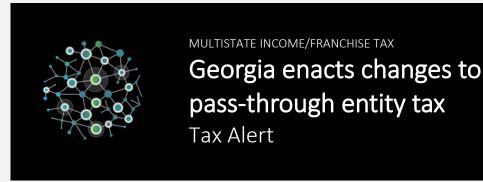
Deloitte.

Deloitte Tax LLP | May 8, 2023



Overview

On May 2, 2023, Georgia <u>House Bill 412</u> (H.B. 412) was enacted into law, which includes certain amendments to Georgia's elective pass-through entity tax ("PTET"). This Tax Alert summarizes some of the provisions of H.B. 412.

H.B. 412

H.B. 412 makes the following changes to Georgia's elective PTET, effective for taxable years beginning on and after January 1, 2023:

• Eliminates the limitation on the types of partnerships that may elect to pay income tax at the entity level. Specifically repeals the requirement that the election only applies to a partnership that is 100% directly owned by and controlled by persons eligible to be shareholders of an S corporation under section 1361 of the Internal Revenue Code.

For more information on the Georgia PTET election, please see our previous Tax Alert.

Considerations

This Georgia legislation makes many additional pass-through entities eligible to make the PTET election - including those with corporate and pass-through partners. While the focus of the PTET election is the potential federal income tax benefit of a full unlimited deduction of the state income tax attributable to pass through income, opening the PTET election to entities with corporate and pass-through partners may present additional state specific benefits and opportunities including reduced partner filing obligations and apportionment at the pass though, rather than partner, level.

Get in touch Joe Garrett John Paek Jasmine Weili Shi

Have a question relating to this or any other pass-through entity tax regime? Reach out to one of our national multistate pass-through entity tax specialists.

Todd Hyman Greg Bergmann Roburt Waldow Shirley Wei Hernan Stigliano Andrew Cardaci Dan Daly Jason Kang Fiona Pan Amanda Sterling Alyssa Keim Olivia Schulte



Deloitte.com | Unsubscribe | Manage email preferences | Legal | Privacy

30 Rockefeller Plaza New York, NY 10112-0015 United States

As used in this document, "Deloitte" means Deloitte Tax LLP, a subsidiary of Deloitte LLP. Please see <u>www.deloitte.com/us/about</u> for a detailed description of our legal structure. Certain services may not be available to attest clients under the rules and regulations of public accounting.

This alert contains general information only and Deloitte is not, by means of this alert, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This alert is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by any person who relies on this alert.

Copyright © 2023 Deloitte Development LLC. All rights reserved.