

# FORM MO-PTE GENERAL INFORMATION

This information is for guidance only and does not state the complete law.

## FILING REQUIREMENTS FOR FORM MO-PTE

For tax years ending on or after December 31, 2022, a partnership or S corporation may elect to become an affected business entity for a tax year. The entity will make such election on its affected business entity tax return **Form MO-PTE**. A separate election must be made for each tax year. For more information concerning the Missouri pass-through entity tax, see [Section 143.436, RSMo](#).

## AFFECTED BUSINESS ENTITY ELECTION

If you are electing to become an affected business entity and consent to become subject to the tax imposed by Section 143.436, RSMo, for the tax period for which this return is filed, select the box on Form MO-PTE.

If an election to become an affected business entity has been made for a tax year, the election cannot be revoked for that tax year.

## TIME AND PLACE OF FILING AND PAYMENT

Pass-through entity income tax returns are due on or before the 15th day of the fourth month following the end of the tax year. Example: Taxable period of January 1, 2022, to December 31, 2022; due April 18, 2023.

Note: When the due date falls on a Saturday, Sunday, or a legal holiday, the return and payment will be considered timely if made on the next business day.

Mail your return and payment to: **Missouri Department of Revenue, P.O. Box 3080, Jefferson City, MO 65105-3080.**

## EXTENSION OF TIME TO FILE AND PAY

If a partnership or S corporation has been granted an extension of time to file its federal income tax return, the time for filing the Missouri pass-through entity income tax return is hereby automatically extended. The length of this extension, from the original Form MO-PTE deadline, is equal to the number of months by which the federal income tax return filing deadline was extended, but not to exceed six months. Example: A partnership's federal Form 1065 filing deadline was extended from March 15, 2023 (original due date), to September 15, 2023. That partnership's Form MO-PTE deadline is extended to October 16, 2023. Select the box at the top of the form indicating you have an approved federal extension and attach a copy of the Federal Extension, Form 7004, to the MO-PTE. (Failure to check this box may result in disallowing the extension.)

An extension of time to file will extend the time for payment of the tax. The pass-through entity must pay the tax on or before the extended due date.

## ROUNDING ON MISSOURI RETURN

Rounding is required on your tax return. Zeros have been placed in the cents columns on your return. For 1 cent through 49 cents, round down to the previous whole dollar amount. For 50 cents through 99 cents, round up to the next whole dollar amount.

Example: Round \$32.49 down to \$32.00

Round \$32.50 up to \$33.00

## FILING AMENDED RETURNS

To file an amended pass-through entity income tax return, use **Form MO-PTE**. Select the box at the top of Form MO-PTE. The pass-through entity must complete the entire return using the corrected figures. Complete each line using the corrected amounts. Failure to fill out the entire return will delay the processing of the return.

You must attach any required schedules or forms to support any claim of refund on the amended return. **Note:** An amended return reducing pass-through entity income tax liability may result in a reduction or elimination of PTE Tax Credits for all members. If the amended return is submitted without the proper attachments it may be partially or totally denied.

A pass-through entity must file an amended return within 90 days of filing an amended federal partnership or S corporation income tax return or within 90 days after the final determination date of federal adjustments ([12 CSR 10-2.105](#) and [Section 143.601, RSMo](#)). Attach a copy of the amended federal return with applicable schedules. If the federal return was not amended, explain why the pass-through entity is amending the Missouri return and accompany the explanation with applicable schedules. For Missouri forms, access the Department of Revenue's website at [dor.mo.gov/forms/](http://dor.mo.gov/forms/).

## CONTACT INFORMATION

If you have any questions, you may contact Corporate Tax at (573) 751-4541 or by email at [corporate@dor.mo.gov](mailto:corporate@dor.mo.gov)

# LINE-BY-LINE INSTRUCTIONS

## LINE 1 - SUM OF SEPARATELY AND NONSEPARATELY COMPUTED ITEMS

Enter the sum of separately and nonseparately computed items under Internal Revenue Code Sections 702(a) (for partnerships) or 1366 (for S corporations).

For S corporations, enter the amount from Federal Form 1120S, Schedule K Line 18.

For partnerships, enter the amount from federal Form 1065, Page 5 (Analysis of Net Income (Loss)), Line 1, less federal Form 1065, Schedule K, Line 4.

If the sum of separately and nonseparately computed items differs from the amount calculated using the instructions above, enter on Line 1 the sum of separately and nonseparately computed items as described in Internal Revenue Code Sections 702(a) (for partnerships) or 1366 (for S corporations), and attach a detailed explanation, with calculations, clearly showing how the figure reported constitutes the partnership or S corporation's sum of separately and nonseparately computed items.

## LINE 2 - TOTAL ADDITIONS

Enter the total additions from Page 3, Part A, Line 5.

## LINE 3 - TOTAL SUBTRATIONS

Enter the total subtractions from Page 3, Part A, Line 12.

## LINE 4 - FEDERAL QUALIFIED BUSINESS INCOME DEDUCTION

Compute the affected business entity's federal qualified business income deduction as if it was allowed to take such a deduction for federal tax purposes under [26 U.S.C. Section 199A](#). Generally, only affected business entities that engage in or are treated as engaging in a qualified trades or businesses, as specified by the IRS, are eligible for this deduction.

Attach a pro forma federal Form 8995 or Form 8995-A showing the computation of the federal qualified business income deduction as if the affected business entity was allowed to take such a deduction for federal tax purposes.

Generally, the same limitations found in 26 U.S.C. Section 199A that apply when computing the qualified business income deduction for individuals will also apply directly to the affected business entity.

## LINE 5 - BALANCE

Enter the total of Line 1 and Line 2 minus Lines 3 and 4.

## LINE 6 - PRELIMINARY MISSOURI NET INCOME (LOSS)

If the amount on Line 5 is 100 percent from Missouri sources, enter the amount from Line 5. If the amount on Line 5 is not 100 percent from Missouri sources, complete **Form MO-MS PTE**. Enter the apportionment method number used (apportionment election 2a, 3, 4, 5, 6, or 7) and the appropriate percentage (rounded to three digits to the right of the decimal point, such as 12.345 percent) from Form MO-MS PTE in the boxes provided. Multiply Line 5 by the percentage and enter the result on Line 6.

## LINE 7 - AGGREGATE DISTRIBUTIVE SHARE OF MISSOURI NET INCOME (LOSS)

If the affected business entity completing this Form MO-PTE is a direct or indirect member of another affected business entity, such other affected business entity is referred to as an lower-tier affected business entity.

The affected business entity completing this Form MO-PTE must add together its share(s) of Missouri net income or Missouri net loss from all lower-tier affected business entities.

If this sum is negative, enter a negative figure on Line 7. Attach a copy of the Missouri pass-through entity tax reports sent to the affected business entity completing this Form MO-PTE from all upper-tier affected business entities pertaining to this tax year.

## LINE 8 - MISSOURI NET LOSS

**This is not applicable for the affected business entity's first year filing Form MO-PTE. Enter \$0 for tax year 2022.**

Enter the total amount of Missouri net loss reported on Form MO-PTE and carried forward from one or more prior tax years to be used for this tax year. Do not include any amount of Missouri net loss from a prior tax year that has already been carried forward and used in calculating Missouri Net Income for a different tax year. Do not use an amount of Missouri net loss from a prior tax year to reduce the Missouri net income below \$0 for this tax year.

If the amount to be reported on Line 9 would be \$0 or below zero without utilizing any Missouri net loss carryforward from a prior tax year, enter \$0 on Line 8.

If the affected business entity has any available loss balances from prior tax year(s), attach a schedule showing the remaining loss balances from each tax year for which the affected business entity had a net loss.

## LINE 9 - MISSOURI NET INCOME (LOSS)

Enter the total of Line 6 minus Lines 7 and 8.

## LINE 10 - PASS-THROUGH ENTITY INCOME TAX

Enter the amount of Line 9 multiplied by 5.3 percent. If the result is less than zero, enter zero.

## LINE 11 - TAX CREDITS

Enter the total from **Form MO-TC**, Line 13. Access the Department of Revenue's website at [dor.mo.gov](http://dor.mo.gov) to download Form MO-TC.

In general, miscellaneous tax credits reduce tax liability under the SALT Parity Act, rather than constituting tax paid, and therefore do not qualify as payments for purposes of calculating the PTE credit for a member.

## LINE 12 - PASS-THROUGH ENTITY INCOME TAX LIABILITY

Subtract Line 11 from Line 10. Result may only be less than zero if refundable tax credits were applied.

## LINE 13 - ANTICIPATED TAX PAYMENT(S)

Enter the total 2022 anticipated payment(s) made with form **MO-PTEAP**. Include any approved payment(s) credited from **MO-1120ES**.

## LINE 14 - PAYMENTS WITH FORM MO-7004

Enter the total payment(s) made with form **MO-7004**.

## LINE 15 - AMENDED RETURN ONLY: TAX PAID WITH (OR AFTER) THE FILING OF THE ORIGINAL RETURN

Enter the amount of tax previously paid on the original return and any previously filed amended return.

## LINE 16 - SUBTOTAL

Enter the total of Lines 13 through 15.

## LINE 17 - AMENDED RETURN ONLY: OVERPAYMENT, IF ANY, AS SHOWN ON ORIGINAL RETURN OR AS LATER ADJUSTED

Enter the amount of overpayment received (or expected to be received) or the amount to be credited to anticipated tax for a later filing period, as shown or adjusted on the original return. Any refund due on the original return will be refunded separately from any additional refund claimed on the amended return.

## LINE 18 - TOTAL

Enter Line 16 minus Line 17.

## LINE 19 - OVERPAYMENT

Enter the overpayment if Line 18 is greater than Line 12.

## LINE 20 - OVERPAYMENT TO BE APPLIED TO NEXT FILING PERIOD

Enter the amount of overpayment to be applied to the next filing period. If filing an amended return do not include the original amount requested to be applied to the next filing period.

## LINE 21 - FUND CONTRIBUTIONS

Enter any portion of your pass-through entity income tax overpayment you wish to contribute to the following funds. If you file a balance due return and wish to contribute to the funds, enter the amount in the appropriate box and attach a separate check for this amount.

**Missouri Medal of Honor Trust Fund** - Supports the cost of maintenance and repair and to help pay renewal fees for memorial bridges or memorial signs provided by the Department of Transportation. Donations can be made directly to Medal of Honor Fund at 105 West Capitol Avenue, Jefferson City, MO 65102 (Minimum contribution: \$1.)



**Children's Trust Fund** — Children's Trust Fund, Missouri's Foundation for Child Abuse Prevention, is a non-profit organization dedicated to the vision of children free to grow and reach their full potential in a nurturing and healthy environment free from child abuse and neglect. For more information, please contact: Children's Trust Fund, [ctf4kids.org](http://ctf4kids.org) or call (888) 826-5437. (Minimum contribution: \$2)



**Veterans Trust Fund** — The Missouri Veterans Commission's Veterans Trust Fund is a means by which individuals and corporations may donate money to expand and improve services to veterans in Missouri. Contributions may be made at any time directly to: Veterans Trust Fund, c/o The Missouri Veterans Commission, P.O. Drawer 147, Jefferson City, MO 65102-0147 or call (573) 751-3779. (Minimum contribution: \$2)



**Elderly Home Delivered Meals Trust Fund** - The Elderly Home Delivered Meals Trust Fund supports the home delivered meals program for Missouri's home-bound senior citizens, helping them to continue to live independently in their homes. The need for home delivered meals increases yearly as persons are living longer and may need assistance. For more information, please contact: [health.mo.gov/seniors/aaa/index.php](http://health.mo.gov/seniors/aaa/index.php). (Minimum contribution: \$2)



**Missouri National Guard Trust Fund** - The Missouri National Guard Trust Fund expands the capability to provide or coordinate Military Funeral Honors Ceremonies for veterans of Missouri and veterans buried in Missouri who have served their country in an honorable manner. Contributions may be made at any time directly to Missouri National Guard Trust Fund, ATTN: JFMO-J1/SSH, 2302 Militia Drive, Jefferson City, MO 65101-1203 or call (573) 638-9663. (Minimum contribution: \$2)



**Workers' Memorial Fund** - This fund has been established to create a permanent memorial for all workers who suffered a job related death or injuries that resulted in a permanent disability while on the job in Missouri. Requests for information and contributions may be made at any time to: Workers' Memorial Fund, ATTN: Director's Office, 412 E. Dunklin St., Jefferson City, MO 65101. (Minimum contribution: \$1)



**Childhood Lead Testing Fund** - Activities supported by this fund ensure that Missouri children at risk for lead poisoning are tested and receive appropriate follow-up activities to protect their health and well being from the harmful effects of lead. For more information please contact the Missouri State Public Health Laboratory at (573) 751-3334, or e-mail [labweb1@health.mo.gov](mailto:labweb1@health.mo.gov). (Minimum contribution: \$1)



**Missouri Military Family Relief Fund** - For more information, please contact: Missouri Military Family Relief Fund, 2302 Militia Drive, ATTN: JFMO-J1/SS, Jefferson City, MO 65201-1203. (Minimum contribution: \$1)



**General Revenue Fund** - Requests for information and contributions may be made at any time directly to General Revenue Fund, ATTN: Department of Revenue, P.O. Box 3022, Jefferson City, MO 65105-3022. (Minimum contribution: \$1)



**Organ Donor Program Fund** - Contributions support organ and tissue donation education and registry operation. For more information, please contact Missouri Department of Health and Senior Services, Organ and Tissue Donor Program, P.O. Box 570, Jefferson City, MO 65102-0570, or call (888) 497-4564. (Minimum contribution: \$2)



**Kansas City Regional Law Enforcement Memorial Foundation Fund** - The Regional Law Enforcement Memorial Garden honors and celebrates the men and women who have laid down their lives in the line of duty. Donations can be made directly to Kansas City Regional Law Enforcement Memorial Foundation Fund at 527 W 39th Street (132.24 mi) Kansas City, MO 64111. (Minimum contribution: \$1)



**Soldiers Memorial Military Museum in St. Louis Fund** - Supports Soldiers Memorial Military Museum in honoring military service members, veterans, and their families, and sharing St. Louis's involvement in the nation's military history from the American Revolution through today. Donations can be made directly to Soldiers Memorial Military Museum Fund at P.O. Box 775460 1315 Chestnut St., St. Louis, MO, 63103. (Minimum contribution: \$1)



### Additional Funds

If you choose to give to additional funds, enter the two-digit fund code (see below) in the spaces provided on Line 21. If you want to give to more than two additional funds, please submit a contribution directly to the fund. See [dor.mo.gov/taxation/individual/trust-funds.html](http://dor.mo.gov/taxation/individual/trust-funds.html) for additional information.

Donations received from the following funds are designate specifically for Missouri residents.

### Funds

### Codes

American Cancer Society Heartland Division, Inc., Fund . . . . .	01
American Diabetes Association Gateway Area Fund. . . . .	02
American Heart Association Fund . . . . .	03
Amyotrophic Lateral Sclerosis (ALS—Lou Gehrig's Disease) Fund . . . . .	05
Muscular Dystrophy Association Fund . . . . .	07
March of Dimes Fund . . . . .	08
Arthritis Foundation Fund . . . . .	09
National Multiple Sclerosis Society Fund . . . . .	10
Foster Care and Adoptive Parents Recruitment and Retention Fund . . . . .	14
Pediatric Cancer Research Fund . . . . .	18

**American Cancer Society Heartland Division, Inc., Fund (01)** — For more information anytime, call toll free (800) ACS-2345 or visit [cancer.org](http://cancer.org). Donations can be sent directly to the American Cancer Society at 1100 Pennsylvania Avenue, Kansas City, MO 64105. (Minimum irrevocable contribution: \$1, not to exceed \$200)



**American Diabetes Association Gateway Area Fund (02)** — Request for information may be made by calling (314) 822-5490 or contacting Gateway Area Diabetes Association Fund, 15455 Conway Road, Suite 360, Chesterfield, MO 63017. (Minimum irrevocable contribution: \$1, not to exceed \$200)



**American Heart Association Fund (03)** - For more information, please contact: American Heart Association, 460 N. Lindbergh Blvd., St. Louis, MO 63141-7808, or call (314) 692-5600. (Minimum irrevocable contribution: \$1, not to exceed \$200)



**ALS Lou Gehrig's Disease Fund (05)** - Call (888) 873-8539 for patient services in Eastern Missouri and (800) 878-2062 for patient services in Western Missouri. (Minimum irrevocable contribution: \$1, not to exceed \$200)



**Arthritis Foundation Fund (09)** - Call (314) 991-9333 or visit [arthritis.org](http://arthritis.org). Contributions can be made at any time directly to the Arthritis Foundation, 9433 Olive Blvd. Suite 100, St. Louis, MO 63132. (Minimum irrevocable contribution: \$1, not to exceed \$200)



**Foster Care and Adoptive Parents Recruitment and Retention Fund (14)** - For more information please contact: Missouri Children's Division, P.O. Box 88, Jefferson City, MO 65103-0088 or call (573) 522-8024. (Minimum contribution: \$1)

**March of Dimes Fund (08)** - Send requests for information and contributions directly to the March of Dimes Fund, 11829 Dorsett Road, Maryland Heights, MO 63043. (Minimum irrevocable contribution: \$1, not to exceed \$200)



**Muscular Dystrophy Association Fund (07)** - Requests for information and contributions may be made at any time directly to: Muscular Dystrophy Association, 222 South Riverside Plaza, Suite 1500, Chicago, IL 60606; (312) 260-5900. (Minimum irrevocable contribution: \$1, not to exceed \$200)



**National Multiple Sclerosis Society Fund (10)** - Visit [nationalmssociety.org](http://nationalmssociety.org), call (800)FIGHTMS, or contact National Multiple Sclerosis Society Fund, 12125 Woodcrest Executive Drive, Suite 320, St. Louis, MO 63141. (Minimum irrevocable contribution: \$1, not to exceed \$200)



**Pediatric Cancer Research Trust Fund (18)** - CureSearch for Children's Cancer raises funds to support children's cancer research. For more information, visit [curesearch.org](http://curesearch.org) or call (800) 458-6223. (Minimum contribution: \$1)



### LINE 22 - REFUND

Enter the total of Line 19 minus Lines 20 and 21. This is the amount to be refunded. No refund of less than \$1.00 will be made.

### LINE 23 - AMOUNT DUE

Enter the underpayment amount if Line 12 is larger than Line 18. Refer to Page 1, "Time and Place of Filing and Payment" for payment information.

## AUTHORIZATION

Check the "yes" box for authorization of release of confidential information for the Director Revenue or delegate to discuss this return and attachments with the preparer whose signature appears on the form. If the authorization box is marked "no," or if it is left blank, the Department can only discuss this return with the Affected Business Entity Representative designated on Form 2827 or an authorized representative.

## SIGNATURE

For an election to be effective, the affected business entity tax return (Form MO-PTE) on which the election is made must include the signatures of either:

Each member of the electing entity who is a member at the time the affected business entity tax return is filed;

or

An officer, manager, or member of the electing entity who is authorized to make the election and who attests to having such authorization under penalty of perjury. Failure to sign the return will cause a delay in the processing of the return.

Include the signature, name, and telephone number of the partnership or S corporation's Affected Business Entity Representative for the tax year. If a Form 2827 has not previously been properly filed with the Department designating an Affected Business Entity Representative for the tax year, attach to your Form MO-PTE filing a Form 2827 designating the partnership or S Corporation's Affected Business Entity Representative. If a partnership or S corporation does not designate a person as an Affected Business Entity Representative for the tax year for which this return is filed, the election to become an Affected Business Entity will be ineffective. Only the signature of the Affected Business Entity Representative (and, if a preparer was used, the preparer) is required if the Affected Business Entity Representative is also an officer, manager, or member of the S corporation or partnership and is authorized to make this election, and attests to having such authorization under penalty of perjury. In this circumstance, the Affected Business Entity Representative should sign on the signature lines for both the Affected Business Entity Representative and for the Officer, Manager, or Member.

To designate a person as an Affected Business Entity Representative, complete Form 2827 and follow the relevant instructions on that form. The Affected Business Entity Representative has the sole authority to act on behalf of the affected business entity for the tax year, with respect to any action required or permitted under Missouri's SALT Parity Act, a protest proceeding, or appeal. Only one natural person (i.e. not a business entity) may serve as the Affected Business Entity Representative for a particular tax year. That person must have a working e-mail address, telephone number, and physical address at which to receive mail. An Affected Business Entity Representative may be removed only if the partnership or S corporation designates a new Affected Business Entity Representative for that tax year on a subsequently filed Form 2827.

**Note:** If the entity will have each of its members sign in lieu of having an authorized officer, manager, or member sign, please attach a separate schedule to the Form MO-PTE containing the signature, printed name, phone number, ownership percentage, and signature date for each and every partner, shareholder, and member of the electing entity as of the filing date.

# FORM MO-PTE, PAGE 3 AND 4 LINE-BY-LINE INSTRUCTIONS

## Part A - Additions

### LINE 1 - STATE AND LOCAL TAXES

Enter on Line 1a the amount of Missouri income tax deducted on Federal Form 1120S or 1065 ([Section 143.141\(1\), RSMo](#)), and the amount of income taxes from other states, their subdivisions and the District of Columbia deducted on Federal Form 1120S or 1065 ([12 CSR 10-2.160](#) and [Section 143.141\(2\), RSMo](#)).

Income tax of the following states taken as a deduction in determining federal taxable income, must be included on Line 1a:

Alabama	Idaho	Minnesota	South Carolina (excludes capital stock tax)
Alaska	Illinois (includes re- placement tax)	Mississippi	South Dakota
Arizona	Indiana	Missouri	Tennessee (excise tax)
Arkansas	Iowa	Montana	Texas
California (income and franchise tax)	Kansas	Nebraska	Utah
Colorado	Kentucky	New Mexico	Vermont
Delaware	Louisiana	North Carolina	Virginia
Florida	Maine	North Dakota	West Virginia
Georgia (excludes net worth tax)	Maryland	Oklahoma	
Hawaii	Michigan	Oregon	
		Pennsylvania	
		Rhode Island	

Enter on Line 1b the amount of Kansas City and St. Louis earnings tax.

### LINE 2 - STATE AND LOCAL BOND INTEREST (EXCEPT MISSOURI)

Enter on Line 2a all interest from state and local bonds, excluding Missouri ([Section 143.121.2\(2\), RSMo](#)).

Enter on Line 2b the amount of expenses associated with the state and local bond interest. The expenses must be at least \$500. Refer to [Section 143.121.2\(2\), RSMo](#), for further explanation.

### LINE 3 - FIDUCIARY AND PARTNERSHIP ADJUSTMENT (FROM FORM MO-1041 AND FORM MO-1065), OTHER

Enter the share of fiduciary and partnership adjustment as shown on Form MO-1041, Page 2, Part 1, Line 19, and Form MO-1065, Line 11 ([Section 143.121.4 and 5, RSMo](#)). Copies of any Forms MO-1041 or MO-1065 must be attached.

### LINE 4 - BUSINESS INTEREST EXPENSE CARRYFORWARD

Enter any interest expense paid or accrued in a previous taxable year, but allowed as a deduction under 26 U.S.C. Section 163, as amended, in the current taxable year by reason of the carry forward of disallowed business interest provisions of 26 U.S.C. Section 163(j), as amended. ([Section 143.121.2\(6\), RSMo](#)).

### LINE 5 - TOTAL ADDITIONS

Enter total of Line 1 through Line 4.

## Part A - Subtractions

### LINE 6 - INTEREST AND DIVIDENDS FROM EXEMPT FEDERAL OBLIGATIONS

Enter on Line 6a the amount of interest and dividends from federal obligations to the extent they are exempt from Missouri income tax, but subject to federal tax ([12 CSR 10-2.150](#) and [Section 143.121.3\(1\)](#)).



RSMo). A detailed list showing the amount of monies received or the percentage of funds received from direct U.S. Government obligations must be attached to Form MO-PTE.

Enter on Line 6b the amount of interest on indebtedness and expenses associated with the production of interest and dividend income on federal obligations shown on Line 6a. The expenses must be at least \$500. Refer to Section 143.121.3(1), RSMo, for further explanation.

In arriving at the amount of related expenses, the taxpayer may use actual expenses or a reasonable estimate. In general, the taxpayer should use the same or similar method used to compute related expenses for federal income tax purposes, provided that the method reasonably reflects related expenses for Missouri exempt income.

If a taxpayer fails to compute reasonable related expenses, the Department of Revenue will make adjustments based on the information made available. If sufficient information is not made available or if the taxpayer's records do not provide sufficient information, the Department of Revenue will use the following formula to compute related expenses:

$$\frac{\text{Exempt Income}}{\text{Total Income}} \times \text{Expense Items} = \text{Reduction to Exempt Income}$$

The principal expense item in this formula is interest expense; however, the Department of Revenue may include other expense items because of their direct relationship to the production of exempt income. The taxpayer may propose an alternative method provided that it properly reflects the amount of related expenses.

#### LINE 7 - AMOUNT OF ANY STATE INCOME TAX REFUND INCLUDED IN FEDERAL TAXABLE INCOME

Enter the amount of any Missouri income tax refund for a prior year that was included on the federal return in the sum of separately and nonseparately computed items in the current year.

#### LINE 8 - FEDERALLY TAXABLE MISSOURI EXEMPT OBLIGATION

Enter the amount of any proceeds resulting from redemption, maturity, or sale of a bond issued by the Missouri Higher Education Loan Authority (MOHELA), as well as any interest on such bond, but only to the extent such amount was included in the sum of separately and nonseparately computed items on Form MO-PTE, Line 1. In the event that proceeds were received from the sale of such a bond, the tax-exempt proceeds are limited to the extent of the holder's cost of acquisition. For further information, see [Section 173.440, RSMo](#).

#### LINE 9 - FIDUCIARY AND PARTNERSHIP ADJUSTMENT (FROM FORM MO-1041 AND FORM MO-1065), BUILD AMERICA AND RECOVERY ZONE BOND INTEREST, MISSOURI PUBLIC-PRIVATE TRANSPORTATION ACT, OTHER

Enter the share of fiduciary and partnership adjustment as shown on Form MO-1041, Page 2, Part 1, Line 20 and Form MO-1065, Line 12 (Section 143.121.4 and 5, RSMo). Copies of any Forms MO-1041 or MO-1065 must be attached.

- Build America and Recovery Zone Bond Interest - Enter the share of Build America and Recovery Zone Bond interest ([Section 108.1020, RSMo](#)).
- Missouri Public-Private Partnerships Transportation Act - Enter the share of income received under the Missouri Public-Private Transportation Act ([Section 227.646, RSMo](#)).
- Marijuana Business Deduction - Enter the amount that is eligible to be claimed as a federal income tax deduction but is disallowed by section 280E of the Internal Revenue Code. This deduction is exclusively limited to taxpayers authorized to do business under Article XIV of Missouri's Constitution.

You must submit the financial statement, schedule(s), your medical license number (MED), if any, and all federal schedule(s) with your Missouri Form MO-PTE to claim the deduction.

#### LINE 10 - AGRICULTURE DISASTER RELIEF

Enter the amount of income your pass-through entity received as payment from any program which provides compensation to agricultural producers who have suffered a loss as the result of a disaster or emergency ([Section 143.121.3\(10\), RSMo](#)). You must attach a copy of any Form 1099 indicating your agricultural payment. For more information, visit [dor.mo.gov](#).

#### LINE 11 - DISALLOWED BUSINESS INTEREST EXPENSE

Enter any interest expense paid or accrued in the current taxable year, but not deducted on the federal return as a result of the limitation imposed under 26 U.S.C. Section 163(j), as amended. ([Section 143.121.3\(11\), RSMo](#))

#### LINE 12 - TOTAL

Enter the total of Line 6 through Line 11.

#### Part B - Member's Share Percent

This section indicates the member's share percent and the amount of the tax credit that will be claimed on the member's income tax return

Column 1 - Enter the name of each member. Attach additional sheets if needed.

Column 2 - Indicate if the member is a nonresident to the state of Missouri by marking the box.

Column 3 - Enter the member's social security number. If the member is another company enter the federal employer identification number.

Column 4 - Enter the percentage from Federal Form 1120S or 1065, Schedule K-1. Round the percentage to the nearest whole number.

Column 5 - Enter the member's tax credit to be claimed on the member's income tax return. This is the member's pro rata share of the Form MO-PTE, Line 12 Pass-Through Entity Income Tax Liability, to the extent paid. If the member is itself a pass-through entity, leave this column blank for that entity.

## FORM MO-MS PTE Instructions

This information is for guidance only and does not state the complete law.

#### GENERAL INSTRUCTION

Complete the Form MO-MS PTE if the Balance (Form MO-PTE, Line 5) is not 100 percent from Missouri sources. Form MO-MS PTE must be completed even if this Balance is zero or negative. If the pass-through entity owns a percentage of a partnership(s), the partnership factors must be multiplied by the pass-through entity's percentage of ownership, and then added into the pass-through entity's apportionment factors.

#### APPORTIONMENT ELECTION

Missouri statutes provide a number of methods for determining income from Missouri sources. Choose only the appropriate one of the listed methods and enter the method number on Form MO-PTE, Line 6 Method. Once an election has been made, it cannot be changed with respect to the same taxable period.

**Method Two A Receipts Factor Apportionment** — [Section 143.455.2, RSMo](#). See instructions for completing Method Two A.

**Method Three Transportation** — [Section 143.455.14, RSMo](#).

**Method Four Railroad** — [Section 143.455.15, RSMo](#).

**Method Five Interstate Bridge** — [Section 143.455.16, RSMo](#).

**Method Six Telephone and Telegraph** — [Section 143.455.17, RSMo](#).

**Method Seven Other Approved Method** — This method can only be used with prior approval from the Missouri Director of Revenue or pursuant to a Missouri regulation creating an alternative industry-specific method under [Section 143.455.13\(1\), RSMo](#).

## Receipts Factor Apportionment Instructions - Step 1

A taxpayer must have income from business activity taxable by this state and at least one other state to apportion and allocate income. Income from business activity includes apportionable and nonapportionable income. The taxpayer's income will be allocated and apportioned according to Section 143.455. The taxpayer must determine which portion of the taxpayer's Balance (Form MO-PTE, Line 5) constitutes "nonapportionable income." The various items of nonapportionable income are directly allocated to specific states, which may include Missouri. The apportionable income of the taxpayer is divided between states by using the receipts factor.

Items of nonapportionable income may be reported on the Form MO-MS PTE and by attaching a detailed explanation. Only to the extent such items are included in Form MO-PTE, Line 5 (Balance). For example, an item of nonapportionable income that was added on Form MO-PTE, Line 2, would also be reported on Form MO-MS PTE. If all or part of an item of nonapportionable income was subtracted on Form MO-PTE Line 3, do not report the amount of nonapportionable income so subtracted on Form MO-MS PTE.

### APPORTIONABLE AND NONAPPORTIONABLE INCOME DEFINED

"Apportionable income" means all income that is apportionable under the Constitution of the United States and is not allocated under the laws of this state. Apportionable income includes, but is not limited to, income arising from transactions and activity in the regular course of the pass-through entity's trade or business. Apportionable income also includes, but is not limited to, income arising from tangible and intangible property if the acquisition, management, employment, development, or disposition of the property is or was related to the operation of the pass-through entity's trade or business. "Nonapportionable income" means all income other than apportionable income. The classification of income by the labels customarily given them, such as interest, dividends, rents, and royalties, is not conclusive in determining whether the income is apportionable or nonapportionable income. Nonapportionable income will be considered only if a detailed explanation is completed and attached.

### TAXABLE IN ANOTHER STATE

A taxpayer is "taxable in another state" if it meets either one of two tests:

(a) if by reason of business activity in another state the taxpayer is subject to one of these taxes: a net income tax, a franchise tax measured by net income, a franchise tax for the privilege of doing business, or a corporate stock tax; or

(b) if another state has jurisdiction to subject the taxpayer to a net income tax, regardless of whether or not that state imposes such a tax on the taxpayer.

The first test is applicable only if a taxpayer carries on business activities in another state. If the taxpayer voluntarily files and pays one or more of such taxes when not required to do so by the laws of that state or pays a minimal fee for qualification, organization, or for the privilege of doing business in that state, but:

(a) does not actually engage in business activities in that state; or

(b) does actually engage in some activity, not sufficient for nexus, and the minimum tax bears no relation to the entity's activities within such state, the taxpayer is not "taxable" in another state.

The second test applies if the taxpayer's business activities are sufficient to give the state jurisdiction to impose a net income tax under the Constitution and statutes of the United States. Jurisdiction to tax is not present where the state is prohibited from imposing the tax by reason of the provisions of Public Law 86-272, 15 U.S.C.A. Sections 381-385. If you believe you do not have sufficient nexus and you are not liable for Missouri tax, complete a [Form 4458, Business Activity Questionnaire](#). For Missouri forms access the Department of Revenue's website at [dor.o.gov](http://dor.o.gov).

## LINES 1, 2, AND 3 - RECEIPTS FACTOR

Complete Part 1, Lines 1 through 3.

- The denominator of the receipts factor is generally all gross receipts received by a taxpayer from transactions and activity in the regular course of its trade or business. However, receipts from hedging transactions or from the maturity, redemption, sale, exchange, loan, or other disposition of cash or securities (e.g. stocks, stock options, bonds) must not be included in either the numerator or denominator of the receipts factor. The numerator of the receipts factor is generally all gross receipts in Missouri from transactions and activity in the regular course of the taxpayer's trade or business.
- Tangible Personal Property. Receipts from the sale of tangible personal property are in this state if the property is received in Missouri by the purchaser. Receipts from the rental, lease, or license of tangible personal property are in this state to the extent that the tangible personal property is located in Missouri.
- Real Property. Receipts from the sale, rental, lease, or license of real property are in this state to the extent that the real property is located in Missouri.
- Services. Receipts from the sale of a service are in this state if and to the extent that the ultimate beneficiary is in Missouri. Generally, the ultimate beneficiary of the service (except for bartering and similar in-kind transactions) is the entity that receives benefit or value from, but does not also receive monetary or credit-based payment in direct connection with, the service at issue (other than refunds, cashback, or discount-equivalents). In the event that the ultimate beneficiary is an entity that owns or operates in locations in multiple states, and the extent to which the ultimate beneficiary is located in Missouri cannot reasonably be determined, the extent to which the ultimate beneficiary is located in Missouri may be reasonably approximated as follows:
  - The ratio of the number of Missouri locations, which the ultimate beneficiary owns or operates in, to the number of such locations throughout the United States.
  - If the ratio above cannot reasonably be determined, then the ratio of one to the number of states in which the ultimate beneficiary operates.
  - If the ratio above cannot reasonably be determined, then use fifty percent (50%). A taxpayer will not be subject to an addition to tax for negligence in relying upon this approximation of fifty percent (50%).

### RENTAL, LEASE, OR LICENSE OF INTANGIBLE PROPERTY

Receipts from the rental, lease, or license of intangible property are in this state to the extent that the intangible property is used in Missouri. Intangible property that is rented, leased, or licensed and then used in this state in marketing a good or service to a consumer is used in this state if the marketed good or service is purchased by a consumer in this state. Franchise fees or franchise royalties received for the rent, lease, license, or use of a trade name, trademark, service mark, or franchise system, or the right to conduct business activity in a specific geographic area, are receipts in this state to the extent that the franchise is located in this state.

### SALE OF INTANGIBLE PROPERTY

Receipts from the sale of intangible property are in this state to the extent the intangible property is used in Missouri. If the intangible property sold is a contract right, government license, or similar property that authorizes the holder to conduct a business activity in a specific geographic area, such intangible property is used in Missouri if the geographic area includes all or part of Missouri. If receipts from the intangible property sale is contingent on the productivity, use, or disposition of the intangible property, these receipts shall be treated as receipts from the rental, lease, or license of intangible property. All other receipts from a sale of intangible property shall be excluded from both the numerator and the denominator of the receipts factor.

If the state or states to which to assign receipts cannot be determined, the state or states of assignment must be reasonably approximated and you must attach a detailed statement explaining the basis of the reasonable approximation.

## LINES 4 THROUGH 9 - ALLOCATION OF NONAPPORTIONABLE INCOME

Complete Lines 4 through 9 only if the taxpayer has nonapportionable income. Nonapportionable income will be considered only if a detailed explanation is completed and attached. In general, any income arising from transactions and activity in the regular course of the taxpayer's trade or business, or any income arising from property if the acquisition, management, employment, development, or disposition of the property is or was related to the operation of the taxpayer's trade or business, will be apportionable income rather than nonapportionable income.

Rents and royalties from real or tangible personal property, capital gains, interest, dividends, or patent or copyright royalties, are presumed to be apportionable income unless the taxpayer clearly demonstrates that they are nonapportionable income. To the extent one or more of these income items are nonapportionable income, allocate such item(s) as follows:

(a) Net rents and royalties from real property located in this state are allocable to this state.

(b) Net rents and royalties from tangible personal property are allocable to this state: (1) if and to the extent that the property is utilized in this state; or (2) in their entirety if the taxpayer's commercial domicile is in this state and the taxpayer is not organized under the laws of, or taxable in, the state in which the property is utilized. The extent of utilization of tangible personal property in a state is determined by multiplying the rents and royalties by a fraction, the numerator of which is the number of days of physical location of the property in the state during the rental or royalty period in the taxable year and the denominator of which is the number of days of physical location of the property everywhere during all royalty or rental period during the taxable year. If the physical location of the property during the rental or royalty period is unknown or unascertainable by the taxpayer, tangible personal property is utilized in the state in which the property was located at the time the rental or royalty payor obtained possession.

(c) Capital gains and losses from sales of real property located in this state are allocable to this state.

(d) Capital gains and losses from sales of tangible personal property are allocable to this state if: (1) the property had a situs in this state at the time of the sale; or (2) the taxpayer's commercial domicile is in this state and the taxpayer is not taxable in the state in which the property had a situs.

(e) Capital gains and losses from sales of intangible personal property are allocable to this state if the taxpayer's commercial domicile is in this state.

(f) Interest and dividends are allocable to this state if the taxpayer's commercial domicile is in this state.

(g) Patent and copyright royalties are allocable to this state: (1) if and to the extent that the patent or copyright is utilized by the royalty payor in this state; or (2) if and to the extent that the patent or copyright is utilized by the royalty payor in a state in which the taxpayer is not taxable and the taxpayer's commercial domicile is in this state. A patent is utilized in a state to the extent that it is employed in production, fabrication, manufacturing, or other processing in the state or to the extent that a patented product is produced in the state. A copyright is utilized in a state to the extent that printing or other publication originates in the state. If the basis of receipts from patent royalties or copyright royalties does not permit allocation to states or if the accounting procedures do not reflect states of utilization, the patent or copyright is utilized in the state in which the taxpayer's commercial domicile is located.

**Note:** For allocation purposes, "commercial domicile" means the principal place from which the trade or business of the taxpayer is directed or managed.

## Methods Three, Four, Five, or Six Instructions

Enter Missouri miles, total miles, and percentage in the Apportionment Election section on Form MO-MS PTE, Page 1, if applicable. Enter the resulting mileage percentage on Form MO-MS PTE, Part 1, Line 3 and Form MO-PTE, Line 6, unless required to complete Form MO-PTE, Part 1, Lines 4 through 9 as discussed below. If the mileage percentage on Form MO-MS PTE, Page 1, is inapplicable, attach a detailed explanation of how apportionment and allocation was performed.

If the mileage percentage on Form MO-MS PTE, Page 1, is applicable, or if the taxpayer has included any item of income to be allocated (as opposed to apportioned) on Form MO-PTE, Line 5, the taxpayer must complete Form MO-MS PTE, Part 1, Lines 4 through 9 and enter the resulting percentage from Form MO-MS PTE, Part 1, Line 9 onto Form MO-PTE, Line 6 Percent. When completing Form MO-MS PTE, Part 1, Lines 5 through 7, enter income allocated (as opposed to apportioned) everywhere and income allocated to Missouri, respectively, to the extent they are items included in the Balance on MO-PTE, Line 5. Attach a detailed explanation supporting any allocation (as opposed to apportionment) of income.

## Method Seven Instructions

This method can only be used with prior approval from the Missouri Director of Revenue or pursuant to a Missouri regulation creating an alternative industry-specific method under [Section 143.455.13\(1\), RSMo](#). Attach a detailed explanation of how any allocation and apportionment was performed. Either a letter of approval must be attached to the return or the detailed explanation must identify the Missouri regulation that authorizes the industry-specific method used and explain why the taxpayer qualifies for the industry-specific method. The only industry-specific method currently allowed by Missouri regulation applies to broadcasters under [12 CSR 10-2.260](#). Entities defined as a broadcaster under 12 CSR 10-2.260 must choose Method Seven.

Complete Form MO-MS PTE, Part 1, Lines 4 through 9 and enter the resulting percentage from Form MO-MS PTE, Part 1, Line 9 onto Form MO-PTE, Line 6 Percent. When completing Form MO-MS PTE, Part 1, Line 3, substitute the appropriate apportionment percentage (without taking into account allocation of income) for the Receipts Factor. When completing Form MO-MS PTE, Part 1, Lines 5 and 7, enter income allocated (as opposed to apportioned) everywhere and income allocated to Missouri, respectively, to the extent that item is included in the Balance on MO-PTE, Line 5. Include on the detailed explanation attachment support for any allocation (as opposed to apportionment) of income.

## Definitions:

**Affected business entity:** Any partnership or S corporation that elects to be subject to tax pursuant to Section 143.436, RSMo.

### Member:

- (a) A shareholder of an S corporation;
- (b) A partner in a general partnership, a limited partnership, or a limited liability partnership; or
- (c) A member of a limited liability company that is treated as a partnership or S corporation for federal income tax purposes.

**Partnership:** The same meaning as provided in 26 U.S.C. Section 7701(a)(2). The term partnership shall include a limited liability company that is treated as a partnership for federal income tax purposes.

**S corporation:** A corporation or limited liability company that is treated as an S corporation for federal income tax purposes.

Pursuant to [Section 105.1500, RSMo](#), the Department of Revenue is prohibited from requiring any entity exempt from federal income tax under Section 501(c) of the Internal Revenue Code, or any individual, to provide the Department with any list, record, register, registry, roll, roster, or other compilation of data of any kind that directly or indirectly identifies a person as a member, supporter, volunteer of, or donor of financial or nonfinancial support to, any entity exempt from federal income tax under Section 501(c) of the Internal Revenue Code. Nothing in this form should be read or understood as a requirement that you provide any such information. Notwithstanding any publication, webpage, form, instruction, regulation, or statement shared by the Department, you are not required to include such information on this form. If you encounter any technical difficulty in submitting this form without including information that you believe is protected by Section 105.1500, RSMo, feel free to contact the Department by email at [corporate@dor.mo.gov](mailto:corporate@dor.mo.gov) or by phone at 573-751-4541.

### Checklist Before Mailing

- Did an officer, manager, or member of the electing entity who is authorized sign form MO-PTE?
- Did you review your completed return?
- Are the pass-through entity name and address correctly shown on the return?
- Are your beginning and ending filing periods shown on the Form MO-PTE?
- Have you verified all math calculations?
- Did you receive a federal extension of time to file your return? If so, have you attached a copy of the federal extension (Federal Form 7004) and checked the box on the first page of the MO-PTE?
- Have you attached a copy of the federal form or pro forma and supporting schedules?
- Have you addressed your envelope to the proper address?