

## Income/Franchise:

### Ohio: Draft Form on New Elective PTE-Level Tax Posted and FAQs are Coming Soon

*Tax Alert: Update Regarding Ohio's PTE Tax for Electing Entities (Form IT 4738)*, Ohio Dept. of Tax. (9/23/22). Pursuant to new law in Ohio that permits qualifying pass-through entities (PTEs) to make an annual election to pay an entity-level state income tax for taxable years beginning on or after January 1, 2022 [see S.B. 246 (2022) and previously issued Multistate Tax Alert for more details on this new tax], the Ohio Department of Taxation (Department) announced that it has posted a draft of a new PTE tax form (Ohio IT 4738) for tax year 2022, and that related "FAQs" are coming soon. In doing so, the Department continues to note that no estimated payment coupon (UPC) is currently available for the Ohio IT 4738. Accordingly, if Ohio taxpayers have made, or need to make, estimated payments on the new PTE tax, "it is recommended that you use the IT 1140 UPC," and the next Ohio estimated payment due dates are October 15, 2022, and January 15, 2023. The Department also provides that when such taxpayers file the Ohio IT 4738, "there will be a line in Schedule I of the return (Page 2, Line 12) to notify the Department to transfer payments from one of the other PTE form types (IT 1140 or IT 4708) to the IT 4738 for previously made payments." The Department explains that Line 12 on the new Ohio IT 4738 is where the entity reports any 2022 estimated payments made on an Ohio IT 1140 or IT 4708 UPC that the entity wants transferred to the Ohio IT 4738. Please contact us with any questions.

URL: <https://tax.ohio.gov/static/ohiotaxalert/archivedalerts/pte-salt-92322.pdf>

URL: <https://www.legislature.ohio.gov/legislation/legislation-documents?id=GA134-SB-246>

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

— Dave Adler (Columbus)  
Managing Director  
Deloitte Tax LLP  
daadler@deloitte.com

Courtney Clark (Columbus)  
Partner  
Deloitte Tax LLP  
courtneyclark@deloitte.com

Gregory Bergmann (Chicago)  
Partner  
Deloitte Tax LLP  
gbergmann@deloitte.com

Roburt Waldow (Minneapolis)  
Principal  
Deloitte Tax LLP  
rwaldow@deloitte.com

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

Vaishali Shetty (Cleveland)  
Senior Manager  
Deloitte Tax LLP  
vshetty@deloitte.com

Paige Fitzwater (Columbus)  
Manager  
Deloitte Tax LLP  
pfitzwater@deloitte.com

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

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