

## Income/Franchise:

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

*Adopted Rules sections 110-21G-1, 110-21G-2, 110-21G-3 et al., W.Va. Tax Div. (4/30/24); Finalized text for 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 adopted rules to implement 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 previously issued Multistate Tax Alert for more details on this PTE tax]. The rules provide requirements, procedures, and limitations for filing and paying West Virginia's PTE tax. Additionally, as required by state statute, the rules include a description of how the adjustments to income and credits under the tax apply to direct and indirect owners of an electing PTE "based upon various ownership structures." The adopted rules took effect on April 30, 2024 and will remain in effect until August 1, 2029. Please contact us with any questions.

**URL:** <https://apps.sos.wv.gov/adlaw/registers/readpdf.aspx?did=40124>

**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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