

## Multistate Tax Alerts

Throughout the week, we highlight selected developments involving state tax legislative, judicial, and administrative matters. The alerts provide a brief summary of specific multistate developments relevant to taxpayers, tax professionals, and other interested persons. Read the recent alerts below or visit the archive.

**Archive:** <https://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-archive.html?id=us:2em:3na:stm:awa:tax>

### **Arizona enacts elective Arizona small business tax and pass-through entity level tax**

On July 9, 2021, Arizona Governor Doug Ducey signed into law Senate Bill 1783 and House Bill 2838, which respectively provide for an elective income tax filing for Arizona small businesses and an elective entity level tax for certain pass-through entities, including partnerships and S corporations.

**URL:** <https://www.azleg.gov/legtext/55leg/1R/laws/0436.pdf>

**URL:** <https://www.azleg.gov/legtext/55leg/1R/laws/0425.pdf>

This Multistate Tax Alert provides a summary of some of the more relevant provisions in these bills.

[Issued July 16, 2021]

**URL:** <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-mta-arizona-enacts-elective-arizona-small-business-tax-and-pass-through-entity-level-tax.pdf>

### **California enacts pass-through entity tax election**

On July 16, 2021, the California governor signed Assembly Bill 150, which includes a new elective pass-through entity (“PTE”) tax. Under the enacted legislation qualifying PTEs, including entities taxed as a partnership or S corporation, may elect to pay an entity level state tax on income for taxable years beginning on or after January 1, 2021 and before January 1, 2026. Qualified taxpayers receive a credit for their share of the entity level tax, reducing their California personal income tax.

**URL:** [https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220AB150](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB150)

This Multistate Tax Alert summarizes some of the provisions of the California pass-through entity tax election.

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**URL:** <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-mta-california-enacts-pass-through-entity-tax-election.pdf>

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