Message for Businesses that Qualify for the SMALL BUSINESS ENERGY EXEMPTION
Current exemption extended through March 31, 2019

Sales of gas, steam, electricity and heating fuel are generally taxable when sold to businesses. In some cases, energy sales may be exempt from taxes for qualifying small businesses. A qualifying small business must have had gross income of less than $1,000,000 in the prior year and anticipate less than $1,000,000 in the current year. The business must also have five or fewer full-time employees and the energy product must be used only by the qualifying business.

THE EXEMPTION PROCESS WILL NOW BE AUTOMATED AND EFFECTIVE FOR TWO YEARS

Instead of filling out Form ST-13 for each utility company, the business will complete the information for the exemption online through the Department of Revenue's MassTaxConnect application to receive a Small Business Energy Exemption Certificate. The Certificate will be effective for two years, rather than one year as it had been.

CURRENT EXEMPTIONS ARE EXTENDED THROUGH MARCH 31, 2019

All current exemptions have been automatically extended beyond December 31, 2018 to March 31, 2019. No action is necessary by the small business to extend the exemption. The new process will be available on MassTaxConnect (www.mass.gov/masstaxconnect) beginning January 1, 2019.

Information will be available on the Department of Revenue website under Business Taxes (www.mass.gov/business-taxes) and will be updated, as needed, with any changes.

QUESTIONS AND ANSWERS

Do I need to file an exemption certificate with the utilities now?

No, your current exemption(s) will be in place through March 31, 2019.

When do I need to get the next Small Business Energy Exemption Certificate?

As of January 1, 2019, you will be able to register for and receive a 2019/2020 exemption certificate online through MassTaxConnect. Be sure to register before your current exemption expires on March 31, 2019. After December 31, 2018, all eligible small businesses must register online to be entitled to the exemption. Filing on paper will no longer be acceptable.

How long will the exemption certificate last?

When you get your next exemption, on or after January 1, 2019, it will be good through December 31, 2020, provided there are no changes in the business that would affect eligibility during that time. The Department of Revenue will send a reminder to renew your exemption certificate before the end of 2020.

Will I need a separate certificate for each utility?

No. Only one online registration for an exemption certificate will be necessary regardless of the number of utilities you use. You will provide a copy of the exemption certificate, or the certificate number, to each of the utility companies you use for your business.

Have the requirements for being considered a small business changed?

No. But the process for qualifying for an exemption is changing and will now be automated through MassTaxConnect.

If you have additional questions, please direct them to dor360@dor.state.ma.us