

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>

Massachusetts enacts pass-through entity tax election

On September 30, 2021, the Massachusetts Legislature voted to override Governor Charlie Baker's veto of House Bill 4009, thereby establishing a new elective pass-through entity (PTE) tax, which is generally applicable to partnerships, S corporations, and limited liability companies treated as partnerships or S corporations for federal income tax purposes for tax years beginning on or after January 1, 2021. This provision was originally part of the Massachusetts FY 2022 budget and Governor Baker vetoed this section of the budget. Thereafter the Legislature passed House Bill 4009, which the Governor vetoed for a second time, and then the Legislature again voted to override.

URL: <https://malegislature.gov/Bills/192/H4009>

This Multistate Tax Alert summarizes some of the provisions of the new PTE tax in Massachusetts.

[Issued October 8, 2021]

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

New Jersey extends compliance initiative for Corporation Business Tax

On June 3, 2021, the New Jersey Division of Taxation (Division) announced a new compliance initiative for companies that had nexus with New Jersey prior to filing as part of a combined return that did not previously file as separate entities for periods prior to 2019 to have the opportunity to voluntarily come forward and comply with their Corporation Business Tax filing requirements. On September 28, 2021, the Division announced that the compliance initiative will be extended from October 15, 2021 to January 3, 2022.

URL: <https://www.state.nj.us/treasury/taxation/cbt/cbt-initiative2021.shtml>

[Issued October 6, 2021]

URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-mta-new-jersey-extends-compliance-initiative-for-corporation-business-tax.pdf>

Recent guidance addressing New York's new pass-through entity tax

On August 25, 2021, the New York State Department of Taxation and Finance issued TSB-M-21(1)C, (1)I (TSB-M), which provides guidance to taxpayers on the State's recently enacted elective pass-through entity tax (PTET). The TSB-M includes among other things, new details and instruction on New York's PTET election mechanics, tax computation, credit computation, estimated payments, and overpayments.

URL: <https://www.tax.ny.gov/pdf/memos/ptet/m21-1c-1i.pdf>

This Multistate Tax Alert summarizes the recent guidance in the TSB-M.

[Issued October 7, 2021]

URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-multistate-tax-alert-recent-guidance-addressing-new-yorks-new-pass-through-entity-tax.pdf>

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