

## Income/Franchise:

### Virginia Department of Taxation Asks for Input on PTE Tax Election Guidance by July 11

*Elective Pass-through Entity Guidance Document Interested Parties Notice*, Vir. Dept. Tax. (6/22). The Virginia Department of Taxation (Department) explains that pursuant to new law permitting qualifying pass-through entities to make an annual election in Virginia to pay an entity-level state income tax (PTE tax) for taxable years beginning on and after January 1, 2021, but before January 1, 2026 [see H.B. 1121 (2022) / S.B. 692 (2022) and previously issued Multistate Tax Alert for more details on this new tax], it is in the process of developing implementation guidelines regarding the PTE tax. "To increase government transparency and facilitate the guideline development process," the Department states that it is allowing an initial 30-day comment period prior to drafting these guidelines, which began on June 9, 2022, and will end on July 11, 2022, and will be posting related draft guidelines, public comments, and other information on its website in the future.

URL: <https://tax.virginia.gov/sites/default/files/inline-files/elective-pass-through-entity-guidance-document-interested-parties-notice.pdf>

URL: <https://lis.virginia.gov/cgi-bin/legp604.exe?ses=221&typ=bil&val=hb1121>

URL: <https://lis.virginia.gov/cgi-bin/legp604.exe?ses=221&typ=bil&val=sb692>

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

Note that the Department issued a tax bulletin earlier this year intended to provide taxpayers with some preliminary guidance on the new PTE tax [see Tax Bulletin 22-6, Vir. Dept. Tax. (4/15/22) and *State Tax Matters*, Issue 2022-16, for more details on this bulletin]. Please contact us with any questions or comments.

URL: <https://www.tax.virginia.gov/laws-rules-decisions/tax-bulletins/22-6>

URL: [https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2022/STM/220422\\_9.html](https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2022/STM/220422_9.html)

— Joe Carr (McLean)  
Managing Director  
Deloitte Tax LLP  
[josecarr@deloitte.com](mailto:josecarr@deloitte.com)

Jennifer Alban-Bond (McLean)  
Senior Manager  
Deloitte Tax LLP  
[jalbanbond@deloitte.com](mailto:jalbanbond@deloitte.com)

Gregory Bergmann (Chicago)  
Partner  
Deloitte Tax LLP  
[gbergmann@deloitte.com](mailto:gbergmann@deloitte.com)

Robert Waldow (Minneapolis)  
Principal  
Deloitte Tax LLP  
[rwaldow@deloitte.com](mailto:rwaldow@deloitte.com)

Shirley Wei (Los Angeles)  
Senior Manager  
Deloitte Tax LLP  
[shiwei@deloitte.com](mailto:shiwei@deloitte.com)

Olivia Schulte (Washington, DC)  
Manager  
Deloitte Tax LLP  
[oschulte@deloitte.com](mailto:oschulte@deloitte.com)

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