

## Income/Franchise:

### Massachusetts: Draft Release on Accounting for Leases Under Non-Income Measure of Corporate Excise Tax

*Working Draft TIR: Accounting for Leases Under ASC 842 for Purposes of the Non-Income Measure of the Corporate Excise*, Mass. Dept. of Rev. (11/30/22). The Massachusetts Department of Revenue posted a working draft technical information release (“draft TIR”) for practitioner comment, explaining that leases subject to Accounting Standard Codification (ASC) 842 should be characterized as intangible assets for purposes of the non-income measure of the Massachusetts corporate excise tax on business corporations. In doing so, the draft TIR explains that the Financial Accounting Standards Board (FASB) has updated its accounting standards for leases such that for annual financial reporting periods beginning after December 15, 2021, FASB requires privately-held companies and nonprofit organizations to follow ASC 842, which mandates that all leases with a term longer than one year be capitalized. Please contact us with any questions

**URL:** <https://www.mass.gov/technical-information-release/working-draft-tir-accounting-for-leases-under-asc-842-for-purposes-of-the-non-income-measure-of-the-corporate-excise>

— Bob Carleo (Boston)  
Managing Director  
Deloitte Tax LLP  
[rcarleo@deloitte.com](mailto:rcarleo@deloitte.com)

Ian Gilbert (Boston)  
Senior Manager  
Deloitte Tax LLP  
[iagilbert@deloitte.com](mailto:iagilbert@deloitte.com)

Alexis Morrison-Howe (Boston)  
Principal  
Deloitte Tax LLP  
[alhowe@deloitte.com](mailto:alhowe@deloitte.com)

Tyler Greaves (Boston)  
Manager  
Deloitte Tax LLP  
[tgreaves@deloitte.com](mailto:tgreaves@deloitte.com)

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