

Income/Franchise:

Massachusetts DOR Adopts Release on Accounting for Leases Under Non-Income Measure of Corporate Excise Tax

Technical Information Release, TIR 23-2, Mass. Dept. of Rev. (1/5/23). The Massachusetts Department of Revenue issued a technical information release (“TIR 23-2”) 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, TIR 23-2 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/tir-23-2-accounting-for-leases-under-asc-842-for-purposes-of-the-non-income-measure-of-the-corporate-excise>

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