

Income/Franchise:

Mississippi: New Law Offers Elective Entity-Level Taxation for Pass-through Entities

H.B. 1691, signed by gov. 4/14/22. Applicable from and after January 1, 2022, new law permits partnerships, S corporations, or similar pass-through entities to make an election to pay an entity level state income tax (PTE tax) in Mississippi for the 2022 calendar year, and for each calendar year thereafter. The election is binding for that taxable year and all taxable years thereafter until revoked. Owner members, partners, or shareholders of an electing pass-through entity, in turn, may claim a credit against Mississippi income tax equal to their pro rata or distributive share of tax paid by the electing pass-through entity with respect to the corresponding taxable year.

URL: <http://billstatus.ls.state.ms.us/2022/pdf/history/HB/HB1691.xml>

See recently issued Multistate Tax Alert for more details on this new PTE tax, and please contact us with any questions.

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

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