

Income/Franchise:

Missouri: Proposed PTET Rule Changes Reflect New Opt-Out Election and Other Law Changes

Proposed Amended Rule 12 CSR 10-2.436, SALT Parity Act Implementation, Mo. Dept. of Rev. (5/1/25). The Missouri Department of Revenue is proposing changes to its rule on Missouri law allowing qualifying pass-through entities to make an annual election to pay an entity-level state income tax (PTET) [see H.B. 2400 (2022) and previously issued Multistate Tax Alert for more details on this PTET] to, among other proposed changes, reflect legislation enacted in 2024 [see H.B. 1912 (2024), and previously issued Multistate Tax Alert for more details on this 2024 legislation] that allows any member of an electing pass-through entity to make an “opt-out” election to exclude their allocable share of the pass-through entity’s separately and non-separately stated items from the PTET. Written comments on the proposed rule changes must be received within 30 days after their May 1, 2025, publication in the Missouri Register. Please contact us with any questions.

URL: <https://www.sos.mo.gov/CMSImages/AdRules/moreg/2025/v50n9May1/v50n9.pdf>

URL: <https://house.mo.gov/Bill.aspx?bill=HB2400&year=2022&code=R>

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

URL: <https://house.mo.gov/Bill.aspx?bill=HB1912&year=2024&code=R>

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

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