



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

as of March 17, 2023

State	Legislation (see note below)	Information and Guidance	Restrictions on Owners	Owner Treatment	Credit for Other State PTETs	PTE Tax Rate
AL	Acts 2021-1 (p 43) amended by Acts 2021-423	Updated Temporary Guidance for Electing Pass-Through Entities	None. 2021 Ala. H.B. 170, §10(b)(1)	Refundable credit	Ala. Code § 40-18-21	5.00%
AR	HB 1209 (2021)	Pass-Through Entity Tax	None. A.C.A. § 26-65-102	Income exclusion. Owners can be held liable for unpaid PTET	S shareholders only? A.C.A. § 26-51-504	4.90% 2.45% on cap gains
AZ	SB 1783 (2021)	Arizona Estimated Tax Notice for Partnerships and S Corporations Making the Pass-Through Entity Tax Election	All owner types allowed, but only individuals, trusts and estates are included in computation of tax. A.R.S. § 43-1014	Non-refundable credit with 5-year carryover	A.R.S. § 43-1071(G)	2.98%
CA	AB 150 (2021) amended by SB 113 and SB 851	Pass-through entity (PTE) elective tax	All owner types allowed, but only individuals, trusts and estates are included in computation of tax. Cal. Rev. & Tax. Code § 19902.	Non-refundable credit with 5-year carryover	CRTC § 18006	9.30%
CO	HB 1237 (2021)	Supplemental Instructions for Partnerships and S Corporations	All owner types allowed, but unitary C corporations are excluded from computation of the tax. C.R.S. § 39-22-342	Refundable credit	PTE claims the credit. C.R.S. § 39-22-346	4.40%
CT	Ch. 228z (2018)	Pass-Through Entity Tax Information	None C.G.S. § 12-699	Refundable credit of 87.5% of PTET	C.G.S. § 12-699(g)(1)(B)	6.99%
GA	HB 149 (2021)	HB 149 Pass Through Entity Tax FAQ Rule 560-7-3-.03 Election to Pay Tax at the Pass-Through Entity Level	Election applies only to partnerships that are 100% directly owned by persons eligible to be shareholders of an S corp. O.C.G.A. §48-7-23(b)(7)	Income exclusion to the extent PTET was paid	Taxed PTE income excludable. O.C.G.A. §48-7-27(d)	5.75%
HI	PROPOSED HS 1362 & SB1437		Bills refer to "eligible partnership," but provide no definition. Appears that there are no restrictions.	Non-refundable credit	See proposed § 235-____(f)	11.00%
IA	PROPOSED HSB 69		None. Proposed 422.16C(1)(b)	Non-refundable credit with 5-year carryover	See Iowa Code § 422.8(b) as amended by Section 115 of HF2641 (2020)	4.40% - 6.00%
ID	HB 317 (2021)	More SALT guidance	None. Idaho Code § 63-3026B	Refundable credit	Idaho Code § 63-3029(3)	6.00%
IL	SB 2531 (2021)	Pass-through Entity Information	None. 35 ILCS 5/201(p)	Refundable credit	35 ILCS 5/201(p)(7)	4.95%
IN	SEA 2		None. New IC 6-3-2.1-2(1)	Refundable credit	IC 6-3-3-3(d) as added by SEA 2 (2023)	3.23%
KS	HB 2239 (2022)	SALT Parity Act 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)	Refundable credit	K.S.A. § 79-32,111(c)	5.70%
KY	PROPOSED HB 360 (passed legislature, awaiting governor to sign)		None. HB 37 Sec 1; KRS 141.010(28)	Income exclusion to the extent PTET was paid	See proposed KRS 141.070(4)	4.50%
LA	SB 223 (2019)	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	Income exclusion to the extent PTET was paid	La. Rev. Stat. § 47:33.A(7)	4.25%
MA	HB 4009 (2021)	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	Refundable credit of 90% of PTET	Directive 19-01	5.00%



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MI	HB 5376 (2021)	Flow-Through Entity Tax	None. MCL 206.813; MCL 206.805	Refundable credit	Business income from outside the state is not taxed. MCL 206.115	4.25%
MD	SB 0523 (2020)	FREQUENTLY ASKED QUESTIONS ON THE MARYLAND	None. Md. Code, Tax-Gen. § 10-102.1	Refundable credit	Md. Code, Tax-Gen. § 10-703(d)(2)	8.00%, unless has an entity member-then 8.25%
MN	HF 9 (2021)	Pass-Through Entity (PTE) Tax	PTEs with other PTEs or corporations as owners cannot make the election. Minn. Stat. § 289A.08, Subd. 7a(a)(2)	Refundable credit	Minn. Stat. § 290.06, Subd. 22(g) and (h)	9.85%
MO	HB 2400 (2022)	12 CSR 10-2.436 SALT Parity Act Implementation	None. Mo. Rev. Stat. § 143.436(2)(1)	Nonrefundable credit with unlimited carryover	Mo. Rev. Stat. § 143.436(9)	5.40%
MS	HB 1691 (2022)	Guidance on Pass-Through Entity Election	None. 2022R Miss. H.B. 1691 Sec. 1; Notice 80-22-001	Nonrefundable credit with no carryover But 5-yr c/o in proposed HB 672	Notice 80-22-001	5.00%
MT					MCA § 15-30-2302	
NC	SB 105 (2021) (pp 594-599) enacted, and SB 174/HB 228 modification bill PROPOSED (passed Senate, in House)	Important Notice Regarding North Carolina's Recently Enacted	Only individuals, estates, trusts described in IRC 1361(c)(2) and exempt organizations described in IRC 1361(c)(6) are allowed as owners. N.C.G.S. § 105-154.1(a)	Income deduction if PTE complies with provisions	NONE	4.99%
NJ	SB 3246 (2019)	Pass-Through Business Alternative Income Tax (PTE/BAIT)	None. N.J.S. § 54A:12-2	Refundable credit	N.J.S. § 54A:4-1(f)	5.675% - 10.900%
NM	HB 1002 (2020)	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	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.	Business income from outside the state is not taxed. NMSA 1978 § 7-4-3	5.90%
NY	Article 24-A	Pass-through entity tax (PTET)	None, but only individual partners are included in the computation of the tax. N.Y. Tax Law § 860	Refundable credit	N.Y. Tax Law § 620(b)	6.85% - 10.90%
NYC	S 8009 (2022)	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	Refundable credit	Credit is taken against stat tax	3.876%
OH	SB 246 (2022)	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	Refundable credit	No credit if PTE tax is, or should be, deducted in computing federal AGI. O.R.C. 5747.05(B)(4)(a)	5.00% (3.00% in 2023 and later)



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OK	HB 2665 (2019)	PASS-THROUGH ENTITY TAX EQUITY ACT	None. 68 O.S. § 2355.1P-4(F)	Income subtraction to the extent PTET paid	Business income from outside the state is not taxed. 68 O.S. § 2358(A)(5)	5.00%
OR	SB 727 (2021)	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	Refundable credit	ORS 316.082(1)	9.90% 9.00% under \$250K
RI	Gen. Laws § 44-11-2.3	FAQs on entity-level tax for pass-through entities Pass-through Entity Election Forms	None. Rhode Island G.L.1956 § 44-11-2.3	Credit (no indication of refundable or carryover)	???	5.99%
SC	SB 627 (2021)	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	Income exclusion to the extent PTET paid	Business income from outside the state is not taxed. S.C. Code § 12-6-2210	3.00%
UT	HB 444 (2022)	FAQs – 2022 House Bill 444 – Federal State and Local Tax Deduction Workaround	None. Utah Code § 59-10-1402; FAQs	Nonrefundable credit with 5-year carryover	See FAQs	4.85%
VA	HB 1121 (2022)	Elective Pass-Through Entity Tax Guidelines	PTE election is limited to entities 100% owned by natural persons, or in the case of an S corporation by natural persons and other persons eligible to be S corporation shareholders. Code of Virginia § 58.1-390.1 See proposed HB 1456 (2023) which would allow all owner types but limit the tax to the income allocable to natural persons.	Refundable credit	Code of Virginia § 58.1-332(C)	5.75%
VT	Proposed H 61		None. Proposed H 61 (2023) Sec 1.	Refundable credit of 90% of PTE	See proposed amendments to 32 V.S.A. § 5825(c)	7.60%
WI	71.21 Partnerships and LLCs 71.365(4m) S Corporations	Pass-Through Entity-Level Tax: Partnerships Pass-Through Entity-Level Tax: Tax-Option (S) Corporation	None. Wis. Stat. § 71.21(6)(a).	Income exclusion. Owners liable if PTE does not pay tax	Wis. Stat. § 71.07(7)(b)(2) and (3)	7.90%
WV	Proposed SB 151 (passed legislature, awaiting governor to sign)		None. Proposed SB 151 (2023)	Refundable credit (all bills),	See proposed amendments to W. Va. Code § 11-21-20 in SB 151	6.50%