

Alabama	
HB 588 (Act 21-423) and HB 170 (Act 21-1); tax years beginning on or after January 1, 2021	
https://revenue.alabama.gov/individual-corporate/electing-pass-through-entities/	
Which PTEs can make the election?	AL S corporations, partnerships, and LLCs taxed as S corporations or partnerships (Sec. 10, HB 170 (Act 21-1))
Can owners opt out?	No
PEET base	S corporation taxable income pursuant to Ala. Code §40-18-161 and partnership net income pursuant to Ala. Code §40-18-24, both post-apportionment and without deduction for the PEET (Sec. 10, HB 170 (Act 21-1))
Tax rate	Highest personal income tax rate (currently 5%) (Sec. 10, HB 170 (Act 21-1))
How election is made	Election must be made by 15th day of third month after close of tax year (March 15 for calendar year taxpayers) and is in effect until revoked Election/revocation must be made by vote/written consent of PTE's governing body as well as vote/written consent of owners holding greater than 50% of PTE's voting control (Sec. 10, HB 170 (Act 21-1))
Impact on other PTE filings	Electing PTEs exempt from nonresident composite return requirements
PEET due date	PTEs must pay estimated tax (using corporate estimated income tax rules) Waivers and safe harbor available for 2021
Owner tax relief	100% refundable credit available to any owner member, partner, or shareholder of an electing PTE on their share of PEET paid on their <i>pro rata</i> or distributive share of the PTE's income (Sec. 1, HB 588 (Act 21-423)) Owner's adjusted basis in entity calculated without regard to the election (Sec. 10, HB 170 (Act 21-1))

PEET = passthrough entity elective tax; PTE = passthrough entity

Arizona	
HB 2838 (Ch. 21-425); taxable years beginning from and after December 31, 2021	
Which PTEs can make the election?	S corporations, partnerships, or LLCs taxed as an S corporation or partnership (Ariz. Rev. Stat. §43-1014)
Can owners opt out?	Yes
PEET base	PTE's taxable income that is attributable to consenting resident individual, estate, or trust owner's plus portion of taxable income derived from AZ sources attributable to consenting nonresident individual, estate, or trust owners
Tax rate	4.5%
How election is made	Election must be made by extended due date of PTE's return PTE must provide at least 60 days' notice to all individual, estate, or trust owners regarding entity's intention to make the election and provide owners the option to opt out of the election
Impact on other PTE filings	No guidance issued.
PEET due date	Estimated tax payments required (based on individual estimated tax payment requirements) if taxable income for the year exceeds \$150,000 (Ariz. Rev. Stat. §43-581) If PTE fails to pay tax, partners/shareholders liable for their proportionate share of tax that is attributable to each partner/shareholder
Owner tax relief	Nonrefundable credit available equal to 100% of the partner's/shareholder's portion of PEET attributable to partner's/shareholder's share of income subject to AZ tax Unused credit may be carried forward for five years (Ariz. Rev. Stat. §43-1075) Individual owners must add back their proportionate share of PEET paid by PTE to AZ or other states (Ariz. Rev. Stat. §43-1021(16)) Resident individual PTE owners may claim an Other State Tax Credit for amount of any similar PEET imposed by another state or political subdivision of a state (Ariz. Rev. Stat. §43-1071(G))

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Arkansas	
HB 1209 (Act 21-362); tax years beginning on or after January 1, 2022	
Which PTEs can make the election?	Partnerships, S corporations and LLCs (Ark. Code §26-65-101)
Can owners opt out?	No
PEET base	PTE's net taxable apportioned business income. Lower tiered business entities that make the election subtract/add distributive share of income/loss from electing upper tier entities (Ark. Code §26-65-103) NOL carryovers and credits may be applied against the tax
Tax rate	5.9% (2.95% if capital gain income) (Ark. Code §26-65-103)
How election is made	Election must be made by due date of return (including extensions) (Ark. Code §26-65-103) A majority of PTE members must approve the election
Impact on other PTE filings	Nonresident withholding still required (Ark. Code §26-51-404(b)(31)(D))
PEET due date	15th day of fourth month of taxable year. Owner's liable for their <i>pro rata</i> share of unpaid tax Estimated tax payments required (Ark. Code §26-65-107)
Owner tax relief	PTE members may exclude from income tax their <i>pro rata</i> share of income upon which the PEET is based Residents and part-year residents may also exclude from gross income their <i>pro rata</i> share of income subject to a similar tax in another state Excluded income is still subject to nonresident withholding (Ark. Code §26-51-404(b)(31))

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California	
AB 150 (Ch. 21-82); tax years beginning on or after January 1, 2021 and before January 1, 2026; repealed if federal SALT limitation repealed	
www.ftb.ca.gov/file/business/credits/pass-through-entity-elective-tax/index.html#qualified-taxpayer www.ftb.ca.gov/file/business/credits/pass-through-entity-elective-tax/help.html	
Which PTEs can make the election?	Partnerships, S corporations, and LLCs taxed as partnerships or S corporations but only if all partners, shareholders, or members are exclusively corporations, or taxpayers as defined by R&TC §17004 (individuals, trusts, or estates), other than partnerships. Disregarded entity owners do not disqualify an entity from making the election (R&TC §19902)
Can owners opt out?	Yes
PEET base	Qualified net income, which is the sum of the <i>pro rata</i> share or distributive share of the entity's income subject to CA personal tax of the individual, trust, or estate owners that consent to have their share of income subject to the PEET. (R&TC §19900) Guaranteed payments not included
Tax rate	9.3% (R&TC §19900)
How election is made	Election made annually on an original, timely filed return, including extensions (R&TC §19900) Taxpayers who fail to pay first installment by June 15 of taxable year (other than 2021) ineligible to make election (R&TC §19904)
Impact on other PTE filings	Nonresident withholding still required
PEET due date	For 2021: Original due date of return without extensions (FTB will allow 2021 tax to be paid prior to December 31, 2021, so PTE may claim deduction on 2021 return) For 2022–2025: First installment due June 15 equal to lesser of: <ul style="list-style-type: none"> • 50% of prior year's elective tax; or • \$1,000 Second installment due by entity's return due date (without extensions) (R&TC §19904)
Owner tax relief	Nonrefundable credit claimed by "consenting" individual, estate, or trust owners (R&TC §17052.10) Unused credit may be carried over for up to five years Credit may not reduce tentative minimum tax

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Colorado	
HB 21-1327; taxable years beginning on or after January 1, 2022 (Colo. Rev. Stat. §39-22-343); repealed if federal SALT limitation is removed	
Which PTEs can make the election?	S corporations and partnerships Election does not apply to unitary C corporation partners (Colo. Rev. Stat. §39-22-343)
Can owners opt out?	No
PEET base	All entity's <i>pro rata</i> or distributive share of the electing entity's income attributable to CO and each resident owner's <i>pro rata</i> or distributive share of the entity's income not attributable to CO Credits attributable to entity's activities may only be claimed by the entity, not its owners. Excess credits, NOLs, modifications may only be claimed in year in which election is made (Colo. Rev. Stat. §39-22-344)
Tax rate	4.55% (Colo. Rev. Stat. §39-22-344)
How election is made	Election made on S corporation or partnership return (Colo. Rev. Stat. §39-22-343)
Impact on other PTE filings	Electing entities may not file composite returns or pay nonresident withholding
PEET due date	Corporate estimated tax requirements apply to PEET other than the first taxable period for the 2022 taxable year (Colo. Rev. Stat. §39-22-344(2)) CO DOR directed to issue guidance
Owner tax relief	Owners may exclude from their tax base (both regular and AMT) income subject to PEET (Colo. Rev. Stat. §39-22-345, 39-22-104(4)(aa), 39-22-304(3)(4)) Entity and not the owners are eligible for Other State Tax Credit for PEET paid on the entity's income Owners ineligible to claim CO's IRC §199A equivalent deduction for income subject to PEET (Colo. Rev. Stat. §39-22-104(3)(r))

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Connecticut	
SB 11 (Public Act 18-2); taxable years beginning on or after January 1, 2018	
https://portal.ct.gov/DRS/News---Press-Releases/2018/Information-on-the-Pass-Through-Entity-Tax https://portal.ct.gov/DRS/Businesses/New-Business-Portal/Managing-PE-Tax	
Which PTEs can make the election?	Unlike other states, the CT PEET is mandatory Partnerships (other than certain publicly traded partnerships), S corporations, and LLCs taxed as S corporations or partnerships (Conn. Gen. Stat. §12-699)
Can owners opt out?	No
PEET base	<p>The tax base is either the standard base or, at the election of the entity, the alternative base. (Conn. Gen. Stat. §12-699) Guaranteed payments included in both options</p> <p>Standard base: The PTE's CT source income, less any distributive share of CT source income received from a subsidiary PTE that filed a CT PTE tax return</p> <p>Alternative base: Equal to the modified CT source income (standard base × percentage of PTE's income allocated to partners subject to PTE's income tax) plus the resident portion of unsourced income</p>
Tax rate	6.99% (Conn. Gen. Stat. §12-699)
How election is made	Tax is mandatory, not elective
Impact on other PTE filings	N/A
PEET due date	<p>PTEs must file CT-1065/CT-1120SI, Connecticut Pass-through Entity Tax Return by the 15th of the third month following the end of the taxable year (March 15 for calendar year taxpayers)</p> <p>If annual payment is \$1,000 or greater, estimated payments are required (Conn. Gen. Stat. §12-699a)</p> <p>PTEs may elect to file combined return</p>
Owner tax relief	<p>PTE owners may claim a refundable tax credit against the income tax or corporation business tax equal to 87.5% of the owner's direct and indirect share of the PEET paid (Conn. Gen. Stat. §12-699(g))</p> <p>Residents and part-year residents may claim an Other State Tax Credit for PEET paid to another state under a "substantially similar" PEET</p>

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Georgia	
HB 149 (Act 21-164); taxable years beginning on or after January 1, 2022	
Which PTEs can make the election?	S corporations and partnerships, but only if the partnership is 100% directly owned and controlled by persons eligible to be an S corporation shareholder. This means partnerships with corporate partners are ineligible to make the election (Ga. Ann. Code §§48-7-21(7)(C), 48-7-23(b)) The law does not specifically address whether LLCs treated as partnerships are eligible to make the election
Can owners opt out?	No (Ga. Ann. Code §§48-7-21(7)(C), 48-7-23(b))
PEET base	PTE's allocated and apportioned net income Entity may not claim any deductions for tax paid and is ineligible to claim any reciprocity credits for the tax paid (Ga. Ann. Code §§48-7-21(7)(C), 48-7-23(b))
Tax rate	5.75% (Ga. Ann. Code §§48-7-21(7)(C), 48-7-23(b))
How election is made	Irrevocable election made on timely filed return (including extensions) (Ga. Ann. Code §§48-7-21(7)(C), 48-7-23(b))
Impact on other PTE filings	No guidance issued
PEET due date	The law does not specify when and how tax must be paid, but does apply the corporate estimated tax payment requirements to electing S corporations and partnerships (Ga. Ann. Code §§48-7-21(7)(C), 48-7-23(b))
Owner tax relief	Owners may exclude their respective share of income on which PEET was paid (Ga. Ann. Code §§48-7-21(7)(C), 48-7-23(b)) PEET paid taken into account for purposes of computing owner's basis

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Idaho	
HB 317 (Ch. 21-239); taxable years beginning on or after January 1, 2021 (Idaho Code §63-3026B)	
Which PTEs can make the election?	S corporations, partnerships, and LLCs taxed as S corporation or partnership
Can owners opt out?	No
PEET base	PTE's ID net income or loss. If net loss, net loss may be carried forward to next year for which election is made PTE that is a direct or indirect owner of another electing PTE excludes lower tier PTE's ID-source income from net income
Tax rate	Corporate tax rate (currently 6.5%)
How election is made	Irrevocable election made annually. Election must be filed with timely filed PTE original return and signed by: <ul style="list-style-type: none"> • Each member of entity; or • Authorized officer, manager, or member of the entity
Impact on other PTE filings	No guidance issued
PEET due date	April 15 following the close of the PTE's taxable year
Owner tax relief	Owners may claim refundable credit equal to owners' direct and indirect <i>pro rata</i> share of the PEET paid Resident individuals may claim an Other State Tax Credit for their <i>pro rata</i> share of substantially similar PEET (as determined by ID State Tax Commission) paid to another state

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Illinois	
SB 2531 (P.A. 102-658, Laws 2021); taxable years ending on or after December 31, 2021, and prior to January 1, 2026 (35 ILCS 5/201(p)); provisions only in effect while federal SALT limitations are in effect	
Which PTEs can make the election?	S corporations and partnerships (other than publicly traded partnerships) (35 ILCS 5/201(p)(1)) The law does not address LLCs
Can owners opt out?	No
PEET base	PTE's IL net income after allocation and apportionment without the following adjustments: <ul style="list-style-type: none"> • Standard exemption; • Net loss deduction; • Partner's reasonable compensation subtraction modification; and • Subtraction modification for income allocable to partners/shareholders subject to the IL "replacement tax" (35 ILCS 5/201(p)(3)) If PTE is an owner of another electing PTE, income from lower-tier PTE excluded
Tax rate	4.95% (35 ILCS 5/201(p)(2))
How election is made	Irrevocable election must be made each year in such time, manner, and form as prescribed by the IL DOR (35 ILCS 5/201(p)(1))
Impact on other PTE filings	Electing PTE not subject to nonresident withholding (35 ILCS 5/201(p)(8))
PEET due date	DOR to provide guidance, but estimated tax payments required if amount payable as estimated tax exceeds \$500 (35 ILCS 5/201(p)(9)) Shareholders/partners liable for tax if entity fails to pay (35 ILCS 5/201(p)(6))
Owner tax relief	Refundable credit available to shareholders/partners equal to tax paid on their distributive share of tax paid Shareholders/partners may claim Other State Tax Credit for substantially similar tax paid to other states by PTE

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Louisiana	
SB 223 (Act 19-442); taxable years beginning on or after January 1, 2019	
http://revenue.louisiana.gov/LawsPolicies/RIB%2019-019%20Guidance%20on%20the%20Pass-Through%20Entity%20Election.pdf	
Which PTEs can make the election?	S corporations and entities taxed as partnerships (LA R.S. §47:287.732.2(b)) Entities that file composite partnership return may not make election (LA Admin. Code §61:I.1001)
Can owners opt out?	No
PTE tax base	LA net income. Electing entities are taxed as though they were C corporations (LA R.S. §47:287.732.2)
Tax rate	2% of first \$25,000 of LA taxable income 4% of LA taxable income above \$25,000 and below \$100,001 6% of LA taxable income above \$100,000 (LA R.S. §47:287.732.2(b))
How election is made	Election is made by submitting Form R-6980, Tax Election for Pass-Through Entities, and required documentation by e-mail to Section732.2election@la.gov prior to April 15 following the close of the taxable year Election remains in effect until terminated (LA Admin. Code §61:I.1001) Majority of shareholders, members, or partners holding more than 50% ownership interest in the entity must approve
Impact on other PTE filings	A partnership that files a composite return cannot make election
PEET due date	15th day of fifth month following close of the taxable year (May 15 for calendar year taxpayers) Estimated tax payments required if tax, less any credits, can reasonably be expected to be \$1,000 or more
Owner tax relief	Exclusion for individual shareholders, members, or partners of income taxed at the entity level (LA R.S. §47:297.14) The exclusion is not available for corporate, estate, or trust owners

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Maryland	
SB 523 (Ch. 20-641); SB 496 (Ch. 21-39); SB 787 (Ch. 21-669); applicable to taxable years beginning on or after January 1, 2020	
www.marylandtaxes.gov/forms/Tax_Publications/Administrative_Releases/Income_and_Estate_Tax_Releases/ar_it6.pdf www.marylandtaxes.gov/forms/20_forms/PTE_Booklet_511.pdf	
Which PTEs can make the election?	S corporations, partnerships, LLCs not taxed as corporations, and business or statutory trusts not taxed as a corporation (Md. Code Ann. §10-102.1)
Can owners opt out?	No
PEET base	PTE's apportioned taxable income, without regard to any deduction for any state or local taxes based on net income (Md. Code Ann. §10-102.1)
Tax rate	8.0% of each individual member's distributive or <i>pro rata</i> share of the PTE's taxable income; plus 8.25% of each entity member's distributive share or <i>pro rata</i> share of the PTE's taxable income (Md. Code Ann. §10-102.1)
How election is made	Annual election made on Form 511, Pass-Through Entity Election Income Tax Return
Impact on other PTE filings	Electing PTEs must make estimated tax payments on behalf of the entity rather than on behalf of nonresident members Electing PTEs ineligible to file composite return
PEET due date	15th day of fourth month following close of taxable year (April 15 for calendar year taxpayers). S corporations file by the 15th day of the third month (March 15 for calendar year taxpayers) Estimated taxes required if PTE reasonably expects MD taxable income in excess of \$1,000
Owner tax relief	Each PTE owner may claim a credit for their proportionate share of the tax paid by the PTE (Md. Code Ann. §§10-102.1(e), 10-701.1) Owners must claim an add-back to taxable income in the amount of any credit claimed on Form 502LU (individuals) or 500LU (entities), Legislative Updates Addition/Subtraction Modifications (Md. Code Ann. §§10-205(m), 10-306) All members may claim a credit for state income tax paid to other states for tax paid by the PTE

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Massachusetts	
HB 4002, HB 4009, Laws 2021; applicable to taxable years beginning on or after January 1, 2021, as long as the federal SALT limitation under IRC §164(b) is in effect	
Which PTEs can make the election?	S corporations, partnerships, and LLCs taxed as an S corporation or partnership (Mass. Gen. Laws Ch. 63D §1)
Can owners opt out?	No (Mass. Gen. Laws Ch. 63D §6)
PEET base	“Qualified income taxable in MA,” which is the PTE’s income allocated to individual, trust, or estate owners’ MA taxable income (Mass. Gen. Laws Ch. 63D §1)
Tax rate	5% (Mass. Gen. Laws Ch. 63D §2)
How election is made	Annual, irrevocable election. Time and manner of election to be determined by MA DOR (Mass. Gen. Laws Ch. 63D §6)
Impact on other PTE filings	The tax is in addition to, and not in lieu of any other tax (Mass. Gen. Laws Ch. 63D §4)
PEET due date	Due by entity’s timely filed, original return. DOR given authorized to require estimated tax payments (Mass. Gen. Laws Ch. 63D §§4, 7)
Owner tax relief	Qualified members (individual, trust, or estates of S corporations, LLCs, or partnerships) may claim a refundable credit equal 90% of their proportionate share of the PEET paid (Mass. Gen. Laws Ch. 63D §§2)

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Michigan	
HB 5376 (Act 21-135) [2021 PA 135]; taxable years beginning on or after January 1, 2021	
www.michigan.gov/documents/treasury/19773_FTE_tax_notice_745849_7.pdf	
Which passthrough entities can make the elections?	Flow through entities, which are defined as S corporations, partnerships, and LLCs taxed as an S corporation or partnership with business activity in Michigan. Publicly traded partnerships and flow-through entities subject to the financial institutions tax are ineligible. (MCL §206.805(3))
Can owners opt out?	No (MCL §206.815)
PTE tax base	Tax applies to the Michigan portion of the positive “business income tax base” attributable to direct members of an electing flow-through entity that are individuals, fiduciaries (i.e., estates or trusts), or other flow-through entities. (MCL §206.801 et seq.) For details on how to calculate the tax see: www.michigan.gov/documents/treasury/19773_FTE_tax_notice_745849_7.pdf
Tax rate	Highest personal income tax rate (currently 4.25)% (MCL §206.815)
How election is made	The election is made by making the flowthrough entity tax payment online at: https://mto.treasury.michigan.gov/eai/mtologin/authenticate?URL=/ . For the 2021 tax year the election must be made by April 15, 2022. For post-2021 tax years, the payment must be made by the 15th day of the third month of the flow-through entity’s tax year (March 15 for calendar year flow-through entities). The election is irrevocable and is effective for three years. (MCL §206.813)
Impact on other PTE filings	Flow-through entities must provide specified information (outlined in Q. II.E in the notice cited below) to their members by the due date of entity’s annual return. This requirement applies to all flow-through entities in a tiered flow-through structure, even if the upper-tier entity does not make the election. Payment and filing of the flow-through entity tax does not relieve the entity from filing a composite return on behalf of nonresident members that choose to participate in a composite return. (www.michigan.gov/documents/treasury/19773_FTE_tax_notice_745849_7.pdf)
PTE due date	Electing flow-through entities must file a return and pay the tax by the last day of the third month after the end of the entity’s tax year (March 31 for calendar year entities). The return filing due date for the 2021 tax year only is March 31, 2022 for all flow-through entities. An automatic six month extension applies for filing the return if taxpayer receives a federal extension. Otherwise the entity must show good cause. Estimated tax payments are required for entities with an annual tax liability reasonably expected to exceed \$800. (MCL §206.831) Prior year safe harbor is available for 2022 tax year only if 2021 tax liability was \$20,000 or less.
Owner tax relief	Qualifying owners may claim a refundable tax credit equal to their share of the flow-through entity tax (MCL §206.254, 206.675) Note: Although the tax base does not include income attributable to corporate owners, Michigan recognizes that the tax may be paid on behalf of corporate taxpayers in tiered entity structures, and allows for a credit in this situation. (www.michigan.gov/documents/treasury/19773_FTE_tax_notice_745849_7.pdf)

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Minnesota	
HF 9 (Ch. 21-14); taxable years beginning on or after January 1, 2021	
www.revenue.state.mn.us/law-change-faqs-tax-year-2021	
Which PTEs can make the election?	S corporations, partnerships, and LLCs as long as none of their shareholders/partner/members are partnerships, LLCs (other than a disregarded entity), or a corporation (Minn. Stat. §298.08Subd.7a(a)(2))
Can owners opt out?	No (Minn. Stat. §298.08Subd.7a(b)(2))
PEET base	Sum of the qualifying owners' tax liability (using the highest PI tax rate) without taking into account any nonbusiness deductions and only factoring those deductions and credits actually used to calculate the owner's tax liability Qualifying owners are resident or nonresident: <ul style="list-style-type: none"> • Individual or estate shareholders, partners, or members of qualifying entity; and • Trust shareholders of a qualifying S corporation
Tax rate	9.85%
How election is made	Annual, irrevocable election must be made by due date of PTE return (including extensions). Election must be approved by qualifying owners (specified individual, estate, and trust owners) who collectively hold more than a 50% ownership interest (Minn. Stat. §298.08Subd.7a(b)(2))
Impact on other PTE filings	PTE's nonresident withholding requirement reduced/abated by amount of PTE paid (Minn. Stat. §290.92Subd.4b and .4c)
PEET due date	Corporate tax payment requirements apply, including estimated tax payments (Minn. Stat. §289A.60Subd.22a) MN DOR has not yet provided 2021 payment guidance
Owner tax relief	Qualifying owners may claim a refundable tax credit equal to their share of the PEET (Minn. Stat. §290.06Subd.40)

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New Jersey	
SB 3246 (Ch. 19-320); taxable years beginning on or after January 1, 2020	
www.state.nj.us/treasury/taxation/baitpte.shtml	
Which PTEs can make the election?	Partnerships, S corporations, and LLCs with at least one owner who is subject to NJ Gross Income Tax on their distributive share of proceeds from the PTE (NJ Rev. Stat. §54A-12-3)
Can owners opt out?	No
PEET base	Sum of each owner's distributive proceeds sourced to NJ (NJ Rev. Stat. §54A-12-3) Distributive proceeds are the PTE's net income, dividends, royalties, interest, rents, guaranteed payments, and gains derived from or connected to NJ sources (NJ Rev. Stat. §54A-12-2)
Tax rate	5.675% first \$250,00 6.52% amount between \$250,00 and \$1 million 9.12% amount between \$1 and \$5 million 10.9% amount over \$5 million
How election is made	Annual election must be made by all owners or by an authorized officer or member. The election must be made electronically on or before the original due date of the PTE's return (15th of the third month following the close of the taxable year). The election may be revoked on or before the original due date of the return
Impact on other PTE filings	Nonresident withholding still required
PEET due date	Tax must be paid by due date of return (15th of third month after close of tax return) Estimated tax payments required
Owner tax relief	Individuals, estates, and trusts receive a refundable credit equal to their proportionate share of tax paid Corporate owners may also claim a credit. Excess credits carried over for 20 years

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New York	
SB 2509 (Ch. 21-59); taxable years beginning on or after January 1, 2021	
www.tax.ny.gov/pdf/memos/ptet/m21-1c-1i.pdf www.tax.ny.gov/bus/ptet/	
Which PTEs can make the election?	S corporations, partnerships (other than publicly traded partnerships), and LLCs taxed as partnerships or S corporations (NY Tax Law §860)
Can owners opt out?	No
PEET base	Taxable income, which is all of the PTE's income, gain, loss, or deduction that flows through to a direct partner, member, or shareholder, for NY personal income tax purposes, including guaranteed payments. Details are provided in: www.tax.ny.gov/pdf/memos/ptet/m21-1c-1i.pdf
Tax rate	Graduated rates of between 6.85% and 10.90% Details are provided in: www.tax.ny.gov/pdf/memos/ptet/m21-1c-1i.pdf
How election is made	Annual, irrevocable election made on-line by a person authorized to make such an election on behalf of the entity (NY Tax Law §861) For 2021: The election may be made by October 15, 2021 For post-2021 tax years: The election is made after January 1 but before March 15 of the taxable year
Impact on other PTE filings	No guidance issued
PEET due date	March 15 following close of taxable year (October 15, 2021, for 2021 tax year only) (NY Tax Law §865) Estimated tax payments required for post-2021 tax years (NY Tax Law §864) Owners may be held liable for tax not paid by PTE
Owner tax relief	Refundable personal income tax credit available to owners equal to their direct share of the PEET (NY Tax Law §606(kkk)) Owners who claim the credit must add back the amount of the credit for purposes of computing their New York taxable income (NY Tax Law §612(43)) NY residents may claim an Other State Tax Credit for "substantially similar" PEET paid to other states (NY Tax Law §620(b))

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North Carolina	
SB 105 (Ch. 21-180); taxable years beginning on or after January 1, 2021	
Which PTEs can make the election?	S corporations and non-publicly traded partnerships that are owned only by individuals, estates, and those trusts and exempt organizations allowed to be S corporation shareholders. The law is not clear, but it appears LLCs taxed as an S corporation or partnership will also qualify (N.C. Gen. Stat. §§105-131.1A, 105-154.1)
Can owners opt out?	No
PEET base	<p>North Carolina taxable income, which is equal to the sum of:</p> <ul style="list-style-type: none"> • Each partner's/shareholder's pro rata or distributive share of the entity's income or loss, subject to NC adjustments, attributable to NC; and • Each resident partner's/shareholder's distributive or pro rata share of the entity's income or loss, subject to NC adjustments, not attributable to NC with respect to each taxable period. <p>Separately stated items of deduction described in IRC §§702 and 1366 are not included in the partner's/shareholder's share of income, nor is the partner's/shareholder's deduction of the passthrough entity elective tax discussed in "Owner tax relief" below.</p> <p>(N.C. Gen. Stat. §§105-131.1A, 105-154.1)</p>
Tax rate	5.25% (current personal income tax rate) (N.C. Gen. Stat. §§105-131.1A, 105-154.1)
How election is made	Annual election made on timely filed annual return, including extensions. Election may be revoked by extended due date of return (N.C. Gen. Stat. §§105-131.1A, 105-154.1)
Impact on other PTE filings	Electing entities not subject to nonresident withholding (N.C. Gen. Stat. §105-154(d))
PEET due date	Due by passthrough entity's return due date. Estimated tax payments required.
Owner tax relief	<p>Partner's/shareholder's of electing entity may claim a deduction/addition adjustment for their share of the income/loss included in the entity's taxable income and the owner's AGI. (withholding (N.C. Gen. Stat. §105-153.5(c3))</p> <p>Entity and not the owners are eligible for Other State Tax Credit for passthrough entity elective tax paid on the entity's income, but entity must pass through the owner's share of the credit on to the owner. (N.C. Gen. Stat. §§105-131.1A, 105-154.1)</p> <p>The basis of partners and shareholders of an electing entity is determined as if the election were not made. (N.C. Gen. Stat. §§105-131.1A, 105-154.1)</p>

PEET = passthrough entity elective tax; PTE = passthrough entity

Oklahoma	
HB 2655 (Ch. 19-201) and HB 2963 (Ch. 21-494); taxable years beginning on or after January 1, 2019	
Which PTEs can make the election?	S corporations, partnerships, or LLCs taxed as partnerships or S corporation (Okla. Stat. Tit. 68 §§2355.1P-2, 2355.1P-4)
Can owners opt out?	No
PEET base	Sum of each member's OK distributive share of the PTE's OK net entity income OK net entity income, defined as the positive sum of an electing passthrough entity's items of OK income, gain, loss, and deduction determined under Section 2351 et seq. of Title 68 of the Oklahoma Statutes, regardless of whether any such items are required for federal income tax purposes to be separately stated (Okla. Stat. Tit. 68 §§2355.1P-2, 2355.1P-4) Tax calculated on Form 587, Oklahoma Pass-Through Entity Tax Supplement
Tax rate	5% on distributive share of PI taxpayer owners; 6% (4% for post-2021 tax years) on distributive share for other taxpayers (Okla. Stat. Tit. 68 §2355.1P-4)
How election is made	Election made on Form 568, Pass-Through Entity Election Form, which must be made within two months and 15 days following the close of the tax year. Election is binding until revoked (Okla. Stat. Tit. 68 §2355.1P-4(H))
Impact on other PTE filings	Electing entities not subject to nonresident withholding (Okla. Stat. Tit. 68 §2355.1P-4(B))
PEET due date	Due by PTE's return due date. For post-2019 tax years, estimated tax payments required
Owner tax relief	Subtraction adjustment for member's OK taxable income/ AGI equal to their distributive share of income subject to the PEET (Okla. Stat. Tit. 68 §2358.A.11)

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Oregon	
SB 727 (Ch. 21-589) and SB 139 (Ch. 21-570); applicable to 2022 and 2023 tax years; repealed if IRC §164(b) SALT limitation is inapplicable in the tax year	
Which PTEs can make the election?	S corporations, partnerships, and LLCs taxed as partnership or S corporation but only if all members of the PTE are individuals subject to OR PI tax or PTEs owned entirely by individuals subject to PI tax
Can owners opt out?	No
PEET base	Sum of each members' share of distributive proceeds, defined as the PTE's OR-sourced net income, dividends, royalties, interest, rents, guaranteed payments, and gains. The tax paid by the PTE is added back in determining the PTE's net income
Tax rate	Graduated rate between 7% and 9.9%
How election is made	Annual election signed by all PTE members or authorized PTE officer, manager, member must be filed by due date of return (including extensions). May be revoked if revoked before due date of return
Impact on other PTE filings	No guidance issued
PEET due date	Tax is due with PTE tax return. OR DOR directed to establish filing and payment procedures
Owner tax relief	Refundable PI credit available to PTE members equal to the member's <i>pro rata</i> share of the PTE tax paid

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Rhode Island	
HB 5151 (Ch. 19-88); taxable years beginning on or after January 1, 2019	
Which PTEs can make the elections?	S corporations, partnerships, trust, LLCs or unincorporated sole proprietorship that is not taxed as a corporation (RI Gen. Laws §44-11-2.3(a)(4))
Can owners opt out?	No
PEET base	PTE's apportioned RI taxable income (Form 2020 RI-PTE, Pass-through Entity Election Tax Return, Instructions)
Tax rate	5.99% (RI Gen. Laws §44-11-2.3(b)(1))
How election is made	Annual election must be made on Form 2020-RI-PTE, Pass Through Entity Election Tax Return
Impact on other PTE filings	Nonresident withholding requirements waived for electing PTEs (RI Gen. Laws §44-11-2.3(b)(2))
PEET due date	Tax due by 15th day of third month following close of tax year Estimated tax payments must be made with Form Bus-EST
Owner tax relief	Individual owners may claim a credit for their <i>pro rata</i> portion of the PEET paid, but must also make an addition adjustment on their returns for their share of the tax paid (RI Gen. Laws §44-11-2.3(c)) RI residents may claim an Other State Tax Credit for "a similar type of tax" paid by the PTE to another state on the resident's share of the PTE's income

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South Carolina	
SB 267 (Act 21-61); taxable years beginning on or after January 1, 2021	
Which PTEs can make the election?	S corporations, partnerships, or LLCs taxed as S corporation or partnership, but only if entities are owned by “qualified owners” or a partnership that is owned by qualified owners (SC Code Ann. §12-6-545(G)) A qualified owner is an individual, estate, trust, or any other entity other than an entity subject to, or exempt from, the corporate income tax
Can owners opt out?	No
PEET base	PTE’s apportioned active trade or business income (SC Code Ann. §12-6-545(G))
Tax rate	3%
How election is made	Annual election, which must be made by the due date of the return (including extensions)
Impact on other PTE filings	Electing entities not subject to nonresident withholding requirements (SC Code Ann. §12-6-545(G))
PEET due date	Payment due with the return Beginning with the 2022 taxable year, estimated tax payments required Owners may be held liable for unpaid tax based on their proportionate share of income (SC Code Ann. §12-6-545(G))
Owner tax relief	Qualified owners may exclude their share of the active trade or business income on which the PEET was paid (SC Code Ann. §12-6-545(G))

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Wisconsin	
SB 883 (Act 17-368); taxable years beginning on or after January 1, 2019 (January 1, 2018, for S corporations)	
www.revenue.wi.gov/Pages/FAQS/ise-passthroughpartnr.aspx	
Which PTEs can make the election?	S corporations, partnerships, and LLCs taxed as partnerships or S corporations (Wis. Stat. §§71.21(6), 71.365(4m))
Can owners opt out?	No
PEET base	PTE's modified allocated and apportioned WI net income. Modified net income is computed as if election were not made, so all passthrough income paid to residents is included but only WI-source income paid to nonresidents is included. Modifications are specified in Wis. Stat. §§71.21(6)(d), 71.365(4m)(d) and described in detail in WI DOR guidance (www.revenue.wi.gov/Pages/FAQS/ise-passthrough-tax.aspx)
Tax rate	7.9%
How election is made	Annual election made on Form 3, Wisconsin Partnership Return, by return due date (including extensions). May only be revoked by extended due date More than 50% of partners with capital and profits interest must consent to the election (Wis. Stat. §§71.21(6), 71.365(4m))
Impact on other PTE filings	Electing entity not subject to nonresident withholding
PEET due date	Tax due by due date of the return. Estimated tax payments required
Owner tax relief	Owners do not include their proportionate share of the PTE's income, gain, loss or deduction on their returns, nor do shareholders treat accumulated E&P as dividends (Wis. Stat. §§71.05(6)(a)(14), 71.21(6), 71.365(4m)) Resident owners may not claim the Other State Tax Credit for taxes paid to another state by the PTE

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