

Income/Franchise:

West Virginia: New Law Creates an Elective Pass-Through Entity Level Tax

S.B. 151, signed by gov. 3/28/23. Recently signed legislation permits some pass-through entities (PTEs) to make an annual election to pay an entity level state income tax for taxable years beginning on and after January 1, 2022. Correspondingly, owners of an electing PTE may claim a credit against their West Virginia income tax liability equal to their share of PTE tax paid; if the credit exceeds the owner's tax due, the excess may be carried forward by the owner for up to five taxable years.

URL: https://www.wvlegislature.gov/Bill_Status/bills_history.cfm?INPUT=151&year=2023&sessiontype=RS

See recently issued Multistate Tax Alert (March 29, 2023) for more details on the new PTE tax, and please contact us with any questions.

— Joe Garrett (Birmingham)
Managing Director
Deloitte Tax LLP
jogarrett@deloitte.com

Meredith Harper (Birmingham)
Senior Manager
Deloitte Tax LLP
meharper@deloitte.com

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

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

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

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

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