

Income/Franchise:

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

Information Bulletin #72B, Ind. Dept. of Rev. (10/23). The Indiana Department of Revenue (Department) issued a bulletin addressing implementation of legislation enacted earlier this year 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]. In it, the Department addresses 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/files/ib72b.pdf>

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>

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