AICPA

**Summary Information on States' Elective Pass-Through Entity (PTE) Tax and Links to Tax Authorities' Information and Guidance**

as of February 14, 2025

| State | Information and Guidance | Restrictions on Owners | Election | Owner Treatment | PTE Tax Rate | Credit for Other State PTETs | Non-resident required to file if PTET elected and no other income from state? | Applicable years |
|---|---|---|---|---|---|---|---|---|
| AL | Electing Pass-Through Entities | None. 2021 Ala. H.B. 170, §10(b)(1) | File PTE-E **online** by 15th day of 3rd month after close of tax year | Refundable credit | 5.00% | Ala. Code § 40-18-21(a)(1) | No. Ala. Code § 40-18-24.2(b)(2) | Tax Year 2021 - No end date |
| AR | Pass-Through Entity Tax | None. A.C.A. § 26-65-102 | File AR362 (election form) or AR1100PET (tax return) by extended due date | Income exclusion. Owners can be held liable for unpaid PTET | 4.70%<br>2.35% on cap gains | Taxed PTE income excludable. A.C.A. §26-51-35(B) | No. A.R.S. § 26-65-103(b)(4) | Tax year 2022 - No end date |
| AZ | The Pass-Through Entity Tax Election | All owner types allowed, but only individuals, trusts and estates are included in computation of tax. **Owners may opt out**. A.R.S. § 43-1014 | File 165/120S by extended due date | Non-refundable credit with 5-year carryover | 2.50% | A.R.S. § 43-1071(G) | Yes. A.R.S. § 43-301(B) | Tax year 2022 - No end date |
| CA | Pass-through entity (PTE) elective tax | All owner types allowed, but only individuals, trusts and estates are included in computation of tax. **Owners must opt in.** Cal. Rev. & Tax. Code § 19902. | Election is made on a timely filed return, but payment is due June 15th regardless of year-end | Non-refundable credit with 5-year carryover | 9.30% | CRTC § 18006 | Yes. Cal. Rev. & Tax. Code § 18507 | Tax years 2021 - 2025, or if fed is repealed. (Cal. Rev. & Tax. Code § 19906) |
| CO | SALT Parity Act Election | All owner types allowed, but unitary C corporations are excluded from computation of the tax. C.R.S. § 39-22-342 | File DR 1705 (election form) or DR 01016 (tax return) by the extended due date | Refundable credit | 4.40% | PTE claims the credit. C.R.S. § 39-22-346 | No. C.R.S. § 39-22-601(1)(a)(IV) | Beg. Jan. 1, 2018 - For any year where limitation on the deduction applies (C.R.S. § 39-22-343(2)) |
| CT | Pass-Through Entity Tax Information | None C.G.S. § 12-699 | Mandatory pre-2024<br><br>Election due by extended due date post-2023 (no form at this time) | Refundable credit of 87.5% of PTET | 6.99% | C.G.S. § 12-699(g)(1)(B) | No, if PTE credit satisfies liability. See Pass-through Entity Tax Information | Beg. Jan. 1, 2018 - No end date |
| GA | HB 149 Pass Through Entity Tax FAQ | None O.C.G.A. §48-7-23(b) as amended by HB 412 (2023) | File 600S/700 by extended due date | Income exclusion to the extent PTET was paid | 5.75% | Taxed PTE income excludable. O.C.G.A. §48-7-27(d) | No. Ga. Comp. R. & Regs. r. 560-7-3-.03(9)(d) | Tax year 2022 - No end date |
| HI | Pass-Through Entity Taxation | None. SB 1437 Section 2 | File N-362E by the due date of return, including extensions if tax timely paid | Non-refundable credit with unlimited carryover | 11.00% | See proposed § 235-51.5(f) | No. HRS § 235-51.5(c) (Sec 2 of SB 1437) | Tax year 2023 - No end date |
| IA | Pass-Through Entity Tax | None. 422.16C(1)(b) | Submit PTET election form online or file IA 1065/1120S by extended due date | Refundable credit of 94% of PTET (PTET is deductible to owners.) | 6.00% | See Iowa Code § 422.8(b) as amended by Section 115 of HF2641 (2020) | No. Iowa Code § 422.16C(6) | Tax year 2022 - Applies only if the federal limitation applies (422.16C(2)) |
| ID | Pass-Through Entities | None. Idaho Code § 63-3026B | File ID 41S/65 by extended due date | Refundable credit | 6.00% | Idaho Code § 63-3029(3) | No. Idaho Code § 63-3026B(5) | Tax year 2021 - No end date |
| IL | Pass-through Entity Information | None. 35 ILCS 5/201(p) | File IL-1065/IL-1120-ST by extended due date | Refundable credit | 4.95% | 35 ILCS 5/201(p)(7) | No, if PTE credit satisfies liability. See Pass-through Entity Information, FAQ 27 | Tax years ending on or after Dec. 31, 2021, and beginning before Jan. 1, 2026, or until the fed limitation no longer applies (i.e., if it is removed before 1/1/26) (35 ILCS 5/201(p)(1) and (p)(10)) |
| | PROPOSED SB2021 - Would make the PTET permanent and not expire at end of 2025. Amends the Illinois Income Tax Act. Removes provisions providing that the pass-through entity level election applies only for tax years beginning prior to January 1, 2026. Effective immediately. | | | | | | | |
| IN | PTET election form and guidance | None. New IC 6-3-2.1-2(1) | File IN-PTET (election form) or IT-65/IT-20S (tax return) by extended due date | Refundable credit | 2023: 3.15%<br>2024: 3.05% | IC 6-3-3-3(d) as added by SEA 2 (2023) | No. I.C. § 6-8.1-5-2(l) (mandatory composite covers filing requirement) | Tax year 2022 - No end date |
| | PROPOSED SB 314 - Pass through entity tax. Strikes a provision in the pass through entity tax relating to the pass through or assignment of other tax credits to an electing entity. Specifies that an electing entity or pass through entity shall be permitted to claim a credit for taxes withheld or paid on the entity's behalf. Adds provisions allowing an electing entity to make elections to claim certain state tax liability credits and sets forth requirements that apply to those elections. | | | | | | | |
| KS | Small Business/Sub-S<br><br>SALT Parity Act - FAQs | All owner types allowed, but only individuals are included in the computation of the tax. 2021-2022R H.B. 2239 (Enrolled) Sec. 2(c) | File K-120S by extended due date | Refundable credit | 5.70% | K.S.A. § 79-32,111(c) | No.K.S.A. § 79-3220(a)(3) | Tax year 2022 - No end date (Kansas Notice 22-16) |

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|---|---|---|---|---|---|---|---|---|
| KY | New Pass-through Entity Tax Forms Available for Filing | None. HB 5 Sec 9 | File 740-PTET-ELECT or 740-PTET by extended due date | Refundable credit | 4.50% | KRS 141.070(4) - KY election may be required. | Yes. KRS 141.180 | Tax year 2022 - No end date |
| LA | Guidance on the Pass-Through Entity Election | None, but only individuals are eligible to take the income exclusion. La. Rev. Stat. § 47:287.732.2 | Email R-6980 (and all required documentation) by 15th day of 4th month after first year election is to apply. Election applies to all subsequent years unless revocation is requested. | Income exclusion to the extent PTET was paid | 4.25% | La. Rev. Stat. § 47:33.A(7) | Yes. No guidance | Tax year 2019 - No end date |
| MA | Elective pass-through entity excise | All owner types allowed, but only individuals, trusts and estates are included in computation of tax. Mass. G.L. c. 63D, § 1 | File 63D-ELT (election form) or applicable tax return by extended due date. | Refundable credit of 90% of PTET | 5.00% | Directive 19-01 | Yes. Mass. G.L. c. 62C, § 6 | Tax year 2021 - Only applicable for years the SALT deduction is in effect (Mass. G.L. c. 63D:3) |
| ME | (PROPOSED) LD 191, HP 124 | PROPOSED - A partnership or an S corporation, but does not include a publicly traded partnership, as defined in the Code, Section 7704(b). | PROPOSED - For tax years beginning on or after January 1, 2025, a partnership or S corporation may elect to become an electing pass-through entity in a tax year. A separate election must be made for each tax yea | PROPOSED - A member of an electing pass-through entity is entitled to a credit equal to 90% of the member's share of the tax paid. | | | | This Act applies to tax years beginning on or after January 1, 2025. |
| MI | Flow-Through Entity Tax | None. MCL 206.813; MCL 206.805 | **Election must be made online by March 15th of the applicable tax year. Election must be renewed for every three years, i.e. 3/15/24 if the first year of election was 2021. See FTE Tax Implemention Notice (4-21-23).** | Refundable credit | 4.05% | Business income from outside the state is not taxed. MCL 206.115 | Yes. See FTE Tax Implementation Notice, II-E | Tax year 2021 - For any year where limitation on the deduction applies (MCL 206.847) |
| MD | FAQs on Maryland PTET | None. Md. Code, Tax-Gen. § 10-102.1 | File 510/511D (quarterly estimated tax) or 510/511E (extension request) by due date | Refundable credit | 8.00%, unless has an entity member- then 8.25% | Md. Code, Tax-Gen. § 10-703(d)(2) | Yes. Md. Code, Tax-Gen. § 10-806 | Tax year 2020 - No end date |
| MN | Pass-Through Entity (PTE) Tax | All owner types allowed, but only indviduals (including grantor trusts), estates, and S corp trusts are included in the computation of the tax. Minn. Stat. § 289A.08, Subd. 7a(a) | File Schedule PTE by extended due date. | Refundable credit | 9.85% | Minn. Stat. § 290.06, Subd. 22(g) and (h) | No. Minn. Stat. § 289A.08, Subd. 7a (j) | Tax years beginning after Dec. 31, 2020 - Expires at the same time and on the same terms as section 164(b)(6)(B) (Minn. Stat. § 289.08 Subd 7a(l) |
| MO | Pass-Through Entity Tax FAQs | None. Mo. Rev. Stat. § 143.436(2)(1) **Owners may opt out** § 143.436(5)(2) | File MO-PTE by extended due date | Nonrefundable credit with unlimited carryover | 4.95% | Mo. Rev. Stat. § 143.436(9) | No. RSMo Section 143.436.6 | Tax years ending on or after Dec. 31, 2022 - No end date |
| MS | Updated Guidance on Pass-Through Entity Election | None. 2022R Miss. H.B. 1691 Sec. 1; Notice 80-22-001 | File 84-381 during the tax year or when applicable tax return is filed | Refundable credit (as amended by Laws, 2023, ch. 440, HB 1668,§ 1, eff. 1/1/2023) | 5.00% | Notice 80-22-001 | Yes. Miss. Code § 27-7-26(1)(c) | Calendar year 2022 - No end date |
| MT | Montana Pass-Through Entity Tax<br><br>Pub. 4 - Pass-Through Entity Tax Guide | None. SB 554, Section 1 | File PTE by extended due date | Refundable credit. SB 554, Section 4 | 6.75% before 2024<br>5.9% after 2023 | MCA § 15-30-2302 | No. SB 554, Sec. 2(6) | Tax years beginning after De. 31, 2022 - No end date |
| NC | Important Notice Regarding North Carolina's Recently Enacted | PTEs with C corp owners are ineligible to elect N.C.G.S. § 105-154.1(a) as amended by SB 174 (2023) | File D-403/CD-401S by extended due date | Income deduction if PTE complies with provisions | 4.99% | N.C. G.S 105-153.9(d), as amended by SB 174 (2023) | No. See B6 of linked guidance | Tax year 2022 - No end date |
| NE | Nebraska Pass-Through Entity Tax (PTET) | None | Submit PTET-E online by extended due date | Refundable credit Neb. Rev. Stat. § 77-2727(6)(g) | 6.84% before 2023<br>6.64% for 2023 | Neb. Rev. Stat. § 77-2730 | No. Neb. Rev. Stat. § 77-2727(6)(e) | Tax year 2018 - No end date |
| NJ | Pass-Through Business Alternative Income Tax (PTE/BAIT ) | None. N.J.S. § 54A:12-2 | File PTE-100 by original due date or extended due date if PTE-200 was filed by original due date. (PTE must first register with the New Jersey Division of Revenue and Enterprise Services) | Refundable credit | 5.675% - 10.900% | N.J.S. § 54A:4-1(f) | Yes. See PTE/BAIT FAQs | Tax year 2020 - No end date |

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| NM | Pass-Through Entity | None, but income allocable to exempt orgs and unitary C corporations is excluded from the tax. HB 1002 (2020) Sec. 3. FAQs | File PTE by extended due date | PTE income is exempt, except for unitary corporate partners. Statute is silent on owner liability and conditions of exemption, but Department's FAQs indicate exemption does not apply if tax is not paid. | 5.90% | Business income from outside the state is not taxed. NMSA 1978 § 7-4-3 | No. HB 1002 Sec. 1 | Tax year 2022 - No end date |
| NY | Pass-through entity tax (PTET) | None, but only individual partners are included in the computation of the tax. N.Y. Tax Law § 860 | **Elect online by March 15th** of applicable tax year. (PTE must be registered prior to making election.) | Refundable credit | 6.85% - 10.90% | N.Y. Tax Law § 620(b) | Yes. N.Y. Tax Law § 651(a)(3) | Tax year 2021 - no end date |
| NYC | New York City pass-through entity tax (NYC PTET) | None, but only city residents are included in the computation of the tax. N.Y. Tax Law § 867 | **Elect online by March 15th** of applicable tax year. (PTE must be registered prior to making election.) | Refundable credit | 3.876% | Credit is taken against state tax | Not applicable | Tax year 2022 - No end date |
| OH | Electing Pass-Through Entity: IT 4738 | None, but note that C corporation owners will not be entitled to the PTET credit. O. R.C. 5747.38 | File IT-4738 by extended due date | Refundable credit | 3.00% | For 2023, elective for 2022 - HB 200 - R.C. 5747.01(A)(36), (41), and (S), 5747.05, 5747.11, and 5747.13; and also Section 803.310 - allows the credit for taxes paid in Ohio | No. O.R.C. 5747.08(L) | Tax year 2022 - No end date |
| OK | PASS-THROUGH ENTITY TAX EQUITY ACT | None. 68 O.S. § 2355.1P-4(F) | **For tax years 2019 - 2023, file Form 586 during preceding tax year or within 2 months and 15 days of applicable tax year. Starting tax year 2024, the election can be made by filing a timely income tax return (including extensions).** | Income subtraction to the extent PTET paid | 5.00% | Business income from outside the state is not taxed. 68 O.S. § 2358(A)(5) | No. 68 O.S. § 2355.1P-4(E) | Tax year 2019 - No end date |
| OR | Pass-Through Entity Elective (PTE-E) Tax | All owners must be individuals or pass-through entities that are owned entirely by individuals. SB 727 (2001) Sec. 3(1); FAQ #4 | File OR-21 by April 15th unless an extension is granted. | Refundable credit | 9.90%<br>9.00% under $250K | ORS 316.082(1) | Yes. ORS 316.362(1)(b) | Applies to tax years beginning on or after Jan. 1, 2022 and before Jan. 1, 2026 and to which federal limitation is not applicable. See SB 2083 (2023) |
| PA | | | | | | | | |
| RI | Pass-through Entities | None. Rhode Island G.L.1956 § 44-11-2.3 | File RI-PTE by extended due date | Credit (no indication of refundable or carryover) | 5.99% | R.I. Gen. Laws § 44-11-2.3(e) | Yes. R.I. Gen. Laws § 44-30-51(a)(3). | Tax year 2019 - No end date |
| SC | SC REVENUE RULING #21-15 Active Trade or Business Income – Annual Election by Pass-Through | A PTE will not be eligible to make the election if it has a C corporation, S corporation, or other "non-qualified owner" in its ownership structure. A PTE is a "qualified entity" if it has an individual, trust (not subject to corporate tax), or partnership (with only "qualified owners") in its ownership structure tax. S.C. Code § 12-6-545(G)(1) FAQ #6 | Attach I-435 to timely filed SC1065/SC1120S and mark box on page 1 "Check for Active Trade or Business election" | Income exclusion to the extent PTET paid | 3.00% | Business income from outside the state is not taxed. S.C. Code § 12-6-2210 | Yes. S.C. Code § 12-6-4910(1)(d) | Tax year 2020 - No end date |
| UT | FAQs – 2022 House Bill 444 – Federal State and Local Tax Deduction Workaround | None. Utah Code § 59-10-1402; FAQs | **File TC-75 online by last day of tax year** | Nonrefundable credit with 5-year carryover | 4.85% | See FAQs | Yes. Utah Code § 59-10-502(2) | Tax years beginning on or after Jan. 1, 2022, but before Dec. 31, 2025. (Utah Code § 59-10-1403.2)(2) |

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| VA | Elective Pass-Through Entity Tax Guidelines | All owner types allowed, but tax is computed on only the income of natural persons, estates or trusts. Va. Code § 58.1-390.1 | Make an estimated payment of PTET during tax year,<br>Make an extension payment of PTET by original due date, or<br>File 502PTET by extended due date | Refundable credit | 5.75% | Code of Virginia § 58.1-332(C) | Yes. Code of Virginia § 58.1-341(A)(2) | Tax years beginning on or after Jan. 1, 2021, but before Jan. 1, 2026 (Va. Code § 58.1-390.3(A)(1)) |
| | PROPOSED HB1969 - Extension for 1 year of expiring sunset for the election for eligible owners of pass-through entities to be taxed at the entity level currently set to expire January 1, 2026, so it would be changed to expire January 1, 2027. | | | | | | | |
| VT | | | | | | | | |
| WI | Pass-Through Entity-Level Tax: Partnerships<br><br>Pass-Through Entity-Level Tax: Tax-Option (S) Corporation | None. Wis. Stat. § 71.21(6)(a). | File Form 3/5S by extended due date | Income exclusion. Owners liable if PTE does not pay tax | 7.90% | Wis. Stat. § 71.07(7)(b)(2) and (3) | No. See Partnership Partner Reporting Q9 and Wis. Stat. § 71.03(2)(a)2, § 71.21(6)(b), and § 71.365(4m)(b) | Tax year 2019 - No end date |
| WV | Elective Pass-Through Entity Tax | None. W. Va. Code §11-21-3a | File EPT-100 online by extended due date. (PTE must be registered first.) | Non-refundable credit with 5-year carryover | 6.5% for 2022<br>5.12% for 2023 | W. Va. Code § 11-21-20 | No. See FAQs at link | Tax year 2022 - No end date |

= Proposed PTET legislation or proposed PTET modification legislation - not yet enacted