

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>

Illinois enacts new pass-through entity tax election

On August 27, 2021, Illinois Governor JB Pritzker signed into law Senate Bill 2531 (S.B. 2531) and it was enrolled as Public Act 102-0658. S.B. 2531 allows partnerships (other than a publicly traded partnership) and S corporations to elect to pay a 4.95% entity level state tax on income. The election may be made for taxable years ending on or after December 31, 2021 and beginning prior to January 1, 2026, provided that a \$10,000 limitation for the state and local tax deduction under Internal Revenue Code section 164(b)(6) still applies.

URL: <https://www.ilga.gov/legislation/publicacts/102/PDF/102-0658.pdf>

This Multistate Tax Alert summarizes the Illinois pass-through entity (PTE) tax election.

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

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