

## Income/Franchise:

### Minnesota: Updated Guidance Reflects Newly Revised Elective Pass-Through Entity Tax Provisions

*Pass-Through Entity (PTE) Tax*, Minn. Dept. of Rev. (7/27/23). The Minnesota Department of Revenue updated guidance on Minnesota's annual election for some qualifying pass-through entities to pay Minnesota income tax at the entity level (PTET) available for tax years beginning after December 31, 2020 [see previously issued Multistate Tax Alert (July 6, 2021) for more details on Minnesota's elective pass-through entity tax, as originally enacted]; the updates reflect recently enacted legislation that makes several changes to Minnesota's PTET laws effective for tax years beginning after December 31, 2022 [see H.F. 1938 (2023) and previously issued Multistate Tax Alert (May 30, 2023) for more details on these recent law changes]. The updated guidance includes definitions of qualifying entities and qualifying owners, guidance on how to make the election, clarification on the calculation of income for the PTET for Minnesota residents, guidance on estimated tax payment requirements, and how partners or shareholders should claim the refundable PTET credit. Please contact us with any questions.

**URL:** <https://www.revenue.state.mn.us/pass-through-entity-pte-tax>

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

**URL:** <https://www.revisor.mn.gov/bills/bill.php?b=House&f=HF1938&ssn=0&y=2023>

**URL:** <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-multistate-tax-alert-minnesota-enacts-several-changes-to-its-income-and-franchise-tax-laws.pdf>

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