

Special Report / Viewpoint

State Tax Treatment Of Limited Liability Companies And Limited Liability Partnerships

by Bruce P. Ely, Christopher R. Grissom, and Matthew S. Houser

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This chart is necessarily only a summary of the applicable laws, regulations, and rulings as of the date stated above and should not be relied on as a definitive source of information. Readers should consult their tax advisers and,

perhaps, local counsel regarding the application of state and local law to their particular circumstances.

Legislative updates would be most appreciated. Please contact Bruce Ely (bely@bradleyarant.com; (205) 521-8366), Chris Grissom (cgrissom@bradleyarant.com; (205) 521-8514), or Matthew S. Houser (mhouser@bradleyarant.com; (205) 521-8680).

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State	State Income Tax Classification of LLCs Follows Federal?⁵	Nonresident Partner/Member Withholding?⁷	Entity-Level Tax on LLPs or LLCs?³	Citation to LLP/LLC Acts⁶
Alabama	Yes ¹ (check-the-box regs followed only for LLCs; LP and LLP classification criteria uncertain)	LLC/LLP pays tax on nonresident member's/partner's distributive share of Alabama income unless nonresident consents filed; but even if consent filed, if nonresident fails to pay the tax, LLC/LLP is contingently liable	Annual \$100 minimum and \$15,000 maximum business privilege tax (electing family investment LLCs/LLPs subject to \$500 annual cap; "financial institution groups" subject to Alabama deposits-based alternative tax capped at \$3 million annually)	LLP: Ala. Code sections 10-8A-1001 to 10-8A-1010 ^{2, 4} LLC: Ala. Code sections 10-12-1, et seq.
Alaska	Yes	No	No	LLP: Alaska Stat. sections 32.06.911 to 32.06.925 ^{2, 4} LLC: Alaska Stat. sections 10.50.010 to 10.50.995

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Arizona	Yes ¹	No	No	LLP: Ariz. Rev. Stat. Ann. sections 29-1026; 29-1101 to 29-1109 ^{2, 4} LLC: Ariz. Rev. Stat. Ann. sections 29-601 to 29-857
Arkansas	Yes ¹ (eff. Jan. 1, 2003, Act 2003-965)	No	No	LLP: Ark. Code Ann. section 4-42-703; sections 4-46-1001 to 4-46-1003 ^{2, 4} LLC: Ark. Code Ann. sections 4-32-101 to 4-32-1401
California	Yes ¹	LLC/LLP pays tax on nonresident member's/partner's distributive share of CA income at 9.3 percent unless nonresident consents filed; if consents filed, still must withhold 7 percent (but may request waiver from state)	Annual \$800 minimum franchise tax on all LLCs/LLPs; gross receipts tax ranging from \$900 to \$11,790 on LLCs	LLP: Cal. Corp. Code sections 16951 to 16962 ^{2, 4} (listed "professionals" only) LLC: Cal. Corp. Code sections 17000 to 17655 (not available to listed "professionals")
Colorado	Yes	LLC/LLP withholds at 4.63 percent, or pays tax at 4.63 percent in composite return on nonresident member's/partner's distributive share of Colorado income unless nonresident consents filed	No	LLP: Colo. Rev. Stat. Ann. section 7-60-144; sections 7-64-1001 to 7-64-1010 ^{2, 4} LLC: Colo. Rev. Stat. Ann. sections 7-80-101 to 7-80-1101
Connecticut	Yes ¹	LLC/LLP pays tax on nonresident member's/partner's distributive share of Connecticut-source income at highest marginal rate unless "group" return filed or certain other exemptions apply; estimated tax payments may also be required depending on amount of member's/partner's Connecticut-source income (eff. for tax years beginning on or after Jan. 1, 2004; Pub. Act 2004-216)	LLCs subject to annual "business entity tax" of \$250 (eff. Jan. 1, 2002)	LLP: Conn. Gen. Stat. Ann. sections 34-406 to 34-434 ² LLC: Conn. Gen. Stat. Ann. sections 34-100 to 34-242
Delaware	Yes ¹	No (legislation to so require withdrawn in 2003 session, HB 31)	LLPs subject to \$200/partner/year fee w/ \$120,000 cap	LLP: Del. Code Ann. tit. 6, sections 15-1001 to 15-1105 ^{2, 4} LLC: Del. Code Ann. tit. 6, sections 18-101 to 18-1109

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District of Columbia	Yes ¹	No. (The Home Rule Act prohibits the district from taxing personal income, either directly or at the source, of nonresidents. D.C. Code Ann. section 1-206.02(a)(5).)	9.975 percent tax on DC-source income earned by unincorporated business but no tax on single-member LLC (SMLLC) owned by another entity subject to tax in D.C. (\$100 minimum) or on professional firms where 80 percent of income derived from personal services and capital not material income-producing factor	LLP: D.C. Code Ann. sections 33-110.1 to 33-111.06 ^{2, 4} LLC: D.C. Code Ann. sections 29-1001 to 29-1075
Florida	Yes ¹ (no state personal income tax)	No	LLPs subject to \$100/Fla. partner/year fee w/\$10,000 cap	LLP: Fla. Stat. Ann sections 620.9001 to 620.9105 ^{2, 4} LLC: Fla. Stat. Ann. sections 608.401 to 608.705; sections 621.01 to 621.14 (professionals)
Georgia	Yes ¹	LLC/LLP withholds 4 percent tax on nonresident member's/partner's distributive share of Georgia income, with exemptions, unless composite return filed	No	LLP: Ga. Code Ann. sections 14-8-44 to 14-8-642 LLC: Ga. Code Ann. sections 14-11-100 to 14-11-1109
Hawaii	Yes ¹	No	No	LLP: Haw. Rev. Stat. sections 425-151 to 425-173 ^{2, 4} LLC: Haw. Rev. Stat. sections 428-101 to 428-1302
Idaho	Yes ¹	Withholding not required but composite returns permitted for nonresident member/partner individuals; if nonresident fails to pay the tax, LLC/LLP is contingently liable	No	LLP: Idaho Code sections 53-1001 to 53-1105 ^{2, 4} LLC: Idaho Code sections 53-601 to 53-672

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Illinois	Yes ¹	No	1.5 percent income tax on partnerships and LLCs; partners liable if LLC/LLP fails to pay; "investment partnerships" exempt eff. Jan. 1, 2005 (Domestic LLPs subject to \$100/partner/year fee with a \$200 minimum and \$5,000 cap)	LLP: Ill. Ann. Stat. ch. 805, section 205/8-1; sections 206/1001 to 206/1105 ^{2, 4} (eff. July 1, 2003, Ill. S. Ct. rules allow use of LLPs by attorneys but see below) (RUPA adopted eff. Jan. 1, 2003; SB 2049) LLC: Ill. Ann. Stat. ch. 805, sections 180/1-1 to 180/60-1 (attorneys may use LLPs or LLCs but remain jointly and severally liable for malpractice of other owners/employees unless adequate insurance carried)
Indiana	Yes ¹	LLC/LLP pays withholding tax on nonresident member's/partner's distributive share of Indiana income at applicable state rate	No	LLP: Ind. Code Ann. sections 23-4-1-44 to 23-4-1-53 ² LLC: Ind. Code Ann. sections 23-18-1-1 to 23-18-13-1
Iowa	Yes ¹	LLC/LLP pays withholding tax on nonresident member's/partner's distributive share of Iowa income at highest state rate unless composite return filed or certificate of exemption obtained by nonresident member/partner	No	LLP: Iowa Code sections 486.1001 to 486.1105 ^{2, 4} LLC: Iowa Code sections 490A.100 to 490A.1601
Kansas	Yes	LLC/LLP pays withholding tax on nonresident member's/partner's distributive share of Kansas income at highest state rate unless nonresident consents filed (Kan. Stat. Ann. section 79-32,100e, eff. July 1, 2003)	LLCs/LLPs subject to franchise tax on net capital accounts with a \$40 min. and \$5,000 cap	LLP: Kan. Stat. Ann. sections 56a-1001 to 56a-1203 ^{2, 4} LLC: Kan. Stat. Ann. sections 17-7662 to 17-76,142

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Kentucky	Yes ¹	LLC/LLP pays withholding tax on nonresident individual member's/partner's distributive share of Kentucky income at the highest state rate unless certain exemptions apply (eff. for tax years ending after Dec. 31, 2003; 103 Kentucky Admin. Reg. 18:070, as amended)	No	LLP: Ky. Rev. Stat. sections 362.555 to 362.605 (attorneys may use LLPs, eff. Feb. 1, 2000) LLC: Ky. Rev. Stat. sections 275.001 to 275.455 (Ky. S. Ct. rules amended to allow attorneys to use LLCs & LLPs, but must maintain minimum insurance levels)
Louisiana	State classification follows federal classification of LLC but only regarding corporate income tax, not franchise tax ¹	LLC/LLP required to make composite tax payments on nonresident partner's/member's distributive share of La. income at highest individual state rate unless nonresident consents filed	No	LLP: La. Rev. Stat. Ann. sections 9:3431 to 9:3435 LLC: La. Rev. Stat. Ann. sections 12:1301 to 12:1369
Maine	Yes ¹	LLC/LLP pays withholding tax on nonresident member's/partner's proportionate quarterly share of Maine income at highest applicable state rate unless certain exemptions apply (Me. Rev. Stat. Ann. Tit. 36, sec. 5250-B, eff. for income earned on or after Jan. 1, 2003)	LLC "financial institutions" are taxed at the entity level at a rate of 1 percent of Maine net income and 8 cents per \$1,000 of Maine assets	LLP: Me. Rev. Stat. Ann. tit. 31, sections 801 to 876 LLC: Me. Rev. Stat. Ann. tit. 31, sections 601 to 762
Maryland	Yes ¹	LLC/LLP pays 4.75 percent tax on nonresident member's/partner's distributive share of Maryland income	No	LLP: Md. Code Ann., Corps. & Ass'ns sections 9A-1001 to 9A-1111 ^{2, 4} LLC: Md. Code Ann., Corps. & Ass'ns sections 4A-101 to 4A-1103
Massachusetts	Yes ¹ (check-the-box regs followed only for LLCs; LP and LLP classifications determined by common law, <i>Kintner</i> regs)	No	No	LLP: Mass. Gen. L. ch. 108A, sections 45 to 49 ² LLC: Mass. Gen. L. ch. 156C, sections 1 to 69

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Michigan	Yes ¹	LLC/LLP pays withholding tax on nonresident member's/partner's distributive share of Michigan income, unless certain exemptions apply; withholding does not apply to corporate nonresident members/partners (eff. Oct. 1, 2003; P.A. 2003-22, -45)	Single business tax levied at 1.925 percent of specified LLC tax base (phasing out by Dec. 31, 2009)	LLP: Mich. Comp. Laws Ann. sections 449.44 to 449.48 LLC: Mich. Comp. Laws Ann. sections 450.4101 to 450.5200
Minnesota	Yes ¹	LLC/LLP pays withholding tax on nonresident member's/partner's distributive share of Minnesota income at highest individual rate unless composite return filed	No	LLP: Minn. Stat. sections 323A.10-01 to 323A.11-05 ^{2, 4} LLC: Minn. Stat. sections 322B.01 to 322B.960
Mississippi	Yes ¹ (Single-member LLC's apportionment factors included in calculation of corp. owner's <i>franchise</i> tax, but not income tax)	Generally no, but LLC/LLP and members/partners are jointly and severally liable for any unpaid tax unless LLC/LLP withholds and remits 5 percent of the LLC's/LLP's net profit or gain for the year	No (Miss. Code Ann. section 27-13-1)	LLP: Miss. Code Ann. sections 79-12-87 to 79-12-117 LLC: Miss. Code Ann. sections 79-29-101 to 79-29-1204
Missouri	Yes ¹	LLC/LLP pays withholding tax on nonresident individual member's/partner's distributive share of Missouri income at highest state rate unless either nonresident consents or composite return filed	No	LLP: Mo. Rev. Stat. sections 358.440 to 358.510; 358.150.2 ² LLC: Mo. Rev. Stat. sections 347.010 to 347.189
Montana	Yes ¹	LLC/LLP liable for income tax at applicable state rate for nonresident individual member's/partner's distributive share of Mont. income unless either composite return or nonresident consents filed (Mont. Code Ann. section 15-30-1113)	No	LLP: Mont. Code Ann. sections 35-10-701 to 35-10-710 ^{2, 4} LLC: Mont. Code Ann. sections 35-8-101 to 35-8-1307
Nebraska	Yes ¹	LLC/LLP liable for income tax at highest state rate on nonresident individual member's/partner's distributive share of Neb. income unless nonresident consents filed	No	LLP: Neb. Rev. Stat. section 67-344 to 67-346; sections 67-454 to 67-465 ^{2, 4} LLC: Neb. Rev. Stat. sections 21-2601 to 21-2653

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Nevada	No state income tax	No	No	LLP: Nev. Rev. Stat. sections 87.440 to 87.560 ("professionals" only if domestic RLLP) LLC: Nev. Rev. Stat. sections 86.011 to 86.590
New Hampshire	Yes ¹ (conforms to check-the-box regs but only regarding multimember LLCs)	No	5 percent on dividends and interest exceeding \$2,400; 8.5 percent on business profits (only for LLCs/LLPs with more than \$50,000 in gross business income); and 0.75 percent on the "business enterprise value tax base" of the LLC; however, a dollar-for-dollar credit is allowed against the business profits tax for the amount of business enterprise tax owed	LLP: N.H. Rev. Stat. Ann. sections 304A:44 to 304A:55 LLC: N.H. Rev. Stat. Ann. sections 304C:1 to 304C:85; sections 304D:1 to 304D:20 (professional LLCs)
New Jersey	Yes ¹	Until Jan. 1, 2002, 9 percent corp. franchise tax imposed at entity level on LLC/LP corp. member's/partner's distributive share of New Jersey income unless nonresident consents filed (superseded by P.L. 2002, Ch. 40)	\$150/member/partner annual fee w/ \$250,000 cap for partnerships with two or more members/owners; and LLCs/LLPs must pay 6.37 percent of their N.J. net income allocated to all nonresident <i>noncorporate</i> partners and 9 percent for all nonresident <i>corporate</i> partners for privilege periods beginning on or after Jan. 1, 2002 (54:10A-15.11)	LLP: N.J. Stat. Ann. section 42:1A-47 to 42:1A-54 ^{2, 4} LLC: N.J. Stat. Ann. sections 42:2B-1 to 42:2B-70
New Mexico	Yes	LLC/LLP required to withhold tax on nonresident partner's/member's distributive share of New Mexico income at a rate to be determined by New Mexico DOR regulation unless nonresident consents filed	No	LLP: N.M. Stat. Ann. sections 54-1A-1001 to 54-1A-1105 ^{2, 4} LLC: N.M. Stat. Ann. sections 53-19-1 to 53-19-74
New York	Yes ¹	Composite returns permitted, but LLCs/LLPs having New York-source income are required to make quarterly estimated tax payments on behalf of their C corp./nonresident individual owners (eff. for tax years ending after Dec. 31, 2002, Laws 2003, Chap. 62)	\$100/member/partner annual fee; w/\$25,000 cap; min. \$500 (SMLLCs now subject to annual \$100 filing fee) (eff. for tax years beginning in 2003 and 2004; expires Jan. 1, 2005; AB 2106)	LLP: N.Y. Partnership Law sections 121-1500 to 121-1506 ² ("professionals" only) LLC: N.Y. L.L.C. Law sections 101 to 1403

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North Carolina	Yes ¹	<p>LLC/LLP pays withholding tax on <i>individual</i> nonresident member's/partner's distributive share of North Carolina income at the applicable individual income tax rate</p> <p>LLC/LLP pays withholding tax on <i>nonindividual</i> nonresident member's/partner's distributive share of North Carolina income at the applicable income tax rate unless nonresident consent filed</p>	<p>If book value of LLC assets exceeds \$150,000, corp. member required to include LLC's assets, directly or indirectly owned, in its franchise tax base if collective ownership by corp. and its affiliates of capital interest of the LLC is more than 50 percent (at least 70 percent for tax years beginning before Jan. 1, 2005)</p> <p>(eff. Jan. 1, 2003, N.C. Sess. Law 2004-74)</p>	<p>LLP: N.C. Gen. Stat. section 59-84.2 to 59-84.4; sections 59-90 to 59-94</p> <p>LLC: N.C. Gen. Stat. sections 57C-1-01 to 57C-10-07</p>
North Dakota	Yes ¹	No	No (nominal annual filing fee based on number of LLP managing partners)	<p>LLP: N.D. Cent. Code sections 45-22-01 to 45-22-27^{2, 4}</p> <p>LLC: N.D. Cent. Code sections 10-32-01 to 10-32-156</p>
Ohio	Yes ¹	LLC/LLP pays 5 percent withholding tax on distributions to nonresident individual members/partners and an 8.5 percent withholding tax on distributions to nonindividual members/partners after certain adjustments unless composite return filed	Franchise tax credit calculations include corporation's proportionate share amounts from any passthrough entity	<p>LLP: Ohio Rev. Code Ann. sections 1775.61 to 1775.65</p> <p>LLC: Ohio Rev. Code Ann. sections 1705.01 to 1705.58</p>
Oklahoma	Yes ¹	LLC/LLP pays 5 percent withholding tax on nonresident member's/partner's distributive share of Okla. income (eff. Aug. 29, 2003, HB 1356) unless nonresident consents filed (eff. Jan. 1, 2004, HB 1556)	No	<p>LLP: Okla. Stat. Ann. sections 54-1-1001 to 54-1-1105^{2, 4}</p> <p>LLC: Okla. Stat. Ann. sections 18-2000 to 18-2060</p>
Oregon	Yes ¹	No	No	<p>LLP: Or. Rev. Stat. sections 67.500, 67.770^{2, 4} ("professionals" only)</p> <p>LLC: Or. Rev. Stat. sections 63.001 to 63.990</p>

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Pennsylvania	Yes ¹ (but statute unclear whether SMLLCs can be disregarded)	LLC/LLP pays withholding tax on nonresident individual and "nonfiling corporate" member's/partner's distributive share of Pennsylvania income at the applicable income tax rate (eff. for tax years beginning after Dec. 31, 2003, Act 2003-46)	LLCs, except for "restricted professional companies," subject to capital stock tax of 0.699 percent of taxable capital stock value (to be phased out by 2010) Professional LLCs subject to \$300/Pennsylvania member/year fee; LLPs subject to \$240/Pennsylvania partner/year fee	LLP: 15 Pa. Cons. Stat. sections 8201 to 8221 LLC: 15 Pa. Cons. Stat. sections 8901 to 8998
Rhode Island	Yes ¹	LLP/LLC must withhold at 9 percent unless it files composite return (eff. Jan. 1, 2004)	\$500 tax on LLCs taxed as partnerships (effective Jan. 1, 2004)	LLP: Codified at various sections beginning with R.I. Gen. Laws section 7-12-13 (available to listed "professionals" eff. July 28, 2002) LLC: R.I. Gen. Laws sections 7-16-1 to 7-16-75 (available to listed "professionals" eff. July 28, 2002)
South Carolina	Yes ¹	LLC/LLP pays 5 percent withholding tax on nonresident member's/partner's distributive share of S.C. income unless nonresident consents or composite return filed	No	LLP: S.C. Code Ann. sections 33-41-370; 33-41-1110 to 1220 LLC: S.C. Code Ann. sections 33-44-101 to 33-44-1207
South Dakota	No state income tax	No	Domestic LLCs subject to \$125 initial report fee; foreign LLCs subject to \$550 initial report fee; all LLCs subject to \$50 annual report fees thereafter (eff. July 1, 2004)	LLP: S.D. Codified Laws Ann. sections 48-7A-1001 to 48-7A-1105 ^{2, 4} LLC: S.D. Codified Laws Ann. sections 47-34-1 to 47-34-59
Tennessee	Yes ¹	No	LLC/LLP subject to franchise/excise tax of 25 cents per \$100 of net worth and 6.5 percent of net earnings; corporate member of disregarded SMLLC now subject to Tenn. franchise/excise tax; all entities classified as partnerships also subject to 6 percent dividends and interest income tax	LLP: Tenn. Code Ann. sections 61-1-1001 to 61-1-1005 ⁴ LLC: Tenn. Code Ann. sections 48-201-101 to 48-248-606

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Texas	State taxes LLCs as corporations (no state personal income tax)	No	LLCs subject to franchise tax equal to the greater of 0.25 percent of capital or 4.5 percent of earned surplus LLPs subject to \$200/partner/year fee	LLP: Tex. Bus. Org. Code sections 152.801 to 152.805 ^{2, 4} (Revised Tex. Partnership Act based on RUPA but differs in some respects) LLC: Tex. Bus. Org. Code sections 101.001 to 101.552
Utah	Yes ¹	No	No	LLP: Utah Code Ann. sections 48-1-41 to 48-1-48 LLC: Utah Code Ann. sections 48-2c-101 to 48-2c-1902
Vermont	Yes ¹	Composite returns permitted but LLC/LLP must make estimated tax payments at highest marginal rate on nonresident member's/partner's distributive share of Vermont income	No	LLP: Vt. Stat. Ann. tit. 11, sections 3291 to 3305 ^{2, 4} LLC: Vt. Stat. Ann. tit. 11, sections 3001 to 3162
Virginia	Yes ¹	No	No	LLP: Va. Code Ann. sections 50-73.132 to 50-73.143 ^{2, 4} LLC: Va. Code Ann. sections 13.1-1000 to 13.1-1073; sections 13.1-1100 to 1123 (professionals)
Washington	State taxes LLCs as partnerships (no state personal income tax)	No	Business and occupation tax of 0.138 percent to 1.5 percent of gross income	LLP: Wash. Rev. Code sections 25.05.500 to 25.05.570 ⁴ LLC: Wash. Rev. Code sections 25.15.005 to 25.15.902
West Virginia	Yes	LLC/LLP pays 4 percent withholding tax on nonresident member's/partner's distributive share of West Virginia income unless nonresident consents filed	Greater of \$50 or 0.7 percent of "capital" (generally, average balance of partners' capital accounts per Form 1065)	LLP: W. Va. Code section 47B-10-1 to 47B-10-5 LLC: W. Va. Code sections 31B-1-101 to 31B-13-1203; sections 31B-13-1301 to 31B-13-1306 (professionals)
Wisconsin	Yes ¹	No	LLC/LLPs with more than \$4 million in gross receipts are subject to recycling surcharge tax of up to \$9,800	LLP: Wis. Stat. sections 178.40 to 178.53 ² LLC: Wis. Stat. sections 183.0102 to 183.1305

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Wyoming	No state income tax	No	Greater of \$50 or 0.02 percent of capital, property, and assets (capital employed)	LLP: Wyo. Stat. sections 17-21-1101 to 17-21-1105 LLC: Wyo. Stat. sections 17-15-101 to 17-15-147; sections 17-25-101 to 17-25-109 (Close LLCs) (domestic LLCs having one or more members may elect to be either a "flexible LLC" or a "close LLC")
<p>¹ Indicates that the state taxing authority has publicly announced that it will follow the IRS "check-the-box" regulations for state income tax purposes, the state LLC act adopts the regulations either explicitly or implicitly, or the state adopts them by separate statute. Note that many states, such as Florida (eff. Jan. 1, 2003), Georgia, Michigan, and the District of Columbia, do not conform to the "check-the-box" regulations for sales, use, and other related taxes.</p> <p>² Indicates "bulletproof" (broad-form liability shield) LLP statute, which can result from adopting the 1997 version of the Revised Uniform Partnership Act, known as "RUPA."</p> <p>³ Assumes entity is classified as a partnership for federal income tax purposes. See supplemental chart regarding net-worth- or debt-based corporate franchise taxes.</p> <p>⁴ Indicates that the state has adopted RUPA.</p> <p>⁵ The Idaho and Pennsylvania statutes either specifically do not allow or are ambiguous with respect to domestic single-member LLCs. Additionally, some states such as California, Delaware, Illinois, and Pennsylvania restrict the use of LLCs by banks and insurance companies.</p> <p>⁶ Currently, the following states authorize the formation of limited liability <i>limited</i> partnerships (LLLPs): Arizona, Arkansas, Colorado, Delaware, District of Columbia, Florida, Georgia, Hawaii, Illinois, Iowa, Maryland, Minnesota, Missouri, Nevada, North Carolina, North Dakota, Pennsylvania, South Dakota, Texas, and Virginia.</p> <p>⁷ This column does not list those states which permit, but do not require, composite income tax returns.</p>				

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Tax Treatment of LLCs/LLPs/LPs ("LLEs") by States Imposing Net-Worth- or Debt-Based Corporate Franchise Taxes (as of January 3, 2005)		
State	Apply Franchise Tax?²	Note
Alabama	Yes	LLCs, LLPs, and LPs subject to "business privilege tax" based on modified net worth. Sliding rate scale based on apportioned federal net income with \$100 min. and \$15,000 max. (generally). "Family limited liability entities" subject to \$500 cap. ALA. CODE section 40-14A-22.
Arkansas	No ¹	
Connecticut	No ¹	
Delaware	No ¹	
Georgia	No	
Illinois	No	
Kansas	Yes	\$2 per \$1,000 of net capital accounts located or used in state for the franchise tax on LLCs, LLPs, and LPs. KAN. STAT. ANN. sections 17-7647(c) & 56a-1201(c) & 56a-1606.
Kentucky	No	
Louisiana	No	Note: An LLE's election under the check-the-box regulations to be taxed as a corporation for federal income tax purposes has no significance in determining whether the LLE is subject to LA franchise tax. LA. DOR Rev. Rul. No. 01-013 (Oct. 1, 2001). LLE electing S corp status not subject to franchise tax. La. Info. Bulletin No. 04-023 (Dec. 1, 2004).
Massachusetts	No ¹	
Mississippi	No	
Missouri	No	
Nebraska	No	
New Jersey	No	
New Mexico	No ¹	
North Carolina	No	LLCs exempt from franchise tax by statute. N.C. GEN. STAT. section 105-114(b)(2). However, a corporate member is now required to include the LLC's assets in its franchise tax base if the corporate member or its affiliates collectively own 70 percent or more of the capital interests of the LLC.
Ohio	Yes	"Qualifying passthrough entities" are subject to an 8.5 percent franchise tax on sum of distributive shares of income to (i) corporations not paying the Ohio franchise tax; (ii) partnerships which are themselves investors in a passthrough entity if the partnership's ultimate owners are corporations not paying Ohio franchise tax; and (iii) trusts that are investors in passthroughs if the beneficiaries are ultimately corporations not paying Ohio franchise tax. Entity-level tax can be avoided by filing nonresident member jurisdictional consents. OHIO REV. CODE sections 5733.40 & .41. Franchise tax credit calculations include a corporation's proportionate share from LLCs and LLPs. OHIO REV. CODE section 5733.057.
Oklahoma	No	LLCs exempt from franchise tax by statute. OKLA. STAT. TITLE 68 section 1201.
Pennsylvania	Yes	All LLCs except "restricted professional companies" are subject to the capital stock and franchise taxes. 15 PA. CONS. STAT. section 8925. Tax phasing out by 2009.
Rhode Island	No ¹	
South Carolina	No	
Tennessee	Yes	LLCs, LLPs, and LPs subject to franchise, excise tax of \$0.25 per \$100 of net worth. TENN. CODE ANN. sections 67-4-2105(a), -2106(a).
Texas	Yes	LLCs subject to franchise tax by statute. Tax is based on greater of 0.25 percent of net taxable capital or 4.5 percent of earned surplus. TEX. TAX CODE ANN. section 171.002.
West Virginia	Yes	Generally, the tax is the greater of \$50 or 0.70 percent of capital accounts. W. VA. CODE section 11-23-3(b)(2)(C); section 11-23-6.
Wyoming	Yes	Generally, annual report license tax is the greater of \$50 or 0.02 percent of assets employed in Wyoming. WYO. STAT. sections 17-15-132(a)(vi) & 17-16-1630(a).
¹ Several states impose a de minimis (for example, \$109 Arkansas, \$250 Connecticut, \$200 Delaware; \$500 Massachusetts, \$50 New Mexico, and \$250 Rhode Island) annual franchise tax/filing fee on LLEs. ² As a general rule, states that follow the federal income tax classification guidelines for LLEs will impose a net-worth- or debt-based franchise tax only on those LLEs treated as C corporations.		

