

Applying for Tax Classification as a Manufacturer in Massachusetts

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Companies engaging in substantial manufacturing activities in Massachusetts should be aware that the annual filing deadline to apply for manufacturing classification will close at the end of January. Companies, including corporations and some limited liability companies, that qualify for manufacturing classification in Massachusetts are entitled to valuable tax benefits which can include: (1) a local property tax exemption for certain machinery and equipment; (2) an investment tax credit for certain capital asset additions; and (3) an exemption from the state sales and use tax for certain property used in research and development.

To qualify for manufacturing classification, a company must be engaged in substantial manufacturing activity in Massachusetts as of January 1 of the taxable year. A company requesting manufacturing classification must file its application with the Massachusetts Department of Revenue, Determinations Bureau, postmarked by January 31 of the taxable year for which the classification is sought.

Should you have questions regarding potential manufacturing classification for your company and the associated benefits, please contact David C. Morganelli, Esq. , dcm@psh.com