



Individual Income & School District Income Tax Updates

January 15, 2025

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Legal Disclaimer

The information provided in this presentation is given for general guidance only and does not constitute legal or tax advice. Any legislative or legal changes that take place after the date of this presentation may change the accuracy of this content. Additionally, facts and circumstances applicable to your situation may impact any answer provided herein.



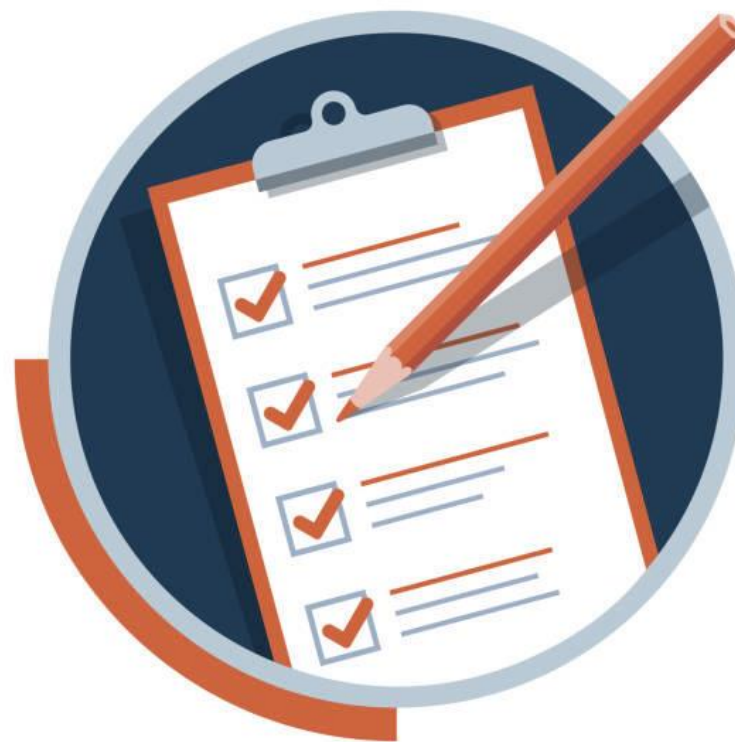
Please contact the Department directly with any questions.



Individual Income Tax - (800) 282-1780
Business Tax - (888) 405-4039

AGENDA

- 2024 LEGISLATIVE UPDATES AND RELATED FORM CHANGES
- 2024 SD 100 UPDATES
- NEW RESOURCES
- OH|TAX ESERVICES
- PAYMENTS & REFUNDS
- 2210 INTEREST PENALTY
- ELECTING PASS-THROUGH ENTITY



2024 LEGISLATIVE UPDATES AND RELATED FORM CHANGES

OHIO HOMEBUYER PLUS ACCOUNTS

- New savings accounts available to Ohio residents
- Ohio financial institutions approved by the Ohio Treasurer can offer Ohio Homebuyer Plus accounts
- Accounts pay a premium interest rate
- **ohiotreasurer.gov/homebuyerplus**



OHIO SCHEDULE OF ADJUSTMENTS

- New Addition to AGI
 - Schedule of Adjustments, line 8
 - Ineligible withdrawals from an Ohio Homebuyer Plus account
- Eligible expenses
 - Down payment and/or closing costs
 - Account fees
 - Transfer of funds



8. Ineligible withdrawals from an Ohio Homebuyer Plus account

OHIO SCHEDULE OF ADJUSTMENTS

- New Deduction from AGI
 - Schedule of Adjustments, line 24
 - Amounts contributed to and interest earned on an Ohio Homebuyer Plus account
- Deducting contributions
 - Account ownership
 - Limitations
 - Who qualifies



24. Amounts contributed to and interest earned on an Ohio Homebuyer Plus account.

OHIO SCHEDULE OF ADJUSTMENTS

- Ohio Homebuyer Plus Accounts
 - Additional deductions
 - Interest
 - Employer contributions
 - Claiming deduction
 - Limitations
 - Reporting



OHIO SCHEDULE OF CREDITS

- NEW: Credit for commercial vehicle operator training expenses
 - Ohio Department of Development
 - Eligibility
 - **development.ohio.gov**
 - Credit reporting
 - Certificate



22. Credit for commercial vehicle operator training expenses (include a copy of the credit certificate).

OHIO SCHEDULE OF CREDITS

- NEW: Film and theater capital improvements credit
 - Ohio Department of Development
 - Eligibility
 - **development.ohio.gov**
 - Credit reporting
 - Certificate



44. Film and theater capital improvements credit (include a copy of the credit certificate)

2024 TAX BRACKETS

- Further reduces brackets by one and lowers the top tax rate

2024 Ohio Income Tax Brackets for Ohio IT 1040

Taxpayers with Ohio taxable nonbusiness income of \$100,000 or more must use these brackets. Round your tax to the nearest dollar.

Taxable Nonbusiness Income (Ohio IT 1040, line 7)		Nonbusiness Income Tax (enter on Ohio IT 1040, line 8a)	
More than	Up to		
0	– \$ 26,050	0.000%	of Ohio taxable nonbusiness income
\$ 26,050	– \$100,000	\$ 360.69 plus 2.750%	of the amount in excess of \$ 26,050
\$100,000	–	\$ 2,394.32 plus 3.500%	of the amount in excess of \$100,000

2023 Ohio Income Tax Brackets for Ohio IT 1040

Taxpayers with Ohio taxable nonbusiness income of \$115,300 or more must use these brackets. Round your tax to the nearest dollar.

Taxable Nonbusiness Income (Ohio IT 1040, line 7)		Nonbusiness Income Tax (enter on Ohio IT 1040, line 8a)	
More than	Up to		
0	– \$ 26,050	0.000%	of Ohio taxable nonbusiness income
\$ 26,050	– \$100,000	\$ 360.69 plus 2.750%	of the amount in excess of \$ 26,050
\$100,000	– \$115,300	\$ 2,394.32 plus 3.688%	of the amount in excess of \$100,000
\$115,300	–	\$ 2,958.58 plus 3.750%	of the amount in excess of \$115,300

EXEMPTION AMOUNTS

- No change from 2023

Modified Adjusted Gross Income	Personal/ Dependent Exemption
\$40,000 or less	\$2,400
\$40,001 – \$80,000	\$2,150
More than \$80,000	\$1,900

CPE/CLE Poll Question

*Open the Polls panel to participate and
earn CPE/CLE credits*

2024 SD 100 UPDATES

SD 100

- Changes to Schedule of School District Residency

Schedule of School District Residency					
Complete this schedule for each school district you and/or your spouse (if filing jointly) resided in during tax year 2024. If you and your spouse were both residents of a school district for the same time period, check both boxes. Enter "9999" as the school district number for any portion of the year you were a nonresident of Ohio. ODT provides a tool to calculate your "days as resident" and "residency factor" at tax.ohio.gov/SDresidency .					
School district #	Dates of residency (MM-DD)	Days as resident	Residency factor (days as resident / 366)	Primary	Spouse
<input type="text"/>	01 01 to <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
School district #	Dates of residency (MM-DD)	Days as resident	Residency factor (days as resident / 366)	Primary	Spouse
<input type="text"/>	<input type="text"/> to <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>

SD 100

- School District Residency Calculator
 - New online tool
 - **tax.ohio.gov/sdresidency**

School District Residency Calculator

i Instructions

- Use this tool to determine your days as a resident and the corresponding residency factor.
- Select tax year, dates of residency, and click **Calculate Residency**.
- This tool is only valid for Tax Year 2024 and later.

Tax Year
Tax Year 2024 **v**

366 days in year

Start Date
01-Jan-2024 **📅**

End Date
09-Mar-2024 **📅**

Days as resident (Enter on your SD 100 Schedule of School District Residency)
69

Residency factor (Enter on your SD 100 Schedule of School District Residency)
0.1885

Calculate Residency

SD 100

- Residency factor

Traditional Tax Base Schedule

Complete this schedule for each traditional tax base school district in which you resided during the year. If you have more than two traditional tax base school districts, complete additional copies of this page.

(A)
School district #

23. Enter the portion of line 5 received while a resident of the school district above. If negative, enter zero 23.

24. Enter the lesser of line 5 or line 23 24.

25. Enter the tax rate for the school district above (see instructions) 25.

Earned Income Tax Base Schedule

Complete this schedule for each earned income tax base school district in which you resided during the year. If you have more than two earned income tax base school districts, complete additional copies of this page.

(A)
School district #

30. Enter wages reported on your federal return and received while a resident of the school district above 30.

31. Enter self-employment income reported on your federal return and received while a resident of the school district above. Place a "-" in the box if negative..... 31.

32. Line 30 plus line 31. If negative, enter zero 32.

33. Enter the portion of line 3 received while a resident of the school district above. If negative, enter zero .. 33.

SD 100

- Residency factor

Schedule of School District Residency					
Complete this schedule for each school district you and/or your spouse (if filing jointly) resided in during tax year 2024. If you and your spouse were both residents of a school district for the same time period, check both boxes. Enter "9999" as the school district number for any portion of the year you were a nonresident of Ohio. ODT provides a tool to calculate your "days as resident" and "residency factor" at tax.ohio.gov/SDresidency .					
School district #	Dates of residency (MM-DD)	Days as resident	Residency factor (days as resident / 366)	Primary	Spouse
3301	01 01 to 03 09	69	0.1885	<input checked="" type="checkbox"/>	<input type="checkbox"/>
School district #	Dates of residency (MM-DD)	Days as resident	Residency factor (days as resident / 366)	Primary	Spouse
2602	03 10 to 12 31	297	0.8114	<input checked="" type="checkbox"/>	<input type="checkbox"/>

NEW RESOURCES

TAX BRACKETS

- Beginning with 2024 instructions, ODT will no longer provide tax tables in the instruction booklet

2024 Ohio Income Tax Brackets for Ohio IT 1040

Taxpayers with Ohio taxable nonbusiness income of \$100,000 or more must use these brackets. Round your tax to the nearest dollar.

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\$100,000	–	\$ 2,394.32	plus	3.500%	of the amount in excess of \$100,000

If your line 7 amount is:		
At least:	Up to:	Ohio tax:
\$26,000		
26000	26050	0
26050	26100	361
26100	26150	363
26150	26200	364
26200	26250	366
26250	26300	367
26300	26350	368
26350	26400	370
26400	26450	371
26450	26500	372
26500	26550	374
26550	26600	375
26600	26650	377
26650	26700	378
26700	26750	379
26750	26800	381
26800	26850	382
26850	26900	383
26900	26950	385
26950	27000	386

TAX BRACKETS

- Tax Calculator
 - New online tool
 - **tax.ohio.gov/taxcalculator**

Calculate My Nonbusiness Income Tax Liability

7. Taxable nonbusiness income

Enter the amount you calculated on line 7 of your IT 1040.

Tax Year

Select your tax year.

Calculation

8a. Nonbusiness income tax liability

Enter this amount on line 8a of your IT 1040.

[Calculate Tax](#)

SCHEDULING APPOINTMENTS

- Taxpayers/preparers can now schedule appointments to speak to a tax examiner
- **tax.ohio.gov/contact**

Commercial Activity, Petroleum Activity, Financial Institutions Tax	Schedule an Appointment
Employer Withholding	Schedule an Appointment
Excise and Energy	Schedule an Appointment
Pass-Through Entity and Fiduciary Income Tax	Schedule an Appointment
Individual and School District Income Tax	Schedule an Appointment
Sales Tax	Schedule an Appointment

Individual Income Tax and School District Tax

Schedule an In-Person Meeting at the Welcome Center

Schedule an In-Person Meeting at th... 30 minutes

Schedule a Call Back 30 minutes

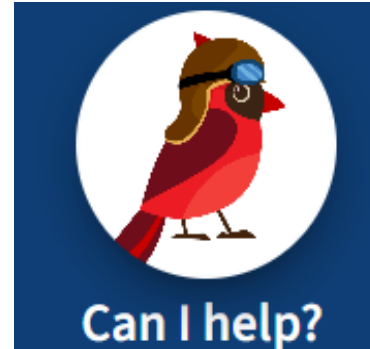
October 10

< > October 2024

S	M	T	W	T	F	S	9:30 AM	10:00 AM	10:30 AM
		1	2	3	4	5	11:00 AM	11:30 AM	12:00 PM
6	7	8	9	10	11	12	1:00 PM	1:30 PM	2:00 PM
13	14	15	16	17	18	19	2:30 PM	3:00 PM	3:30 PM
20	21	22	23	24	25	26	4:00 PM		
27	28	29	30	31					

LIVE CHAT


- New option for assistance from a tax examiner



OH|TAX Chat Support

What is your name?


Which type of live chat support do you require?

 Pilot


Would you like to talk with an agent?

*Your request for live chat support has been processed and added to the queue. Please keep this window open. You may **cancel** your request at anytime.*

Reagan joined.

 Reagan

Hello, my name is Reagan. What can I help you with today?



WAGE STATEMENT TRANSCRIPTS

- Request wage statements listing Ohio wage and withholding in an OH|TAX eServices account

Account Transactions (Returns, Payments and Refunds)

Review your account activities, including managing returns and payments, or applying for a sales or use tax refund.

- > Manage payments and returns
- > View and cancel scheduled payments
- > Apply for a sales or use tax refund
- > Make a voluntary payment
- > Request wage statement ←

Wage Statement Information

ⓘ Current year wage statement requests will be made available starting April 1st. For wage statements from tax year 2012 and prior, please click contact us below.

Contact Us

Tax Years Available for Request *
Required

Enter Wage Statement Details

Employer Name	Last 4 Digits of Employer FEIN	Wage Statement Type

Cancel < Previous **Next** >

WAGE STATEMENT TRANSCRIPTS

- Will result in a letter containing the Ohio withholding info from the requested income statement

2023 Ohio Individual Income Tax
Income & Withholding Records

The Ohio Department of Taxation received a request for income and withholding information relating to the tax year referenced above. Department records support the following W-2 wage and withholding amounts for the employers included in the request:

Employer Name	FEIN	Ohio ID #	Ohio Wages, Tips, Etc.	Ohio Withholding
			39,000.00	870.55

The amounts above may be used when filing your Ohio individual and school district income tax returns. This form should NOT be used for completing your federal income tax return. To request a federal wage and income transcript, visit the IRS website at irs.gov/individuals/get-transcript or call (800) 908-9946.


The information provided is only for employers specifically requested and is not intended to be a complete account of all income sources or withholding. The information is based on the Department's records as of the date of this letter and is subject to change if employers submit new information.

Ohio Department of Taxation
(800) 282-1780

OH|TAX ESERVICES


OH|TAX ESERVICES

- Tax Preparer Dashboard
 - Request access

 **Income Tax Access Management**

Manage OH|TAX eServices access by delegating or revoking individual and school district income tax access.

- > [Request access to another account](#) ←
- > [Submit access PIN](#) ←

 **OH|TAX** eServices ? 👤

TAX PREPARER Welcome, TAX PREPARER

Ohio Customer ID: 000-0111-827 You last logged in on Thursday, Oct 3, 2024 2:21:58 PM

[Manage My Profile](#) ¹ [Representative Center](#)

[Summary](#) [Important Notifications](#) ¹ [Settings](#) [Additional Services](#) ←

OH|TAX ESERVICES

- Tax Preparer Dashboard
 - Manage access

OH|TAX eServices

You last worked with **JANE DOE**

Welcome, tpreparer
You last logged in on Monday, Dec 16, 2024 9:16:36 AM
Manage My Profile
Representative Center

Select a Customer Favorites Important Notifications Representative Center

Who do you want to work with?

Filter

JANE DOE 000-0095-363 123 E MAIN ST COLUMBUS OH 43215-5207	☆ Add to Favorites
TAX PAYER 000-0115-247 123 E MAIN ST COLUMBUS OH 43215-5207	☆ Add to Favorites

Manage Client Access


Manage OH|TAX eServices access for clients.


Income Tax Access Management

Manage OH|TAX eServices access by delegating or revoking individual and school district income tax access.

OH|TAX ESERVICES


- Tax Preparer Dashboard
 - Cancel access

 **Manage Client Access**
Manage OH|TAX eServices access for clients.

> [Cancel existing access](#) 

Access Settings

JANE DOE - 000-0095-363

General Access		 Account Manager
Individual Income Tax	PIT-0000-158091	File Returns and Make Payments
School District Income Tax	SDI-0000-190859	File Returns and Make Payments

Access

JANE DOE

 > [Cancel My Access](#)

OH|TAX ESERVICES

- Tax Preparer Dashboard
 - Delegate access

Representative Center

tpreparer@test.com

Representative Center Important Notifications

Letters and Notices

View letters and notices that you or your clients have received from the Ohio Department of Taxation (ODT).

- > Respond to a letter or notice
- > View letters and notices

Messages

Send a message, view your message history, and manage email subscription settings with OH|TAX eServices.

- > Send a message
- > View messages
- > Manage email subscriptions

Registration

Register a new business with Ohio Department of Taxation (ODT).

- > Set up a business with ODT

Account Transactions (Returns, Payments, and Refunds)

Review your account activities, including managing returns and payments, or applying for a sales or use tax refund.

- > Manage returns and payments
- > Apply for a sales or use tax refund


Manage Client Access

Manage OH|TAX eServices access for clients.

- > Cancel existing access

Income Tax Access Management

Manage OH|TAX eServices access by delegating or revoking individual and school district income tax access.

- > Delegate access 
- > Revoke delegated access
- > Request access to client information
- > Submit access PIN
- > Manage access requests

Delegate Preparer Access

tpreparer@test.com

Preparer Access

Preparer Access

Enter information about the preparer who will receive access.

EFIN *
Required

Email *
Required

Delegate Preparer Access

TAX PREP

tprep@test.com

Preparer Access Preparer Client List

Clients

Delegate	Client Name
<input checked="" type="checkbox"/>	TAX PAYER
<input checked="" type="checkbox"/>	TAX PAYERS

OH|TAX ESERVICES



The screenshot shows the OH|TAX eServices website. At the top left is the logo "OH|TAX eServices". At the top right is a profile icon of a cardinal wearing a hat and a question mark icon, with the text "Can I help?". Below the header is an orange banner with a warning icon and the text: "OH|TAX eServices currently supports individual and school district income taxes. To access your business tax account, please log into your Ohio Business Gateway account (gateway.ohio.gov)". The main content area features a large image of a red cardinal perched on a pine branch. A dark grey box on the right side of the image contains the text: "To access your OH|TAX account, you will need to log in or create an account via OHID. For help with creating an OHID account, [click here](#). Recommended browsers are Chrome, Edge, & Safari." Below this text is a blue button with a right-pointing arrow and the text "Log in or Create an OHID Account".

- File returns
- Submit documents
- Request/print transcripts
- View/make payments
- Secure web messaging
- Support ID screen share
- Pilot/Digital assistant

OH|TAX ESERVICES

- Limitations
 - Address updates
 - Correspondence preferences
 - Viewing access PIN
 - Managing access



CPE/CLE Poll Question

*Open the Polls panel to participate and
earn CPE/CLE credits*

ELECTRONIC PAYMENTS & REFUNDS

ELECTRONIC PAYMENTS

- Payment types
- Payment methods
- **tax.ohio.gov/pay**

Pay Online

Payments by Electronic Check or Credit/Debit Card

Pay via Guest Payment Service

Pay via OH|TAX eServices

ELECTRONIC PAYMENTS

- Benefits
 - Confirmation number
 - Faster, safer
 - Pre-schedule payments



REFUNDS – DIRECT DEPOSIT

- Electronic deposit benefits
 - Faster
 - Safer
 - Deposit options



2210 UNDERPAYMENT OF ESTIMATED TAX PENALTY

2210 UNDERPAYMENT OF ESTIMATED TAX PENALTY

- R.C. 5747.09 (D) and (E)
 - A taxpayer may be subject to an interest penalty for underpayment of estimated taxes
- Avoiding the penalty
 - Employer withholding
 - Estimated payments
 - Total amount due



2210 UNDERPAYMENT OF ESTIMATED TAX PENALTY

- Calculating the penalty
 - Fill-in worksheet
- Example:
 - Joe Taxpayer's current year IT 1040 reflects a total Ohio tax liability (IT 1040, line 10 minus line 16) of \$2,000.
 - He has \$1,000 in employer withholding on his W2.
 - He does not have any credit carryforward or refundable credits.
 - He did not make any estimated payments for the tax year.
 - Last year, Joe's total Ohio tax liability was \$1,500.

2210 UNDERPAYMENT OF ESTIMATED TAX PENALTY

2024 Ohio IT/SD 2210 Interest Penalty on Underpayment of Tax

FEIN/SSN

For Ohio IT 1040, SD 100, SD 100E, IT 1041, and IT 4708 Filers

See page 4 for definitions and line references.

Part I – Am I Subject to the Interest Penalty?

1. 2024 Ohio income taxes paid (timely paid 2024 estimated payments plus withholding plus 2023 credit carryforward).....	1.	1,000	00
2. 2024 Ohio income tax liability (total tax minus total credits).....	2.	2,000	00
3. 2023 Ohio income tax liability (total tax minus total credits).....	3.	1,500	00
4. Multiply line 2 by 90% (.90).....	4.	1,800	00
5. Is line 1 greater than or equal to line 4? If yes, STOP, you have no interest penalty. If no, continue to line 6.....	5.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
6. Did you timely file a 2023 Ohio income tax return? If yes, continue to line 7. If no, skip to line 8.....	6.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
7. Is line 1 greater than or equal to line 3? If yes, STOP, you have no interest penalty. If no, continue to line 8.....	7.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
8. Is line 2 less any withholding \$500 or less? If yes, STOP, you have no interest penalty. If no, continue to line 9.....	8.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
9. If you answered "Yes" on line 6, enter the lesser of line 3 or line 4. If you answered "No", enter the amount from line 4. Then continue to Part II.....	9.	1,500	00

2210 UNDERPAYMENT OF ESTIMATED TAX PENALTY

Part II – Calculate the Interest Penalty

	A 4/15/24 – 25%	B 6/17/24 – 50%	C 9/16/24 – 75%	D 1/15/25 – 100%
10. Multiply the amount on line 9 by the percentage indicated at the top of each column..... 10.	375	750	1,125	1,500
11. Multiply the total tax withheld from compensation by the percentage indicated at the top of each column..... 11.	250	500	750	1,000
12. Total estimated tax (including any credit carryforwards) paid by the dates shown at the top of each column..... 12.	0	0	0	0
13. Add lines 11 and 12..... 13.	250	500	750	1,000
14. Underpayment subject to interest penalty (line 10 minus line 13; if negative, enter zero)..... 14.	125	250	375	500
15. Rates for calendar year filers..... 15.	0.013799	0.019932	0.026502	0.019713
16. Multiply line 14 by line 15 for each column..... 16.	2	5	10	10
17. Total interest penalty due (sum of line 16, Columns A through D). Enter here and on page 1..... 17.				27

2210 UNDERPAYMENT OF ESTIMATED TAX PENALTY

- Special exceptions
 - Farmers and Fishermen
 - Active duty servicemembers
- See FAQs for more information
 - **tax.ohio.gov/2210**



CPE/CLE Poll Question

*Open the Polls panel to participate and
earn CPE/CLE credits*

ELECTING PASS-THROUGH ENTITY (PTE)

ELECTING PASS-THROUGH ENTITY (PTE)

- EPTE add-backs on the Ohio IT 1040
 - Ohio PTE SALT cap tax →
 - Non-Ohio PTE SALT cap tax →
- Ohio Schedule of Business Income
 - Qualifying business income

2. Ohio pass-through entity taxes excluded from federal adjusted gross income.

3. Taxes paid to another state or District of Columbia related to IRS notice 2020-75.

7. Add-back of electing pass-through entity taxes paid on the Ohio form IT 4738 that qualify as business income.

8. Add-back of taxes paid to another state or the District of Columbia related to IRS notice 2020-75 that qualify as business income

ELECTING PASS-THROUGH ENTITY (PTE)

- Reporting add-back on Ohio K-1

Part IV - Investor's / Owner's / Beneficiary's Share of Ohio Tax Credits

- 3. Direct pass-through entity credit (Ohio tax paid by this entity after nonrefundable business credits and refunds) 3. _____
- 3a. Total amount to be added back from direct tax paid on an IT 4738 (Line 1 of the EPTE Add-back Schedule)..... 3a. _____
- 3b. Total amount to be added back from direct entity tax paid to other states (Line 1 of the EPTE Add-back Schedule) 3b. _____
- 4. Indirect pass-through entity credits or withholding (attach IT K-1/W2/1099)..... 4. _____
Include the FEIN for any indirect pass-through entities _____
- 4a. Total amount to be added back from indirect tax paid on an IT 4738 (Line 2 of the EPTE Add-back Schedule)..... 4a. _____
- 4b. Total amount to be added back from indirect entity tax paid to other states (Line 2 of the EPTE Add-back Schedule)..... 4b. _____
- 5. Refundable job creation credit & job retention credit (include certificates) - % of credit claimed _____ %..... 5. _____
- 6. Refundable Ohio historic preservation credit (include certificates) - % of credit claimed _____ %..... 6. _____
- 7. Venture capital credit (include certificates)..... 7. _____
- 8. Motion picture & Broadway theatrical production credit (include certificates) - % of credit claimed _____ % 8. _____
- 9. Film and theater capital improvements credit (include certificates) - % of credit claimed _____ %..... 9. _____
- 10. Nonrefundable business credits (include certificates and list specific credits in Part V below)..... 10. _____

ELECTING PASS-THROUGH ENTITY (PTE)

- Example:
 - Taxpayer files their 2024 IT 1040 reporting a \$10,000 PTE credit.
 - \$4,000 is from PTE A,
 - \$2,500 is from PTE B, and
 - \$3,500 is from PTE C.
 - The PTE credits are based on the following:
 - PTE A filed the IT 4708.
 - PTE B filed the IT 4738 and submitted its tax payment on 4/1/2025.
 - PTE C submitted an estimated payment on 12/20/2024, which paid the tax liability in full and filed the IT 4738 on 3/15/2025.
- Does the taxpayer have an addback requirement based on this example?

ELECTING PASS-THROUGH ENTITY (PTE)

- Answer: **YES!!**
 - PTE A did not file the IT 4738, so the \$4,000 credit is not added back.
 - PTE B filed the IT 4738, but it did not pay the tax until 2025. Thus, there is no add-back required for this PTE credit.
 - PTE C filed the IT 4738 and paid the tax in 2024. Therefore, the taxpayer must report the \$3,500 credit as an add-back on the Schedule of Adjustments.

ELECTING PASS-THROUGH ENTITY (PTE)

- Example:
 - Taxpayer files their 2024 IT 1040 reporting a \$5,000 PTE credit from PTE D.
 - PTE D paid \$8,000 in estimated taxes in 2024.
 - PTE D remitted the remaining \$2,000 tax liability on 4/15/2025 when it filed the IT 4738.
 - PTE D claimed \$8,000 of Ohio PTE taxes paid as a deduction on the 2024 federal return.
 - Taxpayer is 50% owner of PTE D.
- Does the taxpayer have an addback requirement based on this example?

ELECTING PASS-THROUGH ENTITY (PTE)

- Answer: **YES!!**
 - The taxpayer is required to report \$4,000 addback on their IT 1040.
 - \$8,000 federal deduction * 50% ownership

ELECTING PASS-THROUGH ENTITY (PTE)

- Example:
 - Taxpayer files their 2024 IT 1040 reporting a \$7,000 PTE credit from PTE F.
 - PTE F paid \$16,000 estimated taxes in 2024.
 - PTE F filed the IT 4738 on 4/15/2025 reflecting a \$14,000 tax liability, requesting the \$2,000 overpayment be refunded.
 - PTE F claimed \$16,000 of Ohio PTE taxes paid as a deduction on the 2024 federal return.
 - Taxpayer is a 50% owner of PTE F.
- Does the taxpayer have an addback requirement based on this example?

ELECTING PASS-THROUGH ENTITY (PTE)

- Answer: **YES!!**
 - The taxpayer is required to report \$8,000 addback on their IT 1040.
 - \$16,000 federal deduction * 50% ownership



Department of
Taxation



CONTACT INFORMATION

Thank You! As always, if you have any questions, please contact us.



4485 Northland Ridge Blvd. Columbus, Ohio 43229



Taxpayer Assistance: 1-800-282-1780

Tax Practitioners: 1-855-728-1055



tax.ohio.gov/contact



Follow us on social!



**Department of
Taxation**
Tax.Ohio.gov