

GOVERNOR'S PROGRAM BILL  
2022

MEMORANDUM

An act to amend subpart A of part MM of chapter 59 of the laws of 2022 amending the tax law relating to pass-through entity tax for electing resident and standard S corporation, in relation to estimated tax payments made by partnerships or S corporations who have made a pass-through entity tax election; and to amend the labor law, in relation to extending the New York youth jobs program tax credit

**Purpose:** To extend the election period for the taxable year 2022 from March 15, 2022 to September 15, 2022 for electing resident and standard S corporations.

**Summary of Provisions:**

§6. (a) Extends the election to be taxed pursuant to article 24-A of the tax law for taxable year 2022 to September 15, 2022.

(b) Is a technical fix, which advises all electing resident S corporations that made its election to be taxed pursuant to article 24-A of the tax law on or before March 15, 2022 shall be required to make estimated tax payments on March 15<sup>th</sup> and June 15<sup>th</sup> representing 25% of the required annual payment as if such electing S corporation was an electing standard S corporation.

(c) Advises, for taxable year 2022, if an election to be taxed pursuant to article 24-A of the tax law after March 15, 2022 and before June 15, 2022 is made, in order to be valid, the electing partnership or electing S corporation is required to make an estimated tax payment with its election that represents 25% of the required annual payment.

(d) Advises, for taxable year 2022, for an election to be taxed pursuant to article 24-A made after June 15, 2022 and before September 15, 2022 to be valid, the electing partnership or electing S corporation is required to make an estimated tax payment with its election that represents 50% of the required annual payment.

§2 Paragraph 3, line 2 Technical Fix to correct the year to 2023.

**Existing Law:**

No.

**Justification:**

When enacting the program and the budget, Tax did not take into account the filing date to include S corporations, which was after the tax deadline of March 15, 2022. As such, since this is the first year Tax is including S-Corps in the pass through entity tax schedule, Taxation and Finance would like to provide a extension until September 15, 2022, to allow entities to make such election and pay the minimum advance payment due.

**Legislative History:**

None

**Budget Implications:**

None

**Effective Date:**

This shall take effect immediately.