

Income/Franchise:

Indiana DOR Addresses and Explains New Elective Entity-Level Tax for Pass-through Entities

PTET Instructions, Form & FAQ, Ind. Dept. of Rev. (3/23). Pursuant to recently enacted state legislation that allows some pass-through entities to make an election to pay an entity-level state income tax in Indiana based on each owner's aggregate share of adjusted gross income for taxable years beginning on or after January 1, 2022 [see S.B. 2 (2023), signed by gov. 2/22/23, and previously issued Multistate Tax Alert for more details on this new tax], the Indiana Department of Revenue (Department) issued related forms, instructions, and other administrative guidance. The Department answers some "frequently asked questions" (FAQs) and provides implementation guidance addressing topics such as eligibility to pay the new tax, how to make the election, underlying income tax credit eligibility and allowance, how to file and calculate the new tax (including under tiered structures), and making estimated payments. Please contact us with any questions.

URL: <https://www.in.gov/dor/tax-forms/ptet/>

URL: <https://iga.in.gov/legislative/2023/bills/senate/2>

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

— Tom Engle (St. Louis)
Manager
Deloitte Tax LLP
tengle@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

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

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