



Massachusetts sales tax guide

Standard rate:

6.25%

Reduced rate:

–

Sales tax-free products and services:

- Food for human (other than sold by a restaurant) and clothing costing less than \$175
- Newspapers;
- Utilities and heating fuel;
- Auditing; Guarantee; Legal and medical services; Haircuts; Car repairs

Who is obliged to register sales tax:

When you sell in Massachusetts and qualify as a dealer under the definition and meet the threshold, you need to be registered to collect and pay sales tax in Massachusetts.

Threshold:

Starting October 1, 2019, out-of-state dealers with sufficient physical or economic presence for establishing nexus in Massachusetts must register to collect sales tax. This includes online sellers or remote sellers that have met the \$100,000 in a calendar year threshold.

[Merchant thresholds by state](#)

[Marketplace thresholds by state](#)

The special rules are applicable for the SAAS business.

[Software as Service Tax Thresholds by state](#)



www.vatcompliance.co

Online Marketplaces:

If all of your sales in Massachusetts are through a marketplace platform, and you are not a marketplace facilitator, you can not register for paying Massachusetts sales tax. Your marketplace facilitator pays the sales tax itself.

If you are selling through your own marketplace, then you will need to register for paying sales tax if you meet the threshold.

Registration procedure:

You can be registered online on the Massachusetts Department of tax website.

Sales tax payment and filing date:

Depending on your tax liability, determine your filing frequency – either annual, monthly, or quarterly:

Annual – \$100 or less

Quarterly – \$101 up to \$1,200

Monthly – \$1,201 or more

Returns are always due on the 20th day of the month following the reporting period. If the filing due date falls on a weekend or holiday, sales tax is due the next day.

Penalty and interest:

- Late payment – 1% of the unpaid tax shown on the return per month or cut, (maximum 25%.)
- Failing to file a return – 1% of the balance due per month or cut, (maximum 25%)

Discount:

–