

Income/Franchise:

Idaho State Tax Commission Says SALT Workaround Payments are Due by December 31

Latest Tax Commission News: SALT workaround payment due Dec. 31, 2021, Idaho State Tax Comm. (12/15/21). Pursuant to Idaho legislation enacted earlier in 2021 that permits certain passthrough entities (PTEs) to elect to pay Idaho income tax at the entity level applicable retroactively to January 1, 2021 [see H.B. 317 (2021) and previously issued Multistate Tax Alert for more details on this new law] – which was enacted in response to the \$10,000 cap on the federal individual income tax deduction for state and local taxes that was enacted in the 2017 federal tax overhaul legislation known as the Tax Cuts and Jobs Act (*i.e.*, P.L. 115-97) – the Idaho State Tax Commission (Commission) announced that PTEs wishing to “deduct the state and local tax (SALT) payment from their 2021 income on their federal tax return” must electronically pay or send the payment to the Commission by December 31, 2021. According to the Commission, if an entity makes such a payment and later does *not* elect to pay tax at the entity level, the Commission “will apply the payment according to the payor’s instructions or will refund any unused amounts.” The Commission also states that it “will provide additional guidance soon.” Please contact us with any questions.

URL: <https://tax.idaho.gov/n-feed.cfm?idd=4435>

URL: <https://legislature.idaho.gov/sessioninfo/2021/legislation/H0317/>

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

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