Massachusetts sales tax guide

Standard rate

The standard sales tax rate in Massachusetts for 2024 is 6.25%.

Reduced rate

There is no reduced sales tax rate specified.

Sales of tax-free products and services

Some tax-free products and services in Massachusetts include:

Food for humans (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 in Massachusetts

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 to the SAAS business.

Software as Service Tax Thresholds by state.

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.

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

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