



We will need a an AB150 decision from the general partner or manager of all business entities that issue K-1s. If the decision to participate is not made at the entity level, then no K-1 recipients will be able to participate.

AB150 is a California law that allows an individual who receives a K-1 from a Pass-Through Entity to have their state tax liability paid at the entity level. Each recipient would have the option to make an election to pay an entity level tax (9.3%) which provides the K-1 recipient with a credit in the same amount to be used on their personal tax return.

This credit would act similarly to estimated tax payment on their personal tax returns.

The benefit lies in the reduction of your entity's federal taxable income (in the year paid) as it is reduced by this CA credit as an expense. This gives you a tax savings at no cost to you except possibly the time use of money.

We will need your decision in writing below. You are making the overall decision for your entity.

You should provide each member with the opportunity to opt out individually should you choose to elect "Yes" for the business. If you choose yes and do not provide us with decisions by other members, it will apply to all members.

To make this election for 2021, the tax must be paid by March 15th.

If you are still in doubt, call the office.

Thank you,

Randy Warshawsky

1800 Hamilton Av Ste 220
San Jose, CA, 95125-5635
Tel (408) 445-1151 Fax (408) 445-1152



Pass-Thru Entity tax election or rejection

Entity Name: _____ Entity EIN: ____-_____

Your Name [Please print]: _____

Your Title: _____

Write your initials below to indicate your decision:

____ Yes, I would like to make the PTE Election for 2021

If you choose yes for your entity, you must also make the individual election on the next page

____ No, I will not be making the PTE election in 2021

You have now made the decision for all recipients of K-1s

Your Signature: _____ Date: ____/____/_____

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Pass-Thru Entity tax election

Individual Partner/Owner/Member/Beneficiary tax election if “Yes” chosen for the entity

Entity Name: _____ Entity EIN: ____ - _____

Your Name: _____ [Please print]

2021

____ Yes, I would like to take the PTE deduction for 2021

____ No, I will not be taking the PTE deduction in 2021

2022

____ Yes, I would like to take the PTE deduction for 2022

____ No, I will not be taking the PTE deduction in 2022

Your Signature: _____ Date: ____ / ____ / _____

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