

Investment Tax Credit

Helping You Invest and Grow Your Business



Overview

The Massachusetts Investment Tax Credit (ITC) offers a 3% credit for qualifying businesses against their Massachusetts corporate excise tax. The credit is to be used for the purchase and lease of qualified tangible property used in the course of business operations.

How It Works

The ITC is 3% of the cost (or other basis for federal income tax purposes) of qualifying tangible property acquired, constructed, reconstructed, or erected during the taxable year, after federal tax deductions are taken on the property. Qualifying property includes tangible personal property and other tangible property, including buildings and structural components of buildings acquired by purchase.

The ITC also applies to property used by a lessor under an operating lease. An operating lease is defined as any agreement to rent, lease, or license the right to use personal property, other than agreements that are considered purchases for federal tax purposes. (Property acquired under a capital lease qualifies for the credit as well). Unused credits may be carried over to subsequent years.

Advantages

The Massachusetts Business Resource Team knows that growing your business and investing in new jobs requires time and money. We can encourage capital investment with the Investment Tax Credit. It reduces the cost of expansion, includes a carry forward provision, and is a permanent incentive.

Eligibility

The Massachusetts Investment Tax Credit is available to manufacturers, certain research and development corporations and corporations engaged primarily in agriculture or commercial fishing.

Massachusetts Business Resource Team

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