Reminder to Make Your 2025 New York Pass-Through Entity Tax (PTET) Election Now

January 27, 2025

While most states allow for PTET elections to be made when filing a business' tax return, New York is one of the few jurisdictions that requires elections be made in the year ***before*** the tax return is filed. Consequently, businesses looking to opt into the New York State and New York City PTET regimes for 2025 need to make their elections now despite not knowing what their taxable income will be for months after the election is made.

Below are a few important reminders as the New York PTET deadline approaches.

NYS and NYC PTET Annual Election for 2025

The 2025 NYS and NYC PTET election must be made through a business' Online Services account by March 15, 2025. New York's website has been updated and is now accepting election filings. Note, the annual election applies to both calendar and fiscal year filers, as the PTET operates on a calendar basis for all taxpayers.

2025 PTET Extension

2025 NYS and NYC PTET returns are due by March 15, 2026, but an electing entity can request a six-month filing extension. Note, an extension only postpones the time to file the PTET return. Tax payments, however, are still due by March 15, 2026, to avoid the imposition of interest and penalties.

2025 PTET Estimates

For those opting into the 2025 PTET for NYS and/or NYC, a first quarter estimate is required by March 15, 2025. Additional quarterly estimates must be paid by June 15, September 15, and December 15.

Potential Changes to PTET in New York

Recently, discussions in Albany have centered on moving NYS's PTET election due date to September 15. Such a change would allow businesses more time to evaluate their profitability to determine if a PTET election is beneficial. However, relying on the possibility of this change may be problematic without some significant retroactively applicable legislative amendments. First, any due date change would be part of the state's budget, which isn't due until April 1, two weeks after the current March 15 PTET election deadline. Second, even if the election date is moved to September, a business would be underpaid on its quarterly estimates due earlier in the year, resulting in penalty assessments.

*Businesses in New York must remain aware of the current PTET deadline and due dates to ensure timely elections, filings, and payments of their tax obligations. For more information on New York's PTET and to ensure compliance with all regulations and requirements, please contact **Alan Goldenberg**, Principal and Leader of the State and Local Taxation and Tax Controversy groups, or your Anchin Relationship Partner.*