

Metro Business Income Tax Administrative Rule 7.07 – 1020

7.07 – 1020 Doing Business for an Estate

An estate is a tax reporting entity under Business Income Tax law. An estate is a temporary entity created the day after the death of an individual for the purpose of the valuation and distribution of the individual's assets.

Example:

Donna Martin owned four commercial buildings, twenty residential rentals and a portfolio of stocks and bonds. Annual gross receipts exceed \$5 million. Upon Donna's death, the estate must file and pay the business income tax. All income items from the business activities are used in both the determination of net income and the apportionment calculation as directed in Administrative Rule 7.07 – 1090 (Apportionment of Gross Income from Business Activities Other than Sales of Tangible Personal Property).

Note: This rule sunsets 12/31/2022 and does not apply to tax years beginning on or after 1/1/2023. See 7.07 - 1021 for later tax years.

XX-XX-2023

Date

Amended XX-XX-2023