

Starting **November 1, 2025**, Massachusetts will introduce new tax withholding requirements for non-resident real estate sales. These changes are designed to ensure that tax obligations are properly addressed at the time of closing and will have a direct impact on sellers, buyers, and closing professionals.

If you are involved in Massachusetts real estate transactions, especially as a nonresident seller, here's what you need to know.

Who Is Affected?

If you're selling property in Massachusetts but do not reside in the state, you'll need to prepare for this new withholding process. The regulation, [830 CMR 62B.2.4](#), applies to:

- Nonresident individuals or businesses selling Massachusetts real estate.
- Transactions where the gross sales price is \$1 million or more.
- Sellers who may have personal income tax or corporate excise tax obligations to Massachusetts.

What Is Required at Closing?

The responsibility falls on the withholding agent, and penalties may apply if the process isn't followed correctly.

This is not optional. Under the new rule:

- The withholding agent—usually a closing attorney, escrow agent, or title company—must withhold a portion of the sale proceeds.
- Withholding is intended to cover the seller's potential Massachusetts tax liability.
- The withheld funds must be remitted to the [Massachusetts Department of Revenue](#) within 10 days of the closing date.

Why the Change?

By shifting tax collection to the closing stage, the state reduces the risk of non-compliance after the fact. The Massachusetts Department of Revenue created this requirement to:

- Simplify the collection of taxes from nonresident sellers.
- Prevent lost tax revenue when sellers are not Massachusetts residents.
- Ensure real estate transactions comply with state tax obligations at the point of sale.

Avoid Compliance Risks

If you're planning to buy, sell, or close on Massachusetts property with a nonresident seller, it's essential to understand the new withholding rules now. Waiting until the last minute can create compliance risks and lead to

closing delays.

Don't wait until November 2025 to prepare.

We're ready to guide clients through these new requirements for nonresident real estate sales. We can assist:

- Withholding Agents to help ensure accurate calculations, timely remittance, and compliance with state rules.
- Nonresident Sellers to help determine if your sale qualifies under the \$1 million threshold and whether any exemptions apply.
- Closing Attorneys and Title Professionals by setting up procedures to avoid costly penalties and delays.

[Contact ORRPC today](#) to discuss how these changes may impact your real estate transactions and learn how we can help you stay compliant.