



MULTISTATE INCOME/FRANCHISE TAX

Reminder: New York State and City pass-through entity tax deadlines approaching

Tax Alert

Overview

The New York State and New York City pass-through entity taxes (“NYS PTET” and “NYC PTET”, respectively) have upcoming deadlines for tax years 2022 and 2023. This Tax Alert summarizes important information relating to the PTET elections, quarterly estimated payments, extensions, and annual return filings.

Summary of NYS and NYC PTET deadlines

March 15, 2023

- 2022 NYC PTET annual election
- 2022 NYS and NYC PTET annual return or extension request
- 2023 NYS and NYC PTET annual election
- 2023 NYS and NYC PTET 1st quarter estimated payment

June 15, 2023

- 2023 NYS and NYC PTET 2nd quarter estimated payment

September 15, 2023

- 2022 NYS and NYC PTET annual return for entities filing on extension
- 2023 NYS and NYC PTET 3rd quarter estimated payment

December 15, 2023

- 2023 NYS and NYC PTET 4th quarter estimated payment

Tax year 2022

NYC PTET election

[Authorized persons](#) may elect into the NYC PTET regime for tax year 2022 by March 15, 2023. NYC PTET elections must be made electronically on the

eligible entity's Business Online Services account. Please note, the NYC PTET election for tax year 2022 is not available if the eligible entity has either:

- Failed to elect into the 2022 NYS PTET, or
- Already filed its 2022 NYS PTET tax return.

PTET extension

Electing entities may request a [six-month extension](#) for the 2022 NYS and NYC PTET returns by completing the online PTET Extension application through the electing entity's Business Online Services Account by March 15, 2023. The PTET extension applies to both the NYS PTET and NYC PTET; there is no separate extension for the NYC PTET. The extension extends the amount of time to file the PTET return(s) to September 15, 2023, but it does not extend the deadline to pay.

PTET annual return

An electing pass-through entity must file a separate PTET tax return for the NYS and NYC PTETs by March 15, 2023, or by September 15, 2023, if filing on extension. The PTET return must be filed online through the electing pass-through entity's Business Online Services account. The electing pass-through entity will report both its NYS and NYC PTET on the same PTET return. As such, the PTET annual return allows for NYS and NYC payments to be used interchangeably against the pass-through entity's NYS and NYC PTET liability.

The PTET return has specific by-partner reporting requirements that must be manually inputted or uploaded depending on the electing pass-through entity's partner count.

Individual partners receiving PTET credit without a taxpayer identification number (e.g., foreign individuals without an ITIN) must obtain a temporary New York identification number for the electing pass-through entity to properly report the partner's share of PTET credit. To obtain a temporary New York identification number, the individual must file a New York State individual income tax extension or personal income tax return by April 18, 2023.

Tax year 2023

PTET election

Authorized persons can make a 2023 NYS and NYC PTET election for an eligible pass-through entity through March 15, 2023. The election must be made online using the [PTET Annual Election Application](#) through the eligible pass-through entity's Business Online Services account.

Estimated payments

Estimated payments must be made through the electing pass-through entity's Business Online Services Account. For both the NYS and NYC PTET, estimated payments are due quarterly on March 15, June 15, September 15 and December 15 of the calendar year **before** the year in which the return is due. Each quarterly estimated payment should be at least 25% of the required annual payment, which is the lesser of:

- 90% of the PTET shown on the return of the electing entity for the taxable year; or

- 100% of the PTET shown on the return of the electing entity for the preceding taxable year.

If the electing pass-through entity did not elect into the NYS and/or NYC PTET for the preceding tax year, then the required annual payment is 90% of the PTET reported on the annual PTET return for the current taxable year.

Reporting to partners, members, and shareholders

All electing entities must [provide enough information to all its eligible partners and shareholders](#) to allow them to claim and support their NYS and NYC PTET credits on their New York individual income tax returns.

S corporations must provide a statement to each individual reporting the amount of NYS and NYC PTET credit, as applicable.

Partnerships are required to distribute a New York Partner's Schedule K-1 ("Form IT-204-IP") to each partner, which must report the NYS and NYC PTET credit amount, as applicable, and the individual's classification as a resident or nonresident for PTET purposes. Partnerships should report each partner's share of NYS and NYC PTET credit, as applicable, on Lines 47a through 47f. The NYS PTET code should be reported using code 653 and the NYC PTET code should be reported using code B53.

Helpful links

[New York State Pass-through Entity Tax](#)
[New York City Pass-through Entity Tax](#)
[New York Pass-through Entity Tax Web Application](#)

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