

## Income/Franchise:

### Missouri DOR Adopts Permanent Rule Implementing New Optional Pass-Through Entity-Level Tax

*Notice of Adoption 12 CSR 10-2.436 SALT Parity Act Implementation*, Mo. Dept. of Rev. (5/15/23); *Proposed 12 CSR 10-2.436 SALT Parity Act Implementation*, Mo. Dept. of Rev. (2/1/23). 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 entity-level income tax], the Missouri Department of Revenue adopted a permanent new 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 adopted version is identical to the rule as originally proposed [see *State Tax Matters*, Issue 2023-5, for details on the proposed rule]. Please contact us with any questions.

**URL:** <https://www.sos.mo.gov/CMSImages/AdRules/moreg/2023/v48n10May15/v48n10.pdf>

**URL:** <https://www.sos.mo.gov/CMSImages/AdRules/moreg/2023/v48n3Feb1/v48n3a.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>

**URL:** [https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2023/STM/230203\\_2.html](https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2023/STM/230203_2.html)

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