

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>

Nonresident withholding considerations under California’s pass-through entity tax regime

California’s recently enacted pass-through entity tax (PET) presents potential issues for taxpayers subject to California’s nonresident withholding requirements. Qualified entities electing into the California PET are required to withhold and remit tax at 7% for domestic nonresident individual owners and 12.3% for foreign (non-US) individual owners including those who consent to have their pro rata or distributive share of income subject to the California PET. For tax years beginning on or after January 1, 2022, nonresident withholding credits must be utilized before the California PET credit, thus risking loss of any California PET credit that cannot be utilized before the five-year credit carryforward period expires.

This Multistate Tax Alert summarizes some related nonresident withholding considerations.

[Issued May 13, 2022]

URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-nonresident-withholding-considerations-under-california-pass-through-entity-tax-regime.pdf>

New York extends the election deadline for the tax year 2022 Pass-through Entity Tax to September 15

On May 6, 2022, New York Governor Kathy Hochul signed Senate Bill 8948 into law, which includes amendments (the “Amendments”) to certain provisions enacted in New York’s 2022-2023 Budget Act (“the Budget Act”) specific to New York State’s Pass-through Entity Tax (“NYS PTET”).

URL: <https://www.nysenate.gov/legislation/bills/2021/S8948>

The Budget Act, including Senate Bill S8009C/Assembly Bill A9009C, was signed into law on April 9, 2022; see the previously issued Multistate Tax Alert from April 27, 2022 for more details regarding the Budget Act.

URL: <https://www.nysenate.gov/legislation/bills/2021/S8009>

URL: <https://www.nysenate.gov/legislation/bills/2021/a9009/amendment/c>

URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-new-york-2022-2023-budget-includes-revisions-to-pass-through-entity-tax-and-creates-new-york-city-pass-through-entity-tax.pdf>

This Multistate Tax Alert summarizes some of the provisions in the Amendments.

[Issued May 13, 2022]

URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-new-york-extends-election-deadline-for-tax-year-2022.pdf>

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