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Changes to Massachusetts Tax Law – Charitable Contributions New for 2023

BY SCOTT C. CASHMAN • DECEMBER 15, 2023

Massachusetts taxpayers will be able to deduct charitable contributions on their state income tax returns for charitable contributions made after January 1, 2023. The deduction will be allowed even if the taxpayer does not itemize their federal tax deductions. For example, a married couple who made a charitable contribution during 2023 of \$1,000 will be able to deduct \$1,000 on their Massachusetts income tax return even if they claim the \$27,600 standard deduction on their federal tax return. A \$1,000 deduction will save the couple \$50 on their state income tax bill.

The charitable deduction is the result of a voter approved initiative from the year 2000 that provided for a state charitable deduction. Despite [passing with two-thirds of the vote](#), the Massachusetts legislature has repeatedly ignored the will of the voters and [delayed implementation of the taxpayer approved initiative](#). However, as of January 1, 2023, the wait is over and [Massachusetts taxpayers can now claim deductions for charitable contributions](#).

The Massachusetts law differs somewhat from the federal rules for charitable deductions. The state deduction does not include any amounts for contributions of household goods or used clothing. The Massachusetts deduction may only be used to reduce Part B adjusted gross income (e.g., wages) and cannot be used to reduce capital gain, dividend, or interest income other than interest from Massachusetts banks.

As with all deductions, taxpayers must keep records to substantiate cash and non-cash charitable contributions to the same extent as specified in U.S. Form 1040, Schedule A instructions.

The charitable deduction may provide [tax planning opportunities for Massachusetts taxpayers subject to the new 4% surtax](#).