



## Update Regarding Ohio’s PTE Tax for Electing Entities (Form IT 4738)

### New updates as of September 23, 2022

Senate Bill 246 was passed by the General Assembly and signed by Governor DeWine. This bill added section R.C. 5747.38, which allows a qualifying pass-through entity (PTE) to “elect” to be subject to this new entity-level tax.

New updates as of September 23, 2022

- Frequently Asked Questions (FAQ’s) will be posted to the Department’s web site for electing PTEs (see link below) within the next few business days. The Department will continue to add FAQs as new information and guidance is finalized. Please continue to visit the web site for the latest information and updates.
- A **DRAFT** version of the new IT 4738 form is posted on the searchable tax forms page. See a draft of the new IT 4738 by clicking [here](#).

Currently, no estimated payment coupon (UPC) is available for the IT 4738. If you have made, or need to make, estimated payments, it is recommended that you use the IT 1140 UPC. The next estimated payment due dates are October 15, 2022, and January 15, 2023. When you file the IT 4738, there will be a line in Schedule I of the return (Page 2, Line 12) to notify the Department to transfer payments from one of the other PTE form types (IT 1140 or IT 4708) to the IT 4738 for previously made payments. See example below.

Line 12 below on the new IT 4738 is where the entity reports any 2022 estimated payments made on an IT 1140 or IT 4708 UPC that the entity wants transferred to the IT 4738.

### **Schedule I – Taxable Income, Tax, Payments and Net Amount Due Calculations...cont.**

9. Tax liability (see instructions for tax rate) .....	9.
10. Interest penalty on underpayment of estimated tax (include Ohio IT/SD 2210).....	10.
11. Ohio IT 4738 estimated UPC/electronic payments for the taxable year .....	11.
12. Ohio IT 1140 and IT 4708 estimated UPC/electronic payments claimed on this return (see instructions).....	12.

For further updates, and to see previous tax alerts, please continue to monitor the Department’s web site at [tax.ohio.gov/electingPTE](http://tax.ohio.gov/electingPTE). To receive the latest information on Department updates, register to receive tax alerts at this [link](#).