

Income/Franchise:

Missouri DOR Issues Emergency Rule to Implement New Optional Pass-Through Entity-Level Tax

12 CSR 10-2.436 SALT Parity Act Implementation, Mo. Dept. of Rev. (12/27/22). Pursuant to legislation enacted in 2022 that permits certain pass-through entities to make an election to pay an entity-level state income tax in Missouri for taxable years ending on or after December 31, 2022 [see H.B. 2400 (2022), and previously issued Multistate Tax Alert for more details on this new entity-level income tax], the Missouri Department of Revenue issued an emergency rule addressing how a partnership or an S corporation may elect to become an “affected business entity” under Missouri law; how and when to file the entity-level Missouri income tax return; how to designate an affected business entity representative for a tax year; and underlying estimated tax and withholding obligations of an affected business entity. The emergency rule is scheduled to become effective on January 11, 2023 and expire on July 9, 2023. Please contact us with any questions.

URL: <https://www.sos.mo.gov/CMSImages/AdRules/main/EmergenciesforInternet/12c10-2.436IE.pdf>

URL: <https://house.mo.gov/Bill.aspx?bill=HB2400&year=2022&code=R>

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

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