Massachusetts Department of Revenue

Schedule E Reconciliation

Total Supplemental Income and (Loss) 2025

Form 1, Form 1-NR/PY, and Form NRCR filers must use Schedule E to report income and (loss) from rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICS, etc. Schedule E Reconciliation is to be used as a summary sheet only. Separate Schedule(s) E-1 (Income or Loss from Rental Real Estate and Royalties), E-2 (Partnership and S Corporation Income and Loss) and/or E-3 (Estate, Trust, REMIC and Farm Income and Loss) must be completed for each type of income reported on each schedule.

Name | Social Security number

Income or (Loss) from Rental Real Estate and Royalties

From Schedule E-1. Enter in each line below the total amount from each corresponding line from Schedule(s) E-1.

Income

▼ Fill in oval if showing a loss

1	Rents received	**1**	
2	Royalties received	**2**	

Expenses

3	Advertising	**3**	
4	Auto and travel	**4**	
5	Cleaning and maintenance	**5**	
6	Commissions	**6**	
7	Insurance	**7**	
8	Legal and other professional fees	**8**	
9	Management fees	**9**	
10	Mortgage interest paid to banks, etc.	**10**	
11	Other interest	**11**	
12	Repairs	**12**	
13	Supplies	**13**	
14	Taxes.	**14**	
15	Utilities	**15**	
16	Other expenses.	**16**	
17	Add lines 3 through 16	**17**	
18	Depreciation expense or depletion	**18**	
19	Total expenses. Add lines 17 and 18	**19**	
20	Income or (loss) from rental real estate or royalty properties. Subtract line 19 from line 1 (rents) and/or line 2 (royalties)	**20**	◯
21	Deductible rental real estate (loss)	**21**	◯
22	Income. Enter positive amounts shown on line 20. Do not include any (losses).	**22**	
23	(Losses). Add royalty (losses) from line 20 and rental real estate (losses) from line 21	**23**	◯
24	Total rental real estate and royalty income or (loss). (Enter loss as negative amount.)	**24**	◯

Name | Social Security number

Income or (Loss) from Partnerships and S Corporations

From Schedule E-2. Enter in each line below the total amount from each corresponding line from Schedule(s) E-2.

▼ Fill in oval if showing a loss

25 Passive loss allowed. (Enter as positive amount.) **25**

26 Passive income **26**

27 Non-passive loss. (Enter as positive amount.) **27**

28 IRC § 179 expense deduction. (Enter as positive amount.) **28**

29 Non-passive income **29**

30 Combine lines 26 and 29 . . . . . **30**

31 Combine lines 25, 27 and 28 . . . . . **31**

32 Partnership and S corporation income or loss. Combine lines 30 and 31 . . . . . **32**

33 Interest (other than from Massachusetts banks) and dividends if included in line 32 . . . . . **33**

34 Interest from Massachusetts banks if included in line 32 . . . . . **34**

35 Total income or (loss) from partnerships and S corporations. Subtract total of lines 33 and 34 from line 32. (Enter loss as negative amount.) **35**

36 Fill in if you are reporting any loss not allowed in a prior year due to the at-risk, or basis limitations; a prior year unallowed loss from a passive activity (if that loss was not reported on U.S. Form 8582) or unreimbursed partnership expenses . . . . .

Income or (Loss) from Estates and Trusts.

From Schedule E-3, Income or (Loss) from Estates and Trusts. Enter in each line below the total amount from each corresponding line from Schedule(s) E-3, Income or (Loss) from Estates and Trusts.

37 Passive deduction or (loss) allowed. (Enter as positive amount.) **37**

38 Passive income **38**

39 Non-passive deduction or (loss). (Enter as positive amount.) **39**

40 Non-passive other income **40**

41 Add lines 38 and 40 . . . . . **41**

42 Add lines 37 and 39 . . . . . **42**

43 Estate and trust income or (loss). Combine lines 41 and 42. (Enter loss as negative amount.) **43**

44 Estate or non-grantor-type trust income taxed on Massachusetts Form 2, if included in line 43 . . . . . **44**

45 Grantor-type trust and non-Massachusetts estate and trust income. Subtract line 44 from line 43 . . . . . **45**

46 Interest (other than from Massachusetts banks) and dividends if included in line 45 . . . . . **46**

47 Adjustments to 5.0% income **47**

48 Subtotal. Combine lines 46 and 47 . . . . . **48**

49 Income or (loss) from grantor-type trusts and non-Massachusetts estates and trusts. Subtract line 48 from 45. (Enter loss as negative amount.) **49**

Income or (Loss) from Real Estate Mortgage Investment Conduits (REMICs)

From Schedule E-3, Income or (loss) from REMICs. Enter in each line below the total amount from each corresponding line from Schedule(s) E-3, Income or (Loss) from REMICs.

50 Excess inclusion **50**

51 Taxable income or net (loss). (Enter loss as negative amount.) **51**

52 Income **52**

53 Combine lines 51 and 52. (Enter loss as negative amount.) **53**

Name Social Security number

Farm Income. From Schedule E-3, Farm Income. Enter in each line below the total amount from each corresponding line from Schedule(s) E-3, Farm Income.

▼ Fill in oval if showing a loss

54 Net farm rental income or (loss). (Enter loss as negative amount.) . . . . . **54** ◯

Summary

55 Income or (loss). Combine lines 24, 35, 49, 53 and 54. (Enter loss as negative amount.) . . . . . **55** ◯

56 Massachusetts differences. Enclose statement . . . . . **56** ◯

57 Abandoned building renovation deduction . . . . . **57** ◯

58 Total income or (loss). Combine lines 55, 56 and 57. (Enter loss as negative amount.) Enter here and in Form 1, line 7, Form 1-NR/PY, line 9, or Form NRCR, line 1 . . . . . **58** ◯

2025 Schedule E Instructions

Personal income taxpayers who have rental, royalty and REMIC income or loss and farm rental income and expenses; income or loss from partnerships and S corporations; and income or loss from grantortype trusts and non-Massachusetts estates or trusts are required to report income or loss from these sources on a Schedule E. For tax years beginning on or after January 1, 2008, any taxpayer with income or loss reported on a Schedule E must file his or her tax return using computer-generated forms produced by third-party software. The tax return may be generated by the taxpayer or by a tax professional. The taxpayer is encouraged, but not required, to submit the return electronically. Paper forms produced using the third-party software product will contain a two-dimensional (2D) bar code and will also be accepted. If the taxpayer hires an income tax preparer to complete the taxpayer's taxes, the preparer must follow the Commissioner's electronic filing rules. See TIR 08-22 for more information.

If you do not have access to a software package when filing your income tax return, you may file your Schedule E on paper.

Schedule E Reconciliation is to be used as a summary sheet only. Separate Schedule(s) E-1 (Income or Loss from Rental Real Estate and Royalties), E-2 (Partnership and S Corporation Income and Loss) and/or E-3 (Estate, Trust, REMIC and Farm Income and Loss) must be completed for each type of income reported on each schedule.

Form 1 and Form 1 NR/PY filers must use Schedule E-1 to report income and loss from rental real estate and royalties. Separate Schedule(s) E-1 must be filed for each individual entity.

Form 1 and Form 1 NR/PY filers must use Schedule E-2 to report income and loss from partnerships and S corporations. Separate Schedule(s) E-2 must be filed for each individual entity.

Form 1 and Form 1 NR/PY filers must use Schedule E-3 to report income and loss from estates, trusts, REMICs and farms. Separate Schedule(s) E-3 must be filed for each individual entity.

Nonresidents must report the amount of Massachusetts source income or (loss) from the items listed above on the applicable Schedule E. Part-year residents must report the amount of income or (loss) from the items listed above, received while a resident of Massachusetts, whether derived from sources inside or outside of Massachusetts on the applicable Schedule E.

Lines without specific instructions are considered to be self-explanatory because they are taken directly from the U.S. Schedule E.

Line 56. Massachusetts Differences

Enter and explain any differences between total rental, royalty and REMIC income on the U.S. return and the same type of income on your Massachusetts return.

Possible differences include trust provisions and passive losses, as described below. Enclose a statement explaining the differences. Be sure to enter (loss) as a negative amount.

Trust Provisions

Enter any rental, royalty or REMIC income or loss shown on your U.S. return that is taxed on a Massachusetts Fiduciary Return, Form 2.

Passive Losses

As a result of differences in U.S. and Massachusetts rules in 1987, the calculations you made for passive losses on your 1987 U.S. and Massachusetts returns may have differed. Differences in amounts reported in 1987 for U.S. and Massachusetts tax purposes should be adjusted when the property is disposed of or the deduction is used up. In addition, passive losses allowed for Massachusetts tax purposes in 1987, but carried over for U.S. tax purposes, cannot be used again for Massachusetts tax purposes when such carryover losses are eventually allowed for U.S. tax purposes. To the extent there are applicable adjustments for Massachusetts differences, taxpayers must calculate allowable losses on a pro forma U.S. Form 8582, Passive Activity Loss Limitations.

Line 57. Abandoned Building Renovation Deduction

As a result of differences in U.S. and Massachusetts rules in 1987, the Enter In line 57 as a negative amount 10% of the costs of renovating a qualifying abandoned building in an Economic Opportunity Area. For further information, contact the Massachusetts Office of Business Development at (617) 973-8600.

Schedule E-1

Line 21. This line must be completed if all or part of your loss in line 20 is deductible.

Schedule E-2

90% Refundable PTE Excise Credit (MGL ch 63D)

A shareholder or partner may be eligible for a 90% refundable PTE Excise Credit. The PTE Excise Credit amount must be reported on Schedule SK-1, line 32e and Schedule 3K-1, line 41e of each schedule issued to the taxpayer. The specific amount of PTE Excise Credit issued (if any) must be reported on each separate Schedule E-2 that is filed by the taxpayer for each individual entity. This amount will need to be reported and submitted on Schedule CMS to claim the refundable credit.

Schedule E-3

90% Refundable PTE Excise Credit (MGL ch 63D)

A taxpayer that is issued one or more Schedule(s) 2K-1 may be eligible for a 90% refundable PTE Excise Credit. The PTE Excise Credit amount is reported on Schedule 2K-1, line 19e of each Schedule 2K-1 that is issued to the taxpayer. The specific amount of PTE Excise Credit issued (if any) must be reported on each separate Schedule E-3 that is filed by the taxpayer for each individual entity. This amount will need to be reported and submitted on Schedule CMS to claim the refundable credit.