

Income/Franchise:

Virginia Department of Taxation Issues Guidance on Pass-Through Entity Tax

Public Document No. 24-1, Va. Dept. of Tax. (1/4/24). The Virginia Department of Taxation issued final guidelines explaining legislation enacted in 2022 and 2023 allowing certain pass-through entities to make an annual election to pay an elective income tax at a rate of 5.75% at the entity level, including making the election available to pass-through entities with owners that are corporations or pass-through entities [see H.B. 1456 / S.B. 1476, signed by gov. 3/27/23, and previously issued Multistate Tax Alert for more details on this 2023 legislation]. The guidance addresses the requirements to qualify for Virginia's pass-through entity tax election, how to make the election, estimated payment requirements and other tax compliance-related matters. Please contact us with any questions.

URL: <https://www.tax.virginia.gov/laws-rules-decisions/rulings-tax-commissioner/24-1>

URL: <https://lis.virginia.gov/cgi-bin/legp604.exe?ses=231&typ=bil&val=hb1456>

URL: <https://lis.virginia.gov/cgi-bin/legp604.exe?ses=231&typ=bil&val=sb1476>

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

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