

## Income/Franchise:

### West Virginia Tax Division Finalizes Rules Implementing New Elective Pass-Through Entity Tax

*Rules sections 110-21G-1, 110-21G-2, 110-21G-3 et al.*, W.Va. Tax Div. (7/28/23). The West Virginia Tax Division has finalized rules intended to implement new state law that 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 [see S.B. 151 (2023), and recently issued Multistate Tax Alert for more details on this new law]. The rules provide requirements, procedures, and limitations for filing and paying the new PTE tax. Additionally, as required by state statute, the rules include a description of how the adjustments to income and credits under the new tax apply to direct and indirect owners of an electing PTE “based upon various ownership structures.” Please contact us with any questions.

**URL:** <https://apps.sos.wv.gov/adlaw/csr/readfile.aspx?DocId=56582&Format=PDF>

**URL:** [https://www.wvlegislature.gov/Bill\\_Status/bills\\_history.cfm?INPUT=151&year=2023&sessiontype=RS](https://www.wvlegislature.gov/Bill_Status/bills_history.cfm?INPUT=151&year=2023&sessiontype=RS)

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

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