line 1. Taxable Alimony Received

Enter in Schedule X, line 1 the total amount of taxable alimony and separate maintenance received as reported on U.S. Form 1040, Schedule 1, line 2a.

Note: Payments specified as child support are not taxable.

Line 2. Taxable IRA/Keogh, Qualified Charitable IRA Distributions and Roth IRA Conversion Distributions

Complete the Schedule X, Line 2 Worksheet to calculate the taxable portion of any amount you received from an Individual Retirement Account (IRA), Keogh, qualified charitable IRA distribution or Roth IRA conversion distribution. Since Massachusetts does not allow a deduction for amounts originally contributed to an IRA or Keogh, the distributions are not taxable until the full amount of your contributions (including rollover contributions) which were previously subject to Massachusetts taxes are recovered.

Contributions made to Keogh accounts prior to 1975 were deductible when made. Therefore, no deduction may be taken from a Keogh distribution for amounts contributed before 1975.

Note: Contributions from a deferred plan, such as a 401(k), that were rolled over into an IRA are generally not considered previously taxed contributions and are generally fully taxable upon distribution. Contributions from a deferred plan, such as a 401(k), that were converted into a Roth IRA and were taxed at the time of the conversion are generally considered previously taxed contributions when distributed.

Schedule X, Line 2 Worksheet. Taxable IRA/Keogh Plan, Qualified Charitable IRA Distributions and Roth IRA Conversion Distributions

1. *Total IRA/Keogh plan distributions, qualified charitable IRA distributions, Roth IRA conversion distributions received during 2025* . . . . . ☐

2. *Total contributions previously taxed by Massachusetts* . . . . . ☐

3. *Total distributions received in previous years* . . . . . ☐

4. *Subtract line 3 from line 2. If line 3 is larger than line 2, enter 0.* . . . . . ☐

5. *Subtract line 4 from line 1 and enter the result here. Not less than 0* . . . . . ☐

6. *Total qualified charitable IRA distributions in 2025 included in line 1* . . . . . ☐

7. *Taxable IRA/Keogh distributions or Roth IRA conversion distributions. Subtract line 6 from line 5. Enter the result here and in Schedule X, line 2. Not less than 0* . . . . . ☐

Note: *You must complete separate worksheets if married filing a joint return and both you and your spouse received IRA/Keogh Plan, qualified charitable IRA distributions, and/or Roth IRA conversion distributions.*

Line 3. Other Gambling Winnings

Enter in Schedule X, line 3 all sports wagering winnings and all gambling winnings from casinos, raffles, races, beano or other events of chance, wherever held, and winnings from non-Massachusetts lotteries. Do not enter less than 0. You may only deduct the price of the winning ticket. Certain sports wagering and all gambling losses are now deductible under Massachusetts law. See Schedule Y, line 17 and TIR 15-14 for more information.

Note: Do not report Massachusetts state lottery winnings in Schedule X, line 3. Instead, report them on Form 1, line 8b.

Line 4. Fees and Other 5.0% Income

The following items should be reported on line 4 of Schedule X. Do not enter less than 0. Enclose additional statements if more space is needed.

• All fee income, such as payments for jury duty, election worker payments, director's fees, compensation received as executor or administrator of an estate, and commission income or tips not reported in line 3 of Form 1 are taxable. Also, re-

port all bartering income not reported on Schedule C (the fair market value of goods or services received in payment for your services).

- All prizes and awards won in a quiz program, drawing, beauty contest, etc. are taxable at fair market value. Awards and bonuses received from your employer for performance of services not part of a qualified award plan are also taxable.
- Forgiveness of debt and mortgage forgiveness.
- Research and experimental expenses disallowed as a deduction on Schedule C, line 26 or Schedule E, Line 16.
- Other Massachusetts 5.0% income reported on U.S. Form 1040, Schedule 1, line 9 and not reported elsewhere in Form 1, lines 3 through 8 or Schedule X, lines 1 through 3 must be reported in line 4 of Schedule X.

Note: Do not include U.S. Shareholders IRC § 965(a) inclusion amounts that are included in the U.S. Form 1040, Schedule 1, line 9 in line 4 of Schedule X. These amounts are included in Schedule B, see Schedule FCI for additional details and instructions.

- Pre-1996 installment sales classified as ordinary income for Massachusetts purposes (from Massachusetts Schedule D, line 10) are taxed as 5.0% income and must be reported on line 4 of Schedule X.
- Embezzled or other income from illegal activities is taxable and should be reported on Schedule X, line 4.
- Any benefits paid to you by a union as strike or lockout benefits to the extent included on U.S. Form 1040, line 1h.

The following items should not be reported on your Massachusetts return:

- Any net operating loss reported as a negative amount on U.S. Form 1040, Schedule 1, line 9 cannot be entered on Schedule X. A net operating loss from a business or profession cannot be carried forward or backward to offset individual income in any other year under Massachusetts law.
- Refunds of U.S. and Massachusetts income taxes are not considered income under Massachusetts law. If you received interest on refunds, report such interest on Massachusetts Schedule B.

Line 5. PFML Taxable Distributions

Enter in Schedule X, line 5 all income received from the Department of Family and Medical Leave. The amount should be in box 1 of the 1099-G issued to you by the Commonwealth Of Massachusetts, MA Department of Family and Medical Leave.

Line 6. Excess Business Loss Adjustment

For tax year 2025, taxpayers must report on Schedule X, line 6 any excess business loss (EBL) stated on U.S. Form 1040, Schedule 1, line 8p. Generally, EBL is the amount by which the total deductions attributable to a taxpayer's trades or businesses exceed the sum of (i) the taxpayer's total gross income and gains attributable to those trades or businesses and (ii) a threshold amount of $313,000 for single filers and $626,000 for joint returns. Differences between Massachusetts and federal income and deductions (e.g., bonus depreciation) should be taken into account by adjusting the amount reported on Massachusetts Schedule X, line 6. Explain any difference between amounts reported on Massachusetts Schedule X, line 6, and on U.S. Schedule 1, line 8p, using Massachusetts Schedule TDS. Unlike on federal returns, you may not carry forward disallowed EBL because those losses are treated, for federal purposes, as net operating losses, which are not allowed as a Massachusetts deduction.

Schedule Y

Other Deductions

Be sure to enclose with Form 1.

Line 2. Penalty on Early Savings Withdrawal

If you were charged a penalty because of early withdrawal of savings, and interest on the savings that such a penalty relates to is income reported in line 5 or line 20 of this return or on a prior-year Massachusetts return, you may deduct the penalty. This deduction is the same as the amount allowable on U.S. Form 1040, Schedule 1, line 18. Enter this amount in line 2 of Schedule Y.

Line 3. Deductible Alimony Paid

Enter in Schedule Y, line 3 the total deductible alimony paid to your former spouse as reported on U.S. Form 1040, Schedule 1, line 19a.

Line 4. Amounts Excludible Under MGL Ch 41, § 111F or U.S. Tax Treaty Included in Form 1, Line 3

Massachusetts allows an exclusion from income of amounts received by a firefighter or police officer incapacitated in the line of duty, per MGL ch 41, § 111F, and an exclusion from income of amounts received by a qualifying student or taxpayer exempt under a U.S. tax treaty.

Enter any excludible amount of income received while you were a firefighter or police officer incapacitated in the line of duty in line 4a of Schedule Y that was included in Form 1, line 3.

If you were a qualifying student or a taxpayer with income exempt under a United States tax treaty, enter any excludible amount of income received that was exempt under such tax treaty in line 4b of Schedule Y that was included in Form 1, line 3, and fill in the appropriate oval.

Line 5. Moving Expenses for Members of the Armed Forces

For tax years 2018 through 2026, for qualifying members of the Armed Forces, enter in Schedule Y, line 5 the amount of moving expenses as reported on U.S. Form 1040, Schedule 1, line 14.

Line 6. Medical Savings Account

Enter in Schedule Y, line 6 the amount of the Medical Savings Account deduction included in U.S. Form 1040, Schedule 1, line 23, "MSA."

Line 7. Self-Employed Health Insurance

Enter in Schedule Y, line 7 the amount from U.S. Form 1040, Schedule 1, line 17.

Note: The amount on Schedule Y, line 7 should be the same as the amount on U.S. 1040, Schedule 1, line 17. If you elected to claim the federal credit for health insurance costs and were required to reduce the U.S. Form 1040, Schedule 1, line 17 deduction by the amount of the federal credit, you may not add the federal credit to the amount on Schedule Y, line 7.

Line 8. Health Savings Accounts

Enter in Schedule Y, line 8 the amount from U.S. Form 1040, Schedule 1, line 13.

Line 9. Other Qualified Deductions

You may claim only the deductions listed below for Schedule Y, line 9.

9a Certain qualified deductions from U.S. Form 1040. Enter the sum of the amounts reported on U.S. Form 1040, Schedule 1, line 11 (Educator expenses), line 24a (Jury duty pay), line 24b (Deductible expenses related to income reported on line 8l from the rental of personal property engaged in for profit) but only to the extent it relates to income reported on Massachusetts Schedule X, line 4, line 24c (nontaxable value of Olympic and Paralympic medals and the amount of United States Olympic Committee (USOC) prize money), line 24d (Reforestation amortization and expenses), line 24e (Repayment of supplemental unemployment benefits under the Trade Act of 1974), line 24g (Contributions by certain chaplains to § 403(b) plans), line 24h (Attorney fees and court costs for action involving certain unlawful discrimination claims), line 24i (Attorney fees and court costs you paid in connection with an award from the IRS for information you provided that helped the IRS detect tax law violations), and line 24z (Other adjustments), but only to the extent deductible in Massachusetts.

Do not include amounts reported on U.S. Form 1040, Schedule 1, lines 12 through 23, or amounts not identified above in line 24; including but not limited to amounts contributed to § 501(c)(18) pension plans and IRC § 404 deduction for contributions on behalf of IRC § 401(c)(1) employees (sole proprietors and partners). See DD 08-3.

9b Business Expenses of National Guard and Reserve Members, Performing Artists, and Fee-Basis Government Officials; Impairment-related Work Expenses of Persons with Qualifying Disabilities.

Note: No deduction is allowed to a taxpayer who files a joint federal income tax return unless a MA joint return is also filed. MGL, ch 62, § 2(d)(2).

Enter the sum of 1) the amount from U.S Form 1040, Schedule 1, line 12; and 2) certain impairment-related work expenses included on U.S. Form 1040, Schedule A, line 16.

If you're a **National Guard or Reserve member** who has to travel more than 100 miles from home to perform services as a National Guard or Reserve member, you're allowed a deduction for unreimbursed overnight travel, meals and lodging expenses.

If you perform services as an **official state or local government employee**, and you're compensated in whole or part on a fee basis, you're allowed a deduction for the expenses you paid related to those services.

Generally, this applies to officials who provide certain services to the government, and who hire employees and incur expenses related to their official duties.

If you meet the federal qualifications to be considered a **qualified performing artist**, you're allowed a deduction for expenses you paid related to your performances.

Impairment-related Work Expenses of Persons with Qualifying Disabilities are the allowable expenses of an individual with physical or mental disabilities for attendant care at his or her place of employment. They also include other expenses in connection with the place of employment that enable the employee to work.

Employees who are not salespersons who solicit business for an employer away from the employer's place of business may only report impairment-related expenses from U.S. Form 1040, Schedule A, line 16 that are expenses of travel, meals, and lodging while away from home, or expenses of transportation

9c Charitable Contribution Deduction. Massachusetts allows a charitable deduction in an amount equal to the federal charitable deduction, except that the state deduction does not include any amounts for contributions of household goods or used clothing. Taxpayers do not have to itemize their deductions for federal tax purposes to claim the Massachusetts deduction.

The Massachusetts deduction may only be used to reduce Part B adjusted gross income – e.g. wages – and cannot be used to reduce capital gain, dividend, or interest income other than interest from Massachusetts banks.

Taxpayers must keep records to substantiate cash and non-cash charitable contributions to the same extent as specified in U.S. Form 1040, Schedule A instructions.

On line 9c, enter the amount entered on U.S. Form 1040, Schedule A, line 14, excluding the value of household goods or used clothing.

If you did not itemize deductions on your U.S. return, enter on line 9c the amount you would have entered on U.S. Form 1040, Schedule A, line 14 (excluding the value of household goods or used clothing) if you had itemized.

If you deduct more than $500 of non-cash contributions, you must complete and attach U.S. Form 8283.

Line 10. Student Loan Interest Deduction

Enter the amount from U.S. Form 1040, Schedule 1, line 21, not to exceed $2,500. This deduction is only allowed if not claiming the same expenses in line 12 of Schedule Y, Undergraduate Student Loan Interest Deduction.

Line 11. College Tuition Deduction

A deduction is allowed for tuition payments paid by you, for yourself or a dependent, to a qualifying two- or four-year college leading to an undergraduate or associate's degree, diploma or certificate. **Tuition payments for students pursuing graduate degrees at such a college or university are not eligible for the college tuition deduction.** The deduction is equal to the amount by which the tuition payments, less any scholarships, grants or financial aid received, exceed 25% of Massachusetts AGI. The amount of the college tuition deduction is limited to qualified tuition expenses paid during a taxable year in connection with an academic term beginning during such taxable year or during the first three months of the next taxable year.

Qualified tuition expenses include only those expenses designated as tuition or mandatory fees required for the enrollment or attendance of the taxpayer or any dependent of the taxpayer at an eligible educational institution. No deduction is allowed for any amount paid for room and board, books, supplies, equipment, personal living expenses, meals, lodging, travel or research, athletic fees, insurance expenses or other expenses unrelated to an individual's academic course of instruction. Also, no deduction is allowed for reimbursements or refunds of qualified tuition and related expenses made by an insurer. Complete the Massachusetts AGI Worksheet and the Schedule Y, line 11 worksheet to see if you may qualify for this deduction. This deduction is only available to full year residents. See TIRs 97-13 and 16-15 for more information.

Schedule Y, Line 11 Worksheet. College Tuition Deduction

1. *Enter total tuition payments paid by you, for yourself or a dependent, to a qualifying two- or four-year college in 2025. . . . . .* ☐

2. *Enter amount of scholarships, grants or financial aid received in 2025 for amounts shown in line 1. . . . . .* ☐

3. *Enter amount of reimbursements or refunds received in 2025 of amounts shown in line 1 reported by an insurer (from U.S. Form 1098-T, box 10). . . . .* ☐

4. *Subtract lines 2 and 3 from line 1. If 0 or less, you do not qualify for this deduction . . . . . .* ☐

5. *Enter amount from line 7 of the Massachusetts AGI Worksheet. . . . . .* ☐

6. *Multiply line 5 by .25. . . . . .* ☐

7. *If line 4 is smaller than line 6, you are not eligible for this deduction. Enter 0. If line 4 is larger than line 6, subtract line 6 from line 4 and enter the result here and on Schedule Y, line 11. . . . . .* ☐

Line 12. Undergraduate Student Loan Interest Deduction

A deduction is allowed for interest paid on a qualified undergraduate student loan. To be eligible for the deduction, the "education debt" must be a loan that is administered by the financial aid office of a two-year or four-year college at which you, or a qualified dependent, were enrolled as an undergraduate student. Additionally, the loan must have been secured through a state student loan program, a federal student loan program, or a commercial lender, and must have been spent solely for the purposes of paying tuition and other expenses directly related to the school enrollment. Enter the amount of such interest paid in Schedule Y, line 12. This deduction is only allowed if not claiming the same expenses in line 10 of Schedule Y, Student Loan Interest Deduction.

Line 13. Deductible Amount of Qualified Contributory Pension Income from Another State or Political Subdivision Included in Form 1, Line 4

Massachusetts allows a deduction for contributory pension income received from another state or one of its political subdivisions that does not tax

such income from Massachusetts or its political subdivisions. For guidelines to determine which state's pensions are exempt in Massachusetts, see TIR 95-9. Enter any deductible amount of such income in line 13 of Schedule Y that was included in Form 1, line 4.

Line 14. Claim of Right Deduction

Taxpayers who have paid Massachusetts personal income taxes in a prior year on income attributed to them under a "claim of right" may deduct the amount of that income from their gross income if it later develops that they were not in fact entitled to the income, and have repaid the amounts in question. The deduction is allowed in the year of repayment, provided that the repayment is not otherwise deductible in determining Massachusetts income taxable under MGL ch 62. Some examples in which the claim of right may be applied for are

Stock under claim of ownership. Gains from sales of stock under a claim of ownership must be included, regardless of whether the taxpayer actually owned it

Employment contracts. Amounts in settlement of employment contracts must be included notwithstanding the prospect of eventual repayment to the employer of an amount equivalent to or greater than the amount received

Dividends. Where a taxpayer receives a dividend that must be repaid in a later year (e.g., because it impaired corporate capital), the dividend must be included in the year of receipt;

Corporate notes. Where a taxpayer receives a distribution with respect to holding of notes, the income must be included regardless of whether it could be challenged by senior creditors

Mistake in validity of claim. The claim of right doctrine applies where a taxpayer merely mistakes the validity of his claim

Advanced insurance commissions; or

Repayment of unemployment compensation and supplemental unemployment benefits in a subsequent year.

If you are entitled to claim this deduction, enter the amount claimed in Schedule Y, line 14. For more information, see TIR 06-4.

Line 15. Commuter Deduction

A deduction is allowed for certain amounts paid by an individual for tolls paid for through an E-Z Pass account or all MBTA fares, not just weekly or monthly transit commuter passes, and includes RTA fares, bikeshare memberships, bike purchases (including e-bikes), bike improvements/repair/storage, and fares on non-MBTA commuter boats that are owned, operated or contracted by a municipality or a public or quasi-public entity, agency or authority, not including amounts reimbursed or otherwise deductible.

In the case of a single person or a married person filing a separate return or as head of household, this deduction applies only to the portion of such expended amount that exceeds $150, and the total amount deducted cannot exceed $750. In the case of a married couple filing a joint return, this deduction applies only to the portion of such amount expended by each individual that exceeds $150, and the total amount deducted cannot exceed $750 for each individual. Also, one spouse cannot transfer his or her excess deduction to the other spouse; separate worksheets must be completed to calculate the deduction. See TIR 06-14 for additional information.

The deduction is allowed where an individual purchases an MBTA pass for a dependent who is claimed on that individual's tax return, provided the dependent does not also claim the deduction. However, the total amount deducted cannot exceed $750 for each individual taxpayer who is filing a return. In the case of married taxpayers filing a joint return, the total amount deducted cannot exceed $750 per taxpayer; thus, the maximum deduction for a joint return is $1,500.

Complete the Schedule Y, Line 15 Worksheet to calculate the commuter deduction.

Schedule Y, Line 15 Worksheet. Commuter Deduction

1. *Enter amount paid in 2025 for tolls through an E-Z Pass account*	
2. *Enter amount paid in 2025 for commuting costs. (Do not include amounts reimbursed or otherwise deductible)*	
3. *Add lines 1 and 2. If $150 or less, you do not qualify for this deduction. Omit remainder of this worksheet. Otherwise, complete lines 4 through 6*	
4. *Enter $150*	
5. *Subtract line 4 from line 3*	
6. *Enter the lesser of line 5 or $750 here and on Schedule Y, line 15*	

Line 16. Deduction for Expenses of Human Organ Transplant

An individual may deduct certain expenses and other costs incurred in the process of donating an organ for a human organ transplant to another individual. For purposes of this deduction, "human organ" shall mean all or part of human bone marrow, liver, pancreas, kidney, intestine or lung. In the case of an individual who donates an organ to another person for human organ transplantation, the individual may deduct the following expenses that are incurred by the individual and related to the individual's organ donation:

- Travel expenses;
- Lodging expenses; and
- Lost wages not to exceed $10,000.

An individual who is a nonresident of Massachusetts for all or part of the taxable year is not eligible to claim this deduction. If you are entitled to claim this deduction, enter the amount claimed in Schedule Y, line 16. See TIR 11-6 for further information.

Line 17. Certain Gambling Losses

Massachusetts allows a deduction from 5.0% income for losses from wagering transactions that were incurred in a calendar year at a Massachusetts gaming establishment licensed in accordance with MGL ch 23K or a racing meeting licensee or simulcasting licensee, only to the extent of the gains from such transactions. See TIR 15-14 for more information. For tax years beginning on or after January 1, 2024, this deduction also includes losses from sports wagers that were incurred through a Massachusetts sports wagering operator licensed under MGL ch 23N.

A taxpayer may claim a deduction for qualifying sports wagering and gambling losses incurred in the calendar year from the above Massachusetts sources only if the taxpayer had sports wagering or gambling winnings in the same calendar year from any such Massachusetts source. The deduction allowed for such losses may not exceed the amount of such winnings included in gross income for the calendar year.

Because Massachusetts does not adopt the deductions under IRC § 165(d), the deduction for sports wagering and gambling losses set forth in MGL ch 62, § 3(B)(a)(18) is the only deduction for such losses allowed a Massachusetts taxpayer, unless the sports wagering and gambling activities of the taxpayer constitute a trade or business.

Example

For calendar year 2025, taxpayer, a Massachusetts resident, has:

- Gambling winnings of $500 from Massachusetts state lottery;
- Gambling winnings of $800 from a casino licensed under MGL ch 23K;
- Gambling winnings of $1200 from a Las Vegas casino;
- Sports wagering winnings of $500 from a sports wagering operator licensed under MGL ch 23N;

• Sports wagering winnings of $600 from a sports wagering operator in Las Vegas;

• Gambling losses of $1600 from a Las Vegas casino;

• Gambling losses of $510 from Massachusetts Lottery scratch tickets;

• Gambling losses of $1000 from a casino licensed under MGL ch 23K;

• Sports wagering losses of $700 from a sports wagering operator licensed under MGL ch 23N;

• Sports wagering losses of $200 from a sports wagering operator in Las Vegas.

For Massachusetts income tax purposes, the taxpayer must include $500 of their Massachusetts state lottery winnings on Form 1, line 8b and the remaining $3,100 of their gambling and sports wagering winnings on Schedule X, line 3. The taxpayer may claim a deduction for gambling losses from casinos licensed under ch 23K and for sports wagering losses from sports wagering operators licensed under MGL ch 23N but only to the extent of winnings from casinos licensed under ch 23K and sports wagering operators licensed under MGL ch 23N. No deduction is available for the taxpayer's gambling and sports wagering losses from other sources. The taxpayer had winnings of $800 and losses of $1,000 from casinos licensed under ch 23K. The taxpayer had winnings of $500 and losses of $700 from sports wagering operators licensed under MGL ch 23N. Thus, the taxpayer may claim a deduction of $1300, the extent of aggregate winnings from qualifying Massachusetts sources. The remaining $400 of loss from casinos licensed under ch 23K and sports wagering operators licensed under MGL ch 23N may not be deducted. Gambling losses from the Massachusetts state lottery are not deductible.

If you are entitled to claim this deduction, enter the qualified amount in Schedule Y, line 17.

Line 18a. Prepaid Tuition or College Savings Plan Deduction

A deduction is available for purchases of or contributions made to an account in a pre-paid tuition program or a college savings program established by the Commonwealth. The deduction is capped at $1,000 for a single person, married filing separate, or head of household and $2,000 for a married couple filing a joint return. The deduction is subject to recapture in the taxable year or years in which distributions or refunds are made from the tuition or college savings account for any reason other than:

• To pay qualified higher education expenses, as defined by IRC § 529(e)(3); or

• The beneficiary's death, disability or receipt of a scholarship.

Enter the allowable amount on Schedule Y, Line 18a. For more information, see TIR 16-15.

Line 18b. Student Loan Repayment Assistance Deduction

A deduction is available for employer-provided student loan repayment assistance to the extent not already excluded from federal gross income. Employer-provided student loan repayment assistance is the employer's payment of an employee's principal or interest on a qualified education loan, as defined in IRC § 221. Employees enter on line 18b the amount of such employer-provided student loan repayment assistance that exceeds $5,250.

Schedule B

Note: If showing a loss, be sure to mark over the X in the box to the left. Also, be sure to enclose with Form 1.

Interest, Dividends and Certain Capital Gains and Losses

You must file Massachusetts Schedule B if you had:

• Dividend income;

• Any interest income other than from Massachusetts banks taxed at 5.0%;

• Short-term capital gains or losses;

• Carryover short-term losses from prior years;

• Long-term gains on collectibles and pre-1996 installment sales classified as capital gain income for Massachusetts purposes;

• Gains or losses from the sale, exchange or involuntary conversion of property used in a trade or business;

• Net long-term capital gains and losses; or

• Excess exemptions.

Collectibles are defined as any capital asset that is a collectible within the meaning of IRC § 408(m), as amended and in effect for the taxable year, including works of art, rugs, antiques, metals, gems, stamps, alcoholic beverages, certain coins, and any other items treated as collectibles for federal tax purposes.

You need not file Massachusetts Schedule B if all interest income you had was from Massachusetts banks (reportable in Form 1, line 5), and you have no short-term capital gains or losses, long-term gains on collectibles and pre-1996 installment sales, gains or losses from the sale, exchange or involuntary conversion of property used in a trade or business, allowable deductions from your trade or business, carryover short-term losses from prior years, net long-term capital gains or losses, or excess exemptions.

You must complete Massachusetts Schedule B if your interest or dividend income includes: dividends taxed directly to trusts or estates on a Massachusetts Fiduciary Return, Form 2; or distributions that are returns of capital.

Part 1. Interest and Dividend Income

Line 1. Total Interest Income

Enter your total interest income from your U.S. Form 1040, lines 2a and 2b.

Line 2. Total Ordinary Dividends

Enter your total ordinary dividends from your U.S. Schedule B, Part II, line 6. If you did not file U.S. Schedule B, enter the amount from U.S. Form 1040, line 3b.

Line 3. Other Interest and Dividends

Enter the following amounts and their sources (enclose additional statement if more space is necessary):

• Interest from obligations of other states and their political subdivisions (including your share, if any, from a partnership, an S corporation and a grantor-type trust or non-Massachusetts trust). Do not include exempt interest already included in Schedule B, line 1;

• Taxable distributions from Massachusetts S corporations not reported in Schedule B, line 2. Distributions in excess of the Massachusetts accumulated adjustments account are dividends to the extent of the corporation's Massachusetts accumulated earnings and profits. For more information, see 830 CMR 62.17A.1;

• Interest and dividends from a partnership, S corporation, grantor-type trust, or non-Massachusetts estate or trust from Massachusetts Schedule E. Generally, portfolio interest and dividend income from partnerships and S corporations should already be included in Schedule B, line 1 and line 2 amounts;

• Interest from a trade or business that is reported on Massachusetts Schedule C;

• Interest or dividends from a mutual fund, if such distributions are not included in Schedule B, line 1 or line 2. See Schedule B, line 6a; or

• Global Intangible Low-Taxed Income (GILTI), to the extent included in income reported on federal Schedule 1. See Technical Information Release (TIR) 19-11.

Lines 5 and 6

Enter only amounts related to income that you have already included in lines 1, 2, and 3.

Line 5. Total Interest from Massachusetts Banks

Enter the total interest included in Form 1, line 5.