

HOUSE No. 4362

The Commonwealth of Massachusetts



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KARYN POLITO
LIEUTENANT GOVERNOR

January 26, 2022

To the Honorable Senate and House of Representatives,

I am filing for your consideration a bill entitled “An Act to improve tax administration in the commonwealth.” This legislation will modernize the Massachusetts’ tax administration rules and procedures, enabling the Department of Revenue (DOR) to manage the state tax system more efficiently to the benefit of Massachusetts taxpayers.

In this bill, I recommend amendments that will streamline the tax administration laws to better reflect process efficiencies made possible by the functionality of DOR’s IT and related systems. Under this proposal, the amended return process will become fully automated, eliminating the need for manual review, decreasing the amount of time required to process amended returns, and bringing Massachusetts in line with other states and the federal government. Other sections will simplify the appeals process for taxpayers, providing taxpayers with well-defined avenues for appealing DOR-initiated amendments to their original tax returns.

I am also proposing changes to clarify ambiguous statutory provisions that have proven confusing for taxpayers and practitioners. For example, the tax administration statute cross-references the version of the federal tax code in effect on July 1, 1983. Conformity with such an outdated version of the federal rules may result in misapplication of the law and unintended consequences. This bill updates this cross-reference to cite the federal code that is currently in effect. Additionally, this proposal adds marijuana vendors to the recordkeeping provisions applicable to all sales, meals, and room occupancy retailers in order to align the statute with current practice and treat all vendors uniformly. Another section clarifies that the period during

which the Commissioner of DOR may examine taxpayer records runs concurrently with the applicable statute of limitations for making assessments.

These amendments will provide DOR with superior tools for administering state taxes fairly and efficiently and will facilitate a better experience for taxpayers and the many practitioners who navigate the tax system on a regular basis.

I appreciate your consideration and urge your prompt enactment of this legislation

Respectfully submitted

Charles D. Baker,
Governor

HOUSE No. 4362

A message from His Excellency the Governor recommending legislation relative to improving tax administration in the Commonwealth. January 26, 2022.

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Second General Court
(2021-2022)

An Act to improve tax administration in the Commonwealth.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 14 of the General Laws is hereby amended by adding following
2 section:-

3 Section 15. (a) The commissioner shall establish and maintain a uniform statewide
4 system for filing notices of tax liens, which shall be called the State Tax Lien Centralized
5 Registry. The uniform statewide system shall be limited to tax liens on real property and personal
6 property, tangible and intangible, of taxpayers or other persons against whom the commonwealth
7 has liens pursuant to law for unpaid liabilities administered by the commissioner, including liens
8 arising pursuant to section 50 of chapter 62C or section 27C of chapter 149. Once established, if
9 any taxpayer or other person liable to pay any tax neglects or refuses to pay the same after
10 demand, the commissioner may file in the State Tax Lien Centralized Registry a notice of tax
11 lien.

12 (b) When a notice of tax lien is filed by the commissioner in the State Tax Lien
13 Centralized Registry, the tax lien is perfected and shall be attached to all of the existing and

14 after-acquired property and rights to property of the taxpayer, both real and personal, tangible
15 and intangible, which is located in any and all counties within the commonwealth. The lien shall
16 also extend to property or rights to property of a trust with respect to tax amounts due from a
17 grantor or other person treated as the owner of a portion of such trust by reason of sections 671-
18 678 of the Internal Revenue Code, as amended and in effect, and to property or rights to property
19 of a disregarded entity with regard to tax amounts due from the owner of the entity. The amount
20 of the tax lien shall be a debt due to the commonwealth and shall remain a lien upon all property
21 and rights to property belonging to the taxpayer, both real and personal, tangible and intangible,
22 which is located in any and all counties within the commonwealth. Interest and penalty shall
23 accrue on the tax lien at the same rate and with the same restrictions, if any, as specified by
24 statute for the accrual of interest and penalty for the type of tax or taxes which the tax lien was
25 issued. The filing of a notice of tax lien in the State Tax Lien Centralized Registry shall not act to
26 invalidate, supersede or modify the filing date of any notice of tax lien previously filed with a
27 county registry of deeds or the secretary of the commonwealth, prior to the effective date of this
28 section.

29 (c) The commissioner shall promulgate such regulations or other guidance as may be
30 necessary for the implementation of this section.

31 (d) A tax lien shall be valid against any mortgagee, pledgee, purchaser or judgment
32 creditor, and shall fulfill any and all notice or registration required under Massachusetts law for
33 any tax lien in favor of the commonwealth, when notice is filed in the State Tax Lien Centralized
34 Registry in the manner prescribed in section 50 of chapter 62C and pursuant to this section.

35 SECTION 2. Section 6 of chapter 58A of the General Laws, as appearing in the 2020
36 Official Edition, is hereby amended by striking out the fourth paragraph and inserting in place
37 thereof the following paragraph:-

38 The commissioner of revenue shall have authority to act on any request for appeal after
39 the date of any denial if the applicant has not seasonably taken an appeal from such denial.
40 During the period allowed for the taking of an appeal, or during the pendency of such appeal, the
41 commissioner may abate the tax in whole or in part, or, by agreement with the applicant, abate
42 the tax in whole or in part in final settlement of said application subject to the provisions of
43 section 37A or 37C of chapter 62C.

44 SECTION 3. Section 1 of chapter 62C of the General Laws, as so appearing, is hereby
45 amended by striking out the definition of “Code” and inserting in place thereof the following
46 definition:-

47 “Code”, the Internal Revenue Code of the United States, as amended and in effect for the
48 taxable year.

49 SECTION 4. Said section 1 of said chapter 62C, as so appearing, is hereby further
50 amended by inserting after the definition of “Commissioner” the following definition:-

51 “Deficiency assessment”, any assessment of tax, penalties or additions to tax assessed by
52 the commissioner.

53 SECTION 5. Said section 1 of said chapter 62C, as so appearing, is hereby further
54 amended by inserting after the definition of “Secretary” the following definition:-

55 “Self-assessment” or “self-assessed”, the amount of tax due declared on a return filed by
56 a taxpayer. For the purposes of this definition, taxes shall be deemed to be self-assessed at the
57 amount of tax shown as the tax due upon any return filed under the provisions of this chapter and
58 on any amendment, correction or supplement thereof, or at the amount properly due, whichever
59 is less, and at the time when the return is filed or required to be filed, whichever occurs later.

60 SECTION 6. Section 9 of said chapter 62C, as so appearing, is hereby amended by
61 striking out the first sentence and inserting in place thereof the following sentence:- If any person
62 or entity required to file a return under 62C fails to file such a return, any justice of the supreme
63 judicial or the superior court, on petition of the commissioner, shall issue a writ of mandamus
64 requiring such person or entity to file such return.

65 SECTION 7. The first paragraph of section 11 of said chapter 62C, as so appearing, is
66 hereby amended by adding the following sentence:- In the instance of an S corporation that files
67 as a taxable member of a combined group pursuant to section 32B of chapter 63, the S
68 corporation shall file its return with respect to the income measure of its corporate excise on or
69 before the fifteenth day of the fourth month following the close of the combined group’s taxable
70 year, and, when the S corporation’s taxable year is the same as the combined group’s taxable
71 year, shall file its return with respect to its non-income measure on or before this same date.

72 SECTION 8. Section 11A of said chapter 62C, as so appearing, is hereby amended by
73 striking out, in line 12, the word “abatements” and inserting in place thereof the following
74 words:-requests for appeal.

75 SECTION 9. Section 12 of said chapter 62C, as so appearing, is hereby amended by
76 striking out paragraph (a) and inserting in place thereof the following paragraph:-

77 (a) Except as provided in this paragraph, every financial institution, as defined in section
78 1 of chapter 63, including an S corporation that is a financial institution, shall, on or before the
79 fifteenth day of the fourth month following the close of each taxable year, make a return to the
80 commissioner giving such information as the commissioner considers necessary for the
81 determination of the tax imposed as required by section 2 or section 2B of chapter 63,
82 respectively; provided, however, that an S corporation that is a financial institution that does not
83 file as a taxable member of a combined group shall, on or before the fifteenth day of the third
84 month following the close of each taxable year, make a return to the commissioner giving such
85 information as the commissioner considers necessary for the determination of the tax imposed as
86 required by section 2B of chapter 63.

87 If any financial institution shall have participated in filing a consolidated return of
88 income to the federal government, it shall file with the commissioner a statement of net income
89 showing its gross income and deductions in accordance with the law and regulations governing
90 the usual federal returns of corporations not so participating.

91 SECTION 10. Subsection (h) of section 16 of said chapter 62C, as so appearing, is
92 hereby amended by striking out, in line 96, the words “64I or 64L” and inserting in place thereof
93 the following words:- 64I, 64L or 64N.

94 SECTION 11. Clause (25) of subsection (b) of section 21 of said chapter 62C, as so
95 appearing, is hereby amended by striking out, in line 162, the words “and, chapter 64L” and
96 inserting in place thereof the following words:- , chapter 64L, chapter 64J.

97 SECTION 12. The first paragraph of section 24 of said chapter 62C, as so appearing, is
98 hereby amended by inserting after the first sentence the following sentence:- In any examination

99 in which the commissioner reasonably anticipates that the period for assessment of tax will be
100 extended pursuant to sections 26, 28, 30 or 30A, the period for examination of records otherwise
101 applicable under this section shall be extended to correspond with the periods in which tax may
102 be assessed pursuant to such subsections.

103 SECTION 13. Said section 24 of said chapter 62C, as so appearing, is hereby amended
104 by striking out, in lines 21 and 22, the words “and which comply with the provisions of the
105 Internal Revenue Code”.

106 SECTION 14. Section 24A of said chapter 62C, as so appearing, is hereby amended by
107 striking out, in line 60, the word “abatement” and inserting in place thereof the following words:-
108 request for appeal.

109 SECTION 15. Said section 24A of said chapter 62C, as so appearing, is hereby further
110 amended by striking out, in line 118, the word “abatement” and inserting in place thereof the
111 following words:- request for appeal.

112 SECTION 16. Said section 24A of said chapter 62C, as so appearing, is hereby further
113 amended by striking out, in lines 121 and 122, the words “an application for abatement” and
114 inserting in place thereof the following words:- a request for appeal.

115 SECTION 17. Said section 24A of said chapter 62C, as so appearing, is hereby further
116 amended by striking out, in line 133, the words “abatement requests and” and inserting in place
117 thereof the following words:- requests for appeal and other.

118 SECTION 18. Said chapter 62C is hereby further amended by striking out section 25 and
119 inserting in place thereof the following section:-

120 Section 25. A distributor, unclassified importer, unclassified exporter or purchaser
121 referred to in section 1 of chapter 64A, a stamper appointed under section 30 of chapter 64C, a
122 user-seller or supplier of special fuels, as defined in section 1 of chapter 64E, a motor carrier
123 required to be licensed under chapter 64F, an operator required to register under chapter 64G, a
124 vendor required to register under chapter 64H or 64I, a user-seller or supplier of aircraft fuel, as
125 defined in section 1 of chapter 64J, a direct broadcast satellite service provider as defined in
126 section 1 of chapter 64M, a marijuana retailer as referred to in section 1 of chapter 64N and a
127 licensee referred to in section 21 of chapter 138 shall keep and preserve suitable records of
128 taxable charges and such other books, papers, records and data as the commissioner may require
129 to determine the amount of the tax due under those respective chapters. Such records, including
130 electronically stored information, shall be open to inspection and examination at any reasonable
131 time by the commissioner or his duly authorized representative and such records shall, unless the
132 commissioner consents in writing to an earlier destruction, be preserved for 3 years after the date
133 the return was filed or the date it was due, whichever occurs later, and for such further period as
134 may be agreed upon for the assessment of any additional tax; provided further that the
135 commissioner may require such records to be kept for up to 6 years after the date the return was
136 filed or the date it was due, whichever occurs later, where he finds there is a material failure to
137 maintain full and accurate records during any taxable periods reviewed by the commissioner.

138 SECTION 19. Section 26 of said chapter 62C of the General Laws, as appearing in the
139 2020 Official Edition, is hereby amended by striking out subsections (a) to (c), inclusive, and
140 inserting in place thereof the following 3 subsections:-

141 (a) (1) A taxpayer must file an amended return to adjust amounts of tax previously self-
142 assessed, or to adjust a credit, including an adjustment attributable to federal or state changes of

143 income under the provisions of sections 30 and 30A, respectively. A taxpayer may not modify a
144 previous self-assessment, adjust a credit or report a change that has no net effect on a tax
145 previously self-assessed by filing a request for appeal under section 37, and any such request for
146 appeal will not extend the time limits for filing an amended return under paragraph (2) or (3) of
147 this subsection.

148 (2) A taxpayer filing an amended return pursuant to paragraph (1) of this subsection that
149 seeks to decrease an amount of tax or to increase an amount of credit previously self-assessed,
150 must file an amended return at any time (i) within 3 years from the date of filing of the original
151 return, taking into account subsection (a) of section 79, (ii) within 3 years from the date the tax
152 or credit was deemed to be self-assessed, or (iii) within 1 year from the date the tax was paid,
153 whichever is later; provided, however, that where the commissioner and a taxpayer have agreed
154 to extend the period for assessment of a tax pursuant to section 27, the period for decreasing such
155 tax or increasing such credit shall not expire prior to the extended period within which an
156 assessment may be made pursuant to such agreement or any extension thereof; and provided
157 further that any adjustment that would result in a refund of tax, including a credit of such refund
158 against another liability, is subject to section 36 to the extent of such refund or credit. The
159 commissioner shall not accept an amended return decreasing a self-assessment of tax shown on a
160 prior return after such dates, provided that the period for filing amended returns attributable to
161 federal or state changes in income shall be determined under the provisions of sections 30 and
162 30A, respectively.

163 (3) A taxpayer filing an amended return pursuant to paragraph (1) of this subsection that
164 seeks to offset a deficiency assessment, as defined in subsection (b), by decreasing an amount of
165 tax previously self-assessed pursuant to this subsection, based on issues unrelated to the

166 deficiency assessment, must file an amended return at any time (i) within 3 years from the date
167 of filing of the original return, taking into account subsection (a) of section 79; (ii) within 2 years
168 from the date of the deficiency assessment; or (iii) within 1 year from the date that the tax was
169 paid, whichever is later, and the commissioner shall be authorized by this section to reduce all or
170 part of such deficiency assessment; provided, however, that any reduction that would result in a
171 refund or credit is subject to section 36 to the extent of such refund or credit.

172 (4) An amended return shall be processed by the commissioner in a manner comparable
173 to the processing of an original return. If the commissioner determines, from the verification of
174 an amended return or otherwise, that the full amount of any tax has not been assessed or is not
175 considered to be assessed or that a credit should be disallowed on any amended return, the
176 commissioner may, notwithstanding the limitation in subsection (b) of this section, at any time
177 within 3 years after the date the amended return was filed, assess the same with interest as
178 provided in section 32 to the date when the self-assessment is required to be paid, first giving
179 notice of the commissioner's intention to the person to be assessed; provided, however, that said
180 3-year period for making an assessment shall be tolled during the period of time that the taxpayer
181 has a bankruptcy case pending under the appropriate chapters of Title 11 of the United States
182 Code. An assessment made under this section shall be subject to applicable penalties under this
183 chapter, including those set forth in sections 33, 35A, 35D and 35E. An assessment by the
184 commissioner under this section shall be limited to the tax attributable to the sum of the negative
185 adjustments shown on any amended return. Errors evident on the face of the amended return may
186 be corrected by the commissioner in the manner provided in subsection (c) of this section.
187 Interest under section 40 shall accrue on any refund attributable to the filing of an amended
188 return, provided that in the case of an amended return filed after the last day prescribed for the

189 filing of the original return, if an overpayment is refunded within 90 days after the date the
190 amended return is filed, no interest shall be allowed on such overpayment and the term date of
191 overpayment under section 40 shall mean the date when the commissioner shall have received
192 the properly completed amended return seeking such overpayment.

193 (5) In consideration of an amended return, the commissioner may offset, against the
194 proposed reduction or allowance, additional tax due or reduction of credit whether or not the
195 offset is based on issues related to the changes reflected on the amended return. Offsets may
196 reduce or eliminate the reduction or allowance, but in no case shall the offset give rise to a net
197 amount of tax due based on an assessment that would otherwise be barred as untimely. Any such
198 offsets applied by the commissioner shall be treated as deficiency assessments for purposes of
199 filing an appeal under section 37.

200 (b) (1) If the commissioner determines, from the verification of a return or otherwise, that
201 the full amount of any tax has not been assessed or is not considered to be assessed, the
202 commissioner may, at any time within 3 years after the date the return was filed or the date it was
203 required to be filed, whichever occurs later, assess the same with interest as provided in section
204 32 to the date when the deficiency assessment is required to be paid, first giving notice of the
205 commissioner's intention to the person to be assessed; provided, however, that said 3-year period
206 for making an assessment shall be tolled during the period of time that the taxpayer has a
207 bankruptcy case pending under the appropriate chapters of Title 11 of the United States Code.
208 The taxpayer or the taxpayer's representative may confer with the commissioner or the
209 commissioner's duly authorized representative as to the proposed assessment within 30 days
210 after the date of such notification. After the expiration of 30 days from the date of such

211 notification, the commissioner shall assess the amount of tax remaining due to the
212 commonwealth, or any portion thereof, which the commissioner believes has not been assessed.

213 (2) In the case of 1 or more corporations that participated or were required to participate
214 in a filing through the means of a combined report under section 32B of chapter 63, the
215 commissioner may issue a notice of the intention to assess or a notice of assessment to each
216 corporation that participated or was required to participate in the combined report with respect to
217 any tax liability due from such corporation under said chapter 63, whether relating to the income
218 measure or non-income measure of the corporate excise or minimum excise tax liability, by
219 issuing a single notice to the principal reporting corporation on its own behalf and as the agent
220 for each corporation that is being assessed. The single notice shall state the net cumulative
221 liability of all such assessed corporations. In such cases, the commissioner shall provide detail as
222 to the assessment that is being issued to each corporation included in the cumulative assessment
223 in the form of work papers made available to the principal reporting corporation in connection
224 with the notice of the cumulative assessment that is directed to such principal reporting
225 corporation. Nothing in this paragraph shall preclude the commissioner from separately and
226 directly assessing any individual corporation subject to tax under said chapter 63, rather than
227 assessing such corporation through the means of a cumulative assessment as referenced in this
228 paragraph, even when such corporation participated in or was required to participate in the filing
229 of a combined report.

230 (3) If the commissioner audits or verifies the returns of the same tax for 2 or more tax
231 periods and determines, as a result thereof, that the amounts assessed result in overpayments for
232 some tax periods and underpayments for others, the commissioner shall offset the overpayments
233 against the underpayments and refund any net overpayment as required by section 36. An

234 application for abatement under section 37 shall not be required for overpayments resulting from
235 assessments made pursuant to this section.

236 (4) If the commissioner determines, from the verification of a return or otherwise, that a
237 credit should be disallowed, the commissioner may, at any time within 3 years after the date the
238 return was filed or the date it was required to be filed, whichever occurs later, notwithstanding
239 the erroneous payment provisions in section 36A, disallow the credit and assess any resulting tax
240 due and any credit amounts which were refunded previously as tax, with interest as provided in
241 section 32 as of the date the deficiency assessment is required to be paid, by first giving notice of
242 the commissioner's intention to the person to be assessed; provided, however, that said 3-year
243 period for making an assessment shall be tolled during the period of time that the taxpayer has a
244 bankruptcy case pending under the appropriate chapters of Title 11 of the United States Code.
245 The taxpayer or the taxpayer's representative may confer with the commissioner or the
246 commissioner's duly authorized representative as to the proposed assessment or credit
247 disallowance within 30 days after the date of such notification. After the expiration of 30 days
248 from the date of such notification, the commissioner shall disallow the credit, and assess the
249 amount of tax remaining due and any credit amounts which were refunded previously as tax, or
250 any portion thereof.

251 (5) Failure to receive the notice provided for by this section shall not affect the validity of
252 the tax.

253 (c) In the case of an arithmetic, clerical or other obvious error, including any exclusion of
254 taxable unemployment compensation or Massachusetts state lottery winnings, apparent either
255 upon the face of the return or from a comparison of the return with any records pertaining to the

256 taxpayer's liability or payment thereof, which are maintained by the commissioner or furnished
257 to the commissioner from any third party source, the commissioner may assess a deficiency
258 attributable to such error without giving notice to the person being assessed. The commissioner
259 may make such corrections to errors found upon a taxpayer's return and to the amount shown as
260 the tax assessed thereon, including an increase in tax due or a reduction in a refund claimed, as
261 will cause the return to conform with any records pertaining to the taxpayer's liability or
262 payment thereof, which are maintained by the commissioner or furnished to the commissioner by
263 any third-party. Concurrently with the making of such corrections, the commissioner shall notify
264 the taxpayer in writing of the changes made to the return. A taxpayer that disagrees with the
265 changes made to the return may either submit an amended return within the period permitted
266 under paragraph (3) of subsection (a) or submit a request for appeal within the period permitted
267 under section 37, in a manner prescribed by the commissioner.

268 SECTION 20. Said chapter 62C is hereby further amended by striking out section 30 and
269 inserting in place thereof the following section:-

270 Section 30. If the federal government finally determines that there is a difference from
271 the amount previously reported in (1) the taxable income of a person subject to taxation under
272 chapter 62, (2) a federal credit to which such person may be entitled, but only if the calculation
273 of such credit has an effect on the computation of the tax imposed or the credits allowed under
274 chapter 62, or (3) the adjusted gross income of a person subject to taxation under chapter 62, but
275 only if the change in adjusted gross income has an effect on the computation of the tax imposed
276 or credits allowed under chapter 62, the final determination shall be reported, accompanied by
277 payment of any additional tax due or repayment of any refunded credits reduced by the change
278 with interest as provided in section 32, to the commissioner by filing an amended return within 1

279 year of receipt of notice of such final determination. If the federal government finally determines
280 that there is a difference from the amount previously reported in (1) the taxable income of a
281 person subject to taxation under chapter 63, or (2) a federal credit to which the person may be
282 entitled, but only if the calculation of the credit has an effect on the computation of the tax
283 imposed or the credits allowed under chapter 63, the final determination shall be reported,
284 accompanied by payment of any additional tax due or repayment of any credits refunded with
285 interest as provided in section 32, to the commissioner by filing an amended return within 3
286 months of receipt of notice of the final determination. If the federal taxable estate of an estate
287 subject to taxation under chapter 65C is finally determined by the federal government to be
288 different from the taxable estate as previously reported, the final determination shall be reported,
289 accompanied by payment of any additional tax due with interest as provided in section 32, to the
290 commissioner by filing an amended return within 2 months of receipt of notice of the final
291 determination. The amended return reporting the change shall include a statement of the reasons
292 for the difference in a form as the commissioner may require. If from the amended return
293 reporting the change or upon investigation it shall appear that any tax under chapter 62, chapter
294 63 or chapter 65C has not been fully assessed or a credit has been over reported, the
295 commissioner shall, notwithstanding the 3 year limitation in section 26, assess an additional tax,
296 if any, with respect thereto, with interest as provided in section 32. An assessment under this
297 section shall be made in the manner provided in section 26 within 1 year of the receipt of the
298 amended return reporting the change or, where no amended return is filed with the
299 commissioner, within 2 years of the receipt by the commissioner of information from the federal
300 government that it has made a final determination of the person's federal taxable income or
301 credits or of the federal taxable estate. A person or estate may include in the amended return

302 reporting a change under this paragraph proposed offsets to the additional tax due based on
303 issues unrelated to the change. The offsets, if allowed, may reduce or eliminate the additional tax
304 due, but in no case shall the offset give rise to a credit or refund of tax that would otherwise be
305 barred as untimely.

306 If, as a result of the change by the federal government in a person's federal taxable
307 income, adjusted gross income, federal credits or federal taxable estate, the person or estate
308 believes that a lesser tax was due the commonwealth than was assessed or additional refundable
309 credits should be allowed, the person or estate may file an amended return seeking a reduction in
310 the assessment or allowance of additional credits thereof under subsection (a) of section 26
311 within 1 year of the date of notice of the final determination by the federal government. The
312 commissioner in his consideration of the amended return may offset against the proposed
313 reduction or allowance additional tax due or reduction of credit whether or not the offset is based
314 on issues related to the change. Offsets based on issues unrelated to the change may reduce or
315 eliminate the reduction or allowance, but in no case shall the offset give rise to a net amount of
316 tax due based on an assessment that would otherwise be barred as untimely. Any such offsets
317 applied by the commissioner shall be treated as deficiency assessments for purposes of filing an
318 appeal under section 37.

319 The commissioner shall make no assessment under this section, nor allow any reduction
320 of a self-assessment or additional refundable credit under this section unless the assessment,
321 reduction or additional credits, less any offset allowable against the assessment, reduction or
322 additional credits under this section, is directly attributable to changes, adjustments or
323 corrections to the taxpayer's federal taxable income or credits or federal estate resulting in a final
324 determination.

325 Any person or estate failing to comply with the first paragraph shall be assessed a penalty
326 of 10 per cent of the additional tax found due and such penalty shall become part of the
327 additional tax found due. For reasonable cause shown, the commissioner may, in the
328 commissioner's discretion, abate the penalty in whole or in part.

329 For purposes of this section, the term "person" shall include any individual, partnership,
330 trust, corporate trust or any other fiduciary subject to taxation under chapters 62 or 65C, or any
331 corporation subject to taxation under chapter 63.

332 For purposes of this section, a final determination of a change by the federal government
333 may be initiated by the filing of an amended federal return by the taxpayer.

334 For purposes of this section, a final determination of a change by the federal government
335 includes a closing agreement or accepted offer in compromise under the Code, as amended and
336 in effect for the taxable year, or any similar agreement that results in a change in federal taxable
337 income or a credit, that has an effect on the computation of the tax imposed or the credits
338 allowed under chapter 62, 63 or 65C, whether or not the audit or other review is complete with
339 respect to issues not addressed in the agreement.

340 In the case of the filing of a combined report pursuant to section 32B of said chapter 63,
341 the principal reporting corporation shall file all notices of change as provided under this section,
342 together with payment of additional amounts due or a request for appeal, as the case may be, on
343 behalf of all corporations participating in or required to participate in the filing of the combined
344 report. Without limitation, such notices of change shall be required from the principal reporting
345 corporation in the event of a final determination of federal change to the income or credits
346 included or required to be included in the combined report, or any portion thereof, without regard

347 to the particular corporations taking such income or credits into account for federal income tax
348 purposes or to whether such corporations are required to file a return under this chapter. A
349 principal reporting corporation shall be subject to the penalties provided under the fourth
350 paragraph of this section if it fails to file a required notice of change under this paragraph.
351 Nothing in this paragraph shall preclude the commissioner from separately and directly assessing
352 any individual corporation subject to tax under said chapter 63 even when such corporation
353 participated in or was required to participate in the filing of a combined report.

354 The commissioner of revenue may promulgate rules and regulations necessary to
355 implement this section.

356 SECTION 21. Section 30A of said chapter 62C of the General Laws, as appearing in the
357 2020 Official Edition, is hereby amended by striking out subsections (a) and (b) and inserting in
358 place thereof the following subsections:-

359 (a) If the tax due any other state, territory or possession of the United States, or the
360 Dominion of Canada or any of its provinces, on account of any item of Massachusetts gross
361 income of a Massachusetts resident, is finally determined by that jurisdiction to be less than the
362 tax previously reported, and such tax was the basis for a credit claimed by the Massachusetts
363 resident under subsection (a) of section 6 of chapter 62, the final determination shall be reported,
364 accompanied by payment of any additional tax due with interest as provided in section 32, to the
365 commissioner by filing an amended return within 1 year of receipt of notice of the final
366 determination. The amended return reporting the change shall include a statement of the reasons
367 for the difference in a form as the commissioner may require. If from the amended return
368 reporting the change or upon investigation it shall appear that any tax under chapter 62 has not

369 been fully assessed, the commissioner shall, notwithstanding the limitation in section 26, assess
370 an additional tax, if any, with respect thereto, with interest as provided in section 32. An
371 assessment under this section shall be made in the manner provided in section 26 within 1 year
372 of the receipt of the amended return reporting the change or, where no amended return is filed
373 with the commissioner, within 2 years of the receipt by the commissioner of information from
374 the jurisdiction that it has made a final determination of the person's tax. A person may include
375 in the amended return reporting a change under this paragraph proposed offsets to the additional
376 tax due based on issues unrelated to the change. The offsets, if allowed, may reduce or eliminate
377 the additional tax due, but in no case shall the offset give rise to a credit or refund of tax that
378 would otherwise be barred as untimely.

379 (b) If, as a result of a change by such a jurisdiction in a person's tax due that jurisdiction,
380 the person believes that he is entitled to additional credit under subsection (a) of section 6 of
381 chapter 62 and that a lesser tax was due the commonwealth than was paid, the person may file an
382 amended return seeking a reduction in the assessment thereof under subsection (a) of section 26
383 within 1 year of the date of notice of the final determination. The commissioner in his
384 consideration of the amended return may offset against the proposed reduction additional tax due
385 or reduction of credit whether or not the offset is based on issues related to the change. Offsets
386 based on issues unrelated to the change may reduce or eliminate the reduction, but in no case
387 shall the offset give rise to a net amount of tax due based on an assessment that would otherwise
388 be barred as untimely. Any such offsets applied by the commissioner shall be treated as
389 deficiency assessments for purposes of filing an appeal under section 37.

390 SECTION 22. Section 31A of said chapter 62C, as so appearing, is hereby amended by
391 striking out, in line 6, the words “or section 6 of chapter 64L” and inserting in place thereof the
392 following words:- , section 6 of chapter 64L or section 6 of chapter 64N.

393 SECTION 23. Section 32 of said chapter 62C, as so appearing, is hereby amended by
394 inserting, in line 35, after the words “inclusive,” the following words:- and chapters 64L to 64N,
395 inclusive,.

396 SECTION 24. Said section 32 of said chapter 62C, as so appearing, is hereby further
397 amended by striking out, in line 38, the word “if” and inserting in place thereof the following
398 words:- provided that.

399 SECTION 25. Said section 32 of said chapter 62C, as so appearing, is hereby further
400 amended by striking out, in line 43, the words “application for abatement” and inserting in place
401 thereof the following words:- request for appeal.

402 SECTION 26. Said section 32 of said chapter 62C, as so appearing, is hereby further
403 amended by striking out, in line 65, the words “an abatement” and inserting in place thereof the
404 following words:- a request for appeal.

405 SECTION 27. Said section 32 of said chapter 62C, as so appearing, is hereby further
406 amended by striking out, in line 71, the words “an abatement of the tax” and inserting in place
407 thereof the following words:- a request for appeal.

408 SECTION 28. Said section 32 of said chapter 62C, as so appearing, is hereby further
409 amended by striking out, in line 90, the words “application for abatement” and inserting in place
410 thereof the following words:- request for appeal.

411 SECTION 29. Said section 32 of said chapter 62C, as so appearing, is hereby further
412 amended by striking out, in line 120, the words “application for abatement” and inserting in
413 place thereof the following words:- request for appeal.

414 SECTION 30. Section 33A of said chapter 62C, as so appearing, is hereby amended by
415 striking out, in line 1, the words “application for abatement” and inserting in place thereof the
416 following words:- request for appeal.

417 SECTION 31. Said section 33A of said chapter 62C, as so appearing, is hereby further
418 amended by striking out, in line 7, the word “application” and inserting in place thereof the
419 following word:- request.

420 SECTION 32. Said section 33A of said chapter 62C, as so appearing, is hereby further
421 amended by striking out, in line 18, the word “application” and inserting in place thereof the
422 following word:- request.

423 SECTION 33. Section 35C of said chapter 62C, as so appearing, is hereby amended by
424 striking out, in line 2, the words “claim for abatement” and inserting in place thereof the
425 following words:- request for appeal.

426 SECTION 34. Said section 35C of said chapter 62C, as so appearing, is hereby further
427 amended by striking out, each time it appears, in lines 5, 8 and 12, the word “claim” and
428 inserting in place thereof, in each instance, the following word:- request.

429 SECTION 35. Said section 35C of said chapter 62C, as so appearing, is hereby further
430 amended by striking out, in said line 12, the words “claim for abatement” and inserting in place
431 thereof the following words:- request for appeal.

432 SECTION 36. Said section 35C of said chapter 62C, as so appearing, is hereby amended
433 by striking out, in line 30, the words “claim for abatement” and inserting in place thereof the
434 following words:- request for appeal.

435 SECTION 37. Section 35E of said chapter 62C, as so appearing, is hereby amended by
436 striking out, in line 16, the words “claim for abatement” and inserting in place thereof the
437 following words:- request for appeal.

438 SECTION 38. Section 36 of said chapter 62C, as so appearing, is hereby amended by
439 striking out the third paragraph and inserting in place thereof the following paragraph:-

440 A request for a refund or credit of an overpayment of any tax where an original return has
441 not been timely filed, shall be made by filing the overdue original return within 3 years from the
442 due date of the return, taking into account any extension of time for filing the return, or within 2
443 years of the date that the tax was paid, whichever is later. A request for a refund or credit of an
444 overpayment of any tax where no return is required shall be made by the taxpayer within 2 years
445 from the time the tax was paid in a manner as prescribed by the commissioner. All other requests
446 for a refund or credit of an overpayment of tax relating to a self-assessment under subsection (a)
447 of section 26 shall be made by filing an amended return within the period permitted under
448 paragraph (2) of subsection (a) of section 26. A request for a refund or credit relating to a
449 deficiency assessment shall be made either by submitting a request for appeal within the period
450 permitted under section 37 or, if seeking an offset, by submitting an amended return within the
451 period permitted under paragraph (3) of subsection (a) of section 26. Any request for a refund or
452 credit filed beyond these deadlines shall be denied by the commissioner. Where a refund or
453 credit results from an amended return or from a request for appeal, the amount of such refund or

454 credit shall be limited to the amount paid, or deemed paid pursuant to section 79, within 3 years
455 of the date that the amended return or request for appeal is filed, taking into account any
456 extension of time for filing the original return. Notwithstanding the preceding sentence and any
457 contrary provision of section 27, where the commissioner and the taxpayer have agreed to extend
458 the period for assessment of a tax pursuant to section 27, the amount of any refund or credit,
459 whether determined by the commissioner to be an overpayment pursuant to section 27 or claimed
460 by the taxpayer pursuant to a timely filed amended return or request for appeal, shall not exceed
461 the amount of the tax paid after the execution of the agreement and before the expiration of the
462 agreed extension period or periods plus the amount of the tax paid which would otherwise be
463 eligible for refund under this section if an amended return or request for appeal had been filed on
464 the date the agreement was first executed. This section shall not limit refunds or credits
465 otherwise allowed pursuant to section 30 or 30A.

466 SECTION 39. Said chapter 62C is hereby further amended by striking out section 37 and
467 inserting in place thereof the following section:-

468 Section 37. Any person aggrieved by a deficiency assessment may file a request for
469 appeal on a form approved by the commissioner for a reduction of the deficiency assessment
470 thereof at any time: (1) within 3 years from the date of filing of the original return, taking into
471 account subsection (a) of section 79; (2) within 2 years from the date of the deficiency
472 assessment; or (3) within 1 year from the date that the tax was paid, whichever is later, and the
473 commissioner shall be authorized by this section to reduce all or part of such deficiency
474 assessment; provided, however, that any reduction that would result in a refund of tax, including
475 a credit of such refund against another liability, is subject to section 36 to the extent of such
476 refund or credit.

477 A request for a determination of innocent spouse status with respect to an assessment
478 under this chapter shall be made by the taxpayer by filing a request for appeal, on a form
479 approved by the commissioner, (1) within 3 years from the date of filing of the original return,
480 taking into account subsection (a) of section 79; (2) within 2 years from the date the tax was
481 assessed or deemed to be assessed; or (3) within 1 year from the date that the tax was paid,
482 whichever is later, and the commissioner shall be authorized by this section to determine
483 innocent spouse status for such person with respect to all or part of such assessed tax. A taxpayer
484 that has been deemed a responsible person with respect to an assessed tax may contest the
485 commissioner's determination by filing a request for appeal, on a form approved by the
486 commissioner, (1) within 3 years from the date of filing of the original return, taking into account
487 subsection (a) of section 79; (2) within 2 years from the date of the responsible person
488 assessment; or (3) within 1 year from the date that the tax was paid, whichever is later, and the
489 commissioner shall be authorized by this section to determine that such person is not responsible
490 for all or part of such assessed tax. Any reduction that would result in a refund of tax under this
491 paragraph, including a credit of such refund against another liability, is subject to section 36 to
492 the extent of such refund or credit.

493 The applicant shall, at the time of filing its request for appeal, include and attach to it all
494 supporting information, documents, explanations, arguments and authorities that will reasonably
495 enable the commissioner to determine whether the applicant is entitled to the relief requested.
496 The applicant shall not be considered to have submitted a completed written request for appeal
497 until the date on which all such information reasonably requested from the applicant and
498 reasonably necessary for a decision has been furnished to the commissioner. If the commissioner
499 has made a written request to the applicant for additional information, not then contained in the

500 taxpayer's pending request for appeal, and the applicant fails to provide such information within
501 30 days after such request, or within any extended period allowed by the commissioner, that
502 request for appeal shall be considered incomplete and shall be denied without prejudice to its
503 timely renewal. The commissioner shall give such applicant written notice that the denial is
504 based upon the lack of sufficient information to grant the taxpayer's request for appeal. In a case
505 in which the commissioner has denied a request for appeal based upon incomplete supporting
506 information, no interest under section 40 shall begin to accrue upon any such claim which is
507 appealed to the appellate tax board or to a probate court under section 39 before the date on
508 which a decision on such claim on the merits is rendered by the board or court in favor of the
509 taxpayer.

510 The commissioner shall, if requested, give the applicant a hearing upon its request for
511 appeal; and if the commissioner finds that applicant is entitled to all or part of the relief sought in
512 its request for appeal and that such relief is authorized by this section, the commissioner shall
513 grant the requested relief in whole or part. The commissioner shall give notice to the applicant of
514 his decision upon the request for appeal.

515 The commissioner shall, if requested, give the applicant a hearing upon its request for
516 appeal if the applicant has not already had a pre-assessment hearing under subsection (b) of
517 section 26; unless the applicant first establishes to the satisfaction of the commissioner that a
518 further hearing is necessary either due to the availability of new factual information or new legal
519 precedent not available to the applicant at the time of the conference permitted under said
520 subsection (b) of said section 26; and if the commissioner finds that the applicant is entitled to all
521 or part of the relief sought in its request for appeal and that such relief is authorized by this

522 section, the commissioner shall grant the requested relief in whole or part. The commissioner
523 shall give notice to the applicant of his decision upon the request for appeal.

524 If such person is an operator as defined in section 1 of chapter 64G, a vendor as defined
525 in section 1 of chapter 64H or section 1 of chapter 64I, a direct broadcast satellite service
526 provider as defined in section 1 of chapter 64M or a marijuana retailer as defined in section 1 of
527 chapter 64N, who has collected such tax, no actual refund of money shall be made to such person
528 until he establishes to the satisfaction of the commissioner, under such regulations as the
529 commissioner may prescribe, that he has repaid to the purchaser the amount for which the
530 application for refund is made.

531 In the case of a combined report filed pursuant to section 32B of chapter 63, the principal
532 reporting corporation may act under this section as the agent for any and all corporations that
533 participated in or were required to participate in such filing. In the case of such combined report,
534 the commissioner may offset against a reduction of the deficiency assessment with respect to
535 such corporation, as determined by the commissioner under this section, additional excise that is
536 due or determined to be due under said chapter 63 from any corporation that participated in or
537 was required to participate in the combined report filing, whether that additional excise due may
538 result from the application of the income or non-income measures of the corporate excise or to
539 the minimum excise tax and whether or not the additional tax is based on issues related to the
540 request for appeal. Offsets based on issues unrelated to the request for appeal may reduce or
541 eliminate such reduction of the deficiency assessment, but in no case shall such offset give rise to
542 a net amount of tax due where an assessment would otherwise be barred as untimely.

543 SECTION 40. Section 37A of said chapter 62C of the General Laws, as appearing in the
544 2020 Official Edition, is hereby amended by striking out subsections (c) and (d) and inserting in
545 place thereof the following subsection:-

546 (c) There is a written agreement, signed by all parties, setting forth the commissioner's
547 reasons for the settlement and all relevant information, including, but not limited to, the names of
548 all parties, the amount and type of tax, interest, penalties and charges settled, and the amount
549 actually paid in accordance with the terms of the settlement. Any amount assessed that is not
550 collected pursuant to the provisions of this section shall be abated by the commissioner.

551 Upon request the commissioner shall make available for public inspection the written
552 agreement containing a settlement pursuant to this section.

553 Notwithstanding any provision of law to the contrary, any tax liability settlement under
554 this section which proposes to accept an amount which is less than the full amount of the tax
555 liability owed by the taxpayer by \$20,000 or more, or which proposes to accept an amount which
556 is less than 50 per cent of the full amount of the tax liability owed by the taxpayer shall be
557 submitted to the attorney general for review. Any such settlement proposal shall take effect 21
558 days after its receipt by the attorney general unless the attorney general objects in writing to the
559 settlement. In the event the attorney general objects to a settlement proposal, such settlement
560 shall not take effect until the objection is resolved by the commissioner and the attorney general.
561 Any settlement approved under the terms of this section will not be subject to the confidentiality
562 provisions of section 21 of this chapter.

563 Neither the taxpayer nor the commissioner, upon signing the agreement, shall be
564 permitted to reopen the matter which is the subject of such agreement, except by reason of (1)

565 falsification or concealment of assets by the taxpayer, or (2) mutual mistake of a material fact
566 sufficient to cause a contract to be reformed or set aside.

567 The commissioner shall, as part of his annual report under section 6 of chapter 14, list all
568 settlements entered into pursuant to this section during the fiscal year. Such report shall list the
569 name of each taxpayer agreeing to a settlement and the amount of such settlement.

570 SECTION 41. Section 37C of said chapter 62C, as so appearing, is hereby amended by
571 striking out, in lines 23 and 24, the words “an application for abatement” and inserting in place
572 thereof the following words:- a request for appeal.

573 SECTION 42. Said chapter 62C, as so appearing, is hereby amended by striking out
574 sections 38 and 39 and inserting in place thereof the following sections:-

575 Section 38. No tax assessed on any person liable to taxation shall be reduced unless the
576 person assessed shall have filed, at or before the time of bringing his request for appeal, a return
577 as required by this chapter for the period to which his request for appeal relates; and if he filed a
578 fraudulent return, or having filed an incorrect or insufficient return, has failed, after notice, to file
579 a proper return, the commissioner shall not abate the tax below double the amount for which the
580 person assessed was properly taxable under this chapter.

581 Section 39. Any person aggrieved by the refusal of the commissioner to grant relief in
582 whole or part pursuant to a request for appeal under sections 36 and 37 may appeal therefrom,
583 within 60 days after the date of notice of the decision of the commissioner as follows:

584 (a) appeals from the decision of the commissioner as to the value of an asset of the estate
585 for purposes of chapter 65C shall be made by filing a petition with the clerk of the appellate tax
586 board;

587 (b) appeals from the decision of the commissioner as to all other matters arising under
588 chapter 65C shall be made by filing a petition with either the clerk of the appellate tax board or
589 the probate court having jurisdiction of the estate of the decedent;

590 (c) appeals from the commissioner's refusal to grant relief in whole or part pursuant to a
591 request for appeal under section 37 shall be made by filing a petition with the clerk of the
592 appellate tax board. If, on hearing, the board or the court, whichever the case may be, finds that
593 the person making the appeal was entitled to obtain further relief under section 37 than was
594 granted by the commissioner, it shall order such further relief, to the extent such relief is
595 authorized by section 37. If the appellate tax board orders the abatement of a tax and the tax so
596 abated has been paid, the state treasurer, upon presentation to him of the notice of the decision of
597 the board, or the court, shall repay to the petitioner the amount of the abatement and interest
598 computed in accordance with section 40. If the commissioner has not acted on a request for
599 appeal under section 37, after the expiration of 6 months from the date of the request, the
600 applicant may seek an appeal with the appellate tax board under this subparagraph; and

601 (d) appeals from the decision of the commissioner to deny a request for refund or credit
602 of amounts paid in whole or in part under section 36 shall be made by filing a petition with the
603 clerk of the appellate tax board. If, on hearing, the board or the court, whichever the case may be,
604 finds that the person making the appeal was entitled to obtain further relief under section 36, it
605 shall order such further relief, to the extent such relief is authorized by section 36. If the taxpayer

606 is entitled to a refund, the state treasurer, upon presentation to him of the notice of the decision of
607 the board, or the court, shall pay the petitioner the amount of the refund and interest computed in
608 accordance with section 40. If the commissioner has not acted on a request for refund or credit
609 under section 36, after the expiration of 6 months from the date of the request, the applicant may
610 seek an appeal with the appellate tax board under this subparagraph.

611 SECTION 43. Section 40 of said chapter 62C of the General Laws, as appearing in the
612 2020 Official Edition, is hereby amended by striking out, in line 21, the words “application for
613 abatement” and inserting in place thereof the following words:- request for appeal.

614 SECTION 44. Said section 40 of said chapter 62C, as so appearing, is hereby further
615 amended by striking out, in line 24, the word “application” and inserting in place thereof the
616 following word:- request.

617 SECTION 45. Section 47A of said chapter 62C, as so appearing, is hereby amended by
618 striking out, in line 30, the words “application for abatement” and inserting in place thereof the
619 following words:- request for appeal.

620 SECTION 46. Said section 47A of said chapter 62C, as so appearing, is hereby further
621 amended by striking out, in line 61, the words “abatement application” and inserting in place
622 thereof the following words:- request for appeal.

623 SECTION 47. Said section 47A of said chapter 62C, as so appearing, is hereby further
624 amended by striking out, in line 62, the words “an abatement application” and inserting in place
625 thereof the following words:- a request for appeal.

626 SECTION 48. Said section 47A of said chapter 62C, as so appearing, is hereby further
627 amended by striking out, in line 73, the word “abatement” and inserting in place thereof the
628 following words:- request for appeal.

629 SECTION 49. Section 47B of said chapter 62C, as so appearing, is hereby amended by
630 striking out, in lines 5 and 6, the words “application for abatement” and inserting in place thereof
631 the following words:- request for appeal.

632 SECTION 50. Said section 47B of said chapter 62C, as so appearing, is hereby further
633 amended by striking out, in line 29, the words “abatement application” and inserting in place
634 thereof the following words:- request for appeal.

635 SECTION 51. Said section 47B of said chapter 62C, as so appearing, is hereby further
636 amended by striking out, in lines 30 and 31, the words “an abatement application” and inserting
637 in place thereof the following words:- a request for appeal.

638 SECTION 52. Said section 47B of said chapter 62C, as so appearing, is hereby further
639 amended by striking out, in line 41, the word “appeal” and inserting in place thereof the
640 following word:- request.

641 SECTION 53. Said section 47B of said chapter 62C, as so appearing, is hereby further
642 amended by striking out, in line 45, the word “abatement” and inserting in place thereof the
643 following words:- request for appeal.

644 SECTION 54. Section 49A of said chapter 62C, as so appearing, is hereby amended by
645 striking out, in line 44, the words “application for abatement” and inserting in place thereof the
646 following words:- request for appeal.

647 SECTION 55. Said section 49A of said chapter 62C, as so appearing, is hereby further
648 amended by striking out, in lines 87 and 88, the words “abatement application” and inserting in
649 place thereof the following words:- request for appeal.

650 SECTION 56. Said section 49A of said chapter 62C, as so appearing, is hereby further
651 amended by striking out, in line 89, the words “an abatement application” and inserting in place
652 thereof the following words:- a request for appeal.

653 SECTION 57. Said section 49A of said chapter 62C, as so appearing, is hereby further
654 amended by striking out, in line 99, the word “appeal” and inserting in place thereof the
655 following word:- request.

656 SECTION 58. Said section 49A of said chapter 62C, as so appearing, is hereby further
657 amended by striking out, in line 103, the word “abatement” and inserting in place thereof the
658 following words:- request for appeal.

659 SECTION 59. Said chapter 62C of the General Laws is hereby amended by striking out
660 section 50 and inserting in place thereof the following section:-

661 Section 50. (a) If any person liable to pay any tax neglects or refuses to pay the same
662 after demand, the amount, including any interest, additional amount, addition to tax, assessable
663 penalty or forfeiture, together with any costs that may accrue in addition thereto, shall be a lien
664 in favor of the commonwealth upon all property and rights to property, whether real or personal,
665 belonging to such person. The lien shall also extend to property or rights to property of a trust
666 with respect to tax amounts due from a grantor or other person treated as the owner of a portion
667 of such trust by reason of sections 671-678 of the Code, as defined in subsection (c) of section 1
668 of chapter 62, and to property or rights to property of a disregarded entity with regard to tax

669 amounts due from the owner of the entity, but with respect to real property and fixtures, the lien
670 shall not be valid against a mortgagee, pledge, purchaser or judgment creditor unless the notice
671 to be recorded pursuant to paragraph (1) of subsection (b) includes therein the names of the
672 persons in whom the record title to the real property or fixtures stands at the time of recording
673 the notice. The lien shall arise at the time the assessment is made or deemed to be made and shall
674 continue until: (1) the liability for the amount assessed or deemed to be assessed is satisfied; (2)
675 a judgment against the taxpayer arising out of such liability is satisfied; or (3) any such liability
676 or judgment becomes unenforceable by reason of the lapse of time within the meaning of section
677 6322 of the Code. The lien created in favor of the commonwealth for any unpaid tax shall remain
678 in full force and effect for: (i) a period of 10 years after the date of assessment, deemed
679 assessment or self-assessment of the tax; or (ii) for such longer period of time as permitted by
680 section 6322 of the Code, in effect and as amended from time to time, and as construed or
681 interpreted either by the regulations or other authorities promulgated under said section 6322 of
682 the Code by the Internal Revenue Service or by any federal court or United States Tax Court
683 decision. If, by operation of said section 6322 of the Code, a tax lien in favor of the
684 commonwealth would extend beyond its initial or any subsequent 10-year period, the
685 commissioner shall be authorized to refile his notice of lien. If any such refiled lien is filed
686 within the “required refiling period”, as that term is defined in section 6323(g)(3) of the Code,
687 the lien in favor of the commonwealth shall relate back to the date of the first such lien filing.
688 Otherwise, any such refiled lien shall be effective from the date of its filing. A notice of tax lien
689 filed prior to the effective date of regulations promulgated pursuant to section 15 of chapter 14
690 with the secretary of the commonwealth or a county registry of deeds shall be extended by the
691 refiling of that notice of lien on or after the effective date of regulations promulgated pursuant to

692 section 15 of chapter 14, in the State Tax Lien Centralized Registry. The information contained
693 in the State Tax Lien Centralized Registry shall be controlling, and the State Tax Lien
694 Centralized Registry shall supersede the records of the secretary of the commonwealth or a
695 county registry of deeds. The commissioner of revenue shall promulgate such rulings and
696 regulations as may be necessary for the implementation of this subsection.

697 (b) The lien imposed by this section shall not be valid as against any mortgagee, pledgee,
698 purchaser or judgment creditor until notice thereof has been filed by the commissioner. On or
699 after the effective date of regulations promulgated pursuant to section 15 of chapter 14, the
700 notice shall be filed in the State Tax Lien Centralized Registry. Prior to that date the notice shall
701 be filed as follows:

702 (1) With respect to real property or fixtures, in the registry of deeds of the county where
703 such property is situated, and

704 (2) With respect to personal property other than fixtures, in the filing office in which the
705 filing of a financing statement would perfect, under Article 9 of chapter 106, an attached
706 nonpossessory security interest in tangible personal property belonging to the person liable to
707 pay the tax as if the person were located in the commonwealth under section 9-307 of said
708 chapter 106. The filing of a notice of any such lien or of a waiver or release of any such lien shall
709 be received and registered or recorded without payment of any fee.

710 (c) Even though notice of a lien provided in this section has been filed in the manner
711 prescribed in subsection (b), the lien shall not be valid with respect to a security, as hereinafter
712 defined, as against any mortgagee, pledgee or purchaser of such security, for an adequate and full
713 consideration in money or money's worth, if at the time of such mortgage, pledge or purchase

714 such mortgagee, pledgee, or purchaser is without notice or knowledge of the existence of such
715 lien. As used in this subsection, the term “security” means any bond, debenture, note or
716 certificate or other evidence of indebtedness issued by any corporation, including one issued by a
717 governmental or political subdivision thereof, with interest coupons or in registered form, share
718 of stock, voting trust certificate, or any certificate of interest or participation in, certificate of
719 deposit or receipt for, temporary or interim certificate for, warrant or right to subscribe to or
720 purchase, any of the foregoing; negotiable instrument; or money.

721 (d) If notice of a lien has been filed under subsection (b), the commissioner may provide
722 by regulation the extent to which, and the conditions under which, information as to the amount
723 of the outstanding obligation secured by such lien may be disclosed.

724 (e) In any case where there has been a refusal or neglect to pay any tax, or to discharge
725 any liability in respect thereof, whether or not levy has been made, the commissioner, in addition
726 to other modes of relief, may direct a civil action to be filed in a district or superior court of the
727 commonwealth to enforce the lien of the commonwealth under this section with respect to such
728 tax or liability or to subject any property of whatever nature, of the delinquent, or in which he
729 has any right, title or interest, to the payment of such tax or liability.

730 (f) The commissioner may issue a waiver or release of any lien imposed by this section.
731 Such waiver or release shall be conclusive evidence that the lien upon the property covered by
732 the waiver or release is extinguished. The waiver or release filed in the State Tax Lien
733 Centralized Registry shall constitute a release of the tax lien within the State Tax Lien
734 Centralized Registry, the secretary of the commonwealth, and the county in which the tax lien
735 was previously filed. The information contained in the State Tax Lien Centralized Registry shall

736 be controlling, and the State Tax Lien Centralized Registry shall supersede the records of any
737 county.

738 SECTION 60. Section 55A of said chapter 62C of the General Laws, as appearing in the
739 2020 Official Edition, is hereby amended by striking out, in lines 60 to 61, the words
740 “paragraphs (1) to (9), inclusive, of section 152(a)” and inserting in place thereof the following
741 words:- section 152(d)(2).

742 SECTION 61. Said section 55A of said chapter 62C, as so appearing, is hereby further
743 amended by striking out, in line 67, the words “paragraph (9) of section 152(a)” and inserting in
744 place thereof the following words:- paragraph (H) of section 152(d)(2).

745 SECTION 62. Section 65 of said chapter 62C, as so appearing, is hereby amended by
746 adding the following paragraph:-

747 If a proceeding in court for the collection of a tax is commenced within the period of
748 limitations in this section, the period during which such tax may be collected shall be extended
749 and shall not expire until the liability or a judgment against the taxpayer arising from such
750 liability is satisfied or becomes unenforceable.

751 SECTION 63. Section 81 of said chapter 62C, as so appearing, is hereby amended by
752 striking out, in line 23, the words “an application for abatement” and inserting in place thereof
753 the following words:- a request for appeal.

754 SECTION 64. Section 24 of chapter 64I of the General Laws, as so appearing, is hereby
755 repealed.

756 SECTION 65. Chapter 64N of the General Laws is hereby amended by inserting after
757 section 5 the following section:-

758 Section 6. A marijuana establishment that fails to pay to the commissioner any sums
759 required by this chapter shall be personally and individually liable therefor to the
760 commonwealth. As used in this section, the term “marijuana establishment” shall include an
761 officer or employee of a corporation or a member or employee of a partnership or a limited
762 liability company who, as such officer, employee or member, is under a duty to pay the excises
763 imposed by this chapter.

764 SECTION 66. Subsection (a) of section 24F of chapter 175 of the General Laws, as
765 appearing in the 2020 Official Edition, is hereby amended by striking out the second paragraph
766 and inserting in place thereof the following paragraph:-

767 For the purpose of this section, the word “claimant” shall mean an individual who brings
768 a claim against an insured party under a liability insurance policy issued in the commonwealth or
769 under the liability coverage portion of a multi-peril policy issued in the commonwealth, a
770 beneficiary 13 years of age or older under a life insurance contract issued in the commonwealth,
771 or a beneficiary 13 years of age or older living in the commonwealth who is designated to
772 receive payment under a life insurance contract issued by a company licensed in the
773 commonwealth. For the purposes of this section, the term “non-recurring payment” shall not
774 include fines paid by companies to claimants pursuant to subsection (e). For purposes of this
775 chapter, the department of revenue shall not consider a person to owe taxes to the commonwealth
776 during the period of time that the person is contesting a tax as set forth in subsection (e) of

777 section 32 of chapter 62C, provided that all of the conditions and limitations contained therein
778 also apply.

779 SECTION 67. Subsection (b) of section 11 of chapter 176I of the General Laws, as so
780 appearing, is hereby amended by striking out, in line 18, the word “March” and inserting in place
781 thereof the following word:- April.

782 SECTION 68. The commissioner of revenue may issue regulations or other guidance
783 announcing transition rules with respect to implementing the purposes of this act.

784 SECTION 69. Section 1 shall take effect on July 1, 2023. A lien that is perfected prior to
785 such effective date shall continue to be perfected and to be entitled to priority on the same terms
786 as provided in subsection (b) of section 50 of chapter 62C, or other applicable provisions;
787 provided that nothing shall preclude the refiling of such lien pursuant to subsection (a) of section
788 50 of chapter 62C.

789 SECTION 70. Except as otherwise specified, this act shall take effect 90 days following
790 the date of enactment.