

Q#	Question	DOR Answer
1	Section 23 effective date not specifically listed, would this provision become effective immediately but be applicable to the 1/1/2022 retroactive date for the SALT provisions?	Yes
2	Does the new PTET allow SMLLCs to elect to pay tax at the entity level? Does the PTET election apply to SMLLCs that are disregarded for federal tax purposes?	Yes
3	Are PTE's still required to withhold based on tax against their non-resident partners' distributable share of income?	<b>Non-resident withholding is not required if the entity makes the election to pay the Pass-Through Entity Tax.</b>
4	How will pre and post apportionment of income be addressed for PTEs that elect for the PTET?	<b>KRS 141.206 governs the apportionment of income for pass-through entities doing business both within and without Kentucky.</b>
5	When amending individual entity owner returns to elect into the PTET, can the individual non-resident owner file PTE withholding payments through the PTET instead?	<b>No. If the entity makes an election to pay the tax at the entity level, it is binding upon all entity owner.</b>
6	How does a 2022 PTET election impact cash basis taxpayers? If the PTE is cash basis, how will the PTE benefit since the cash is not paid until 2023? What will the U.S. IRS do if the PTE is cash basis but the PTE accrued the PTET. Will there be relief from the U.S. IRS?	<b>Per KRS 141.050, Kentucky follows federal income tax rules unless there is a statute that delineates. The Department of Revenue defers to the Internal Revenue Service on questions regarding the effect an election made by a pass-through entity to have Kentucky income tax imposed at the entity level may have for federal income tax purposes .</b>
7	Can individual PTE owner 2022 tax returns be amended to elect the PTET?	<b>The election is not made on the Form PTE. A new form 740-PTET is available.</b>

8 Are individual owners of trusts able to make the PTET election?

**No**

9 If a 2022 return is amended prior to 08/31/2024, is that tax due at the time the election is made, or will they still have until 08/31/2024 to pay the tax?

**The Department of Revenue prefers the election, filing of the return, and payment be made at the same time. No late payment, late filing, or other similar penalty shall be imposed on an electing entity if payment is made before August 31, 2024.**