Oklahoma Pass-Through Entity Tax Supplement

NOTE: If there are more than 15 members, use Form 587-PTE-SUP to enter additional members. Use as many Form 587-PTE-SUP as needed.

FORM **587-PTE** 2025

Name as Shown on Return	Federal Employer Identification Number (FEIN)

General Information

Use Part 1 to compute tax on members who are individuals, trusts, or estates taxed at a 4.75% rate.
Use Part 2 to compute tax on members who are corporations, S corporations, and partnerships taxed at a 4% rate.
Use Part 3 to determine total Oklahoma Taxable Income to carry to Form 514 or 512-S.

PART 1 - COMPUTE TAX ON MEMBERS WHO ARE INDIVIDUALS, TRUSTS, OR ESTATES TAXED AT A 4.75% RATE

	A FEIN/SSN	B Oklahoma Distributive Income from Form 514 or 512-S (see instructions)	C Oklahoma Capital Gain Deduction (Form 561-PTE x member's ownership %)	D Net Oklahoma Distributive Income (Column B minus Column C)
1				
2				
3				
4				
5				
6				
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9				
10				
11				
12				
13				
14				
15				

16	Enter the total from Supplemental Schedule(s), Form 587-PTE-SUP, Part 1, Columns C and D		
17	Total of Part 1, Columns C and D		
18	Enter the net entity loss carried back or carried forward by the electing PTE for Oklahoma income tax purposes		
19	If line 17 is positive, subtract line 18 from line 17; otherwise enter "0"		
20	Accrued Oklahoma Tax. (If line 19 is positive and Form 514 or 512-S, Part 4 was completed, divide line 19 by 22.0526; otherwise enter "0"). If claiming nonrefundable credits, see the instructions		
21	Oklahoma Taxable Income - Subtract line 20 from line 19. (Enter here and on Part 3, line 1)		
22	Income Tax Rate		**4.75%**
23	Oklahoma Tax. Multiply line 21 by line 22. (Enter here and on Form 514, line 2b or Form 512-S, line 2b)		

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PART 2 - COMPUTE TAX ON MEMBERS WHO ARE CORPORATIONS, S CORPORATIONS, AND PARTNERSHIPS TAXED AT A 4% RATE

	A FEIN	B Oklahoma Distributive Income from Form 514 or 512-S (see instructions)	C Oklahoma Capital Gain Deduction (Form 561-PTE x member's ownership %)	D Net Oklahoma Distributive Income (Column B minus Column C)
1				
2				
3				
4				
5				
6				
7				
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9				
10				
11				
12				
13				
14				
15				

16	Enter the total from Supplemental Schedule(s), Form 587-PTE-SUP, Part 2, Columns C and D		
17	Total of Part 2, Columns C and D		
18	Enter the net entity loss carried back or carried forward by the electing PTE for Oklahoma income tax purposes		
19	If line 17 is positive, subtract line 18 from line 17; otherwise enter "0"		
20	Accrued Oklahoma Tax. (If line 19 is positive and Form 514 or 512-S, Part 4 was completed, divide line 19 by 26; otherwise enter "0"). If claiming nonrefundable credits, see the instructions		
21	Oklahoma Taxable Income - Subtract line 20 from line 19. (Enter here and on Part 3, line 2)		
22	Income Tax Rate		**4%**
23	Oklahoma Tax. Multiply line 21 by line 22. (Enter here and on Form 514, line 2c or Form 512-S, line 2c)		

PART 3 - TOTAL OKLAHOMA TAXABLE INCOME FROM PARTS 1 AND 2

		Oklahoma Taxable Income
1	Enter the amount from Part 1, line 21	
2	Enter the amount from Part 2, line 21	
3	Total Oklahoma Taxable Income. (Add lines 1 and 2, enter here and on Form 514, line 1 or Form 512-S, line 1)	

Oklahoma Pass-Through Entity Tax Supplement Instructions

68 Oklahoma Statutes (OS) Sections 2355.1P-1 through 2355.1P-4

Partnerships and S corporations that elected to be an electing pass-through entity (PTE) by filing Form 568 Pass-Through Entity Election Form will use this form, Form 587-PTE, to calculate Oklahoma tax. With regard to each member of an electing PTE, the electing PTE shall multiply such member's Oklahoma distributive share of the electing PTE's Oklahoma net entity income by the applicable 4.75% or 4% tax rate. The electing PTE's tax shall equal the aggregated tax of all members.

Oklahoma Capital Gain Deduction Information (Form 587-PTE, Column C):
An electing PTE can deduct qualifying gains receiving capital treatment which are included in Oklahoma distributive income. **Provide** Form 561-PTE. "Qualifying gains receiving capital treatment" means the amount of the net capital gains, as defined by Internal Revenue Code Section 1222(11). The qualifying gain must:

1) Be earned on real or tangible personal property located within Oklahoma that the PTE has owned indirectly for at least five uninterrupted years prior to the date of sale;

2) Be earned on the sale of stock or ownership interest in an Oklahoma headquartered company, limited liability company, or partnership where such stock or ownership interest has been owned, indirectly, by the PTE for at least three uninterrupted years prior to the date of sale; or

3) Be earned on the sale of real property, tangible personal property, or intangible personal property located within Oklahoma as part of the sale of all or substantially all of the assets of an Oklahoma company, limited liability company, or partnership where such property has been directly or indirectly owned by such entity or owned by the owners of such entity, and used in or derived from such entity for a period of at least three uninterrupted years prior to the date of the sale.

Instructions for Part 1 and Part 2

Part 1 – Enter members who are individuals, trusts, and estates. The tax rate is 4.75%.
Part 2 – Enter members who are corporations, S corporations, and partnerships. The tax rate is 4%.

Lines 1-15:

Column A: FEIN/SSN
Enter the Federal Employer Identification Number or Social Security Number of each member of the electing PTE.

Column B: Oklahoma Distributive Income from Form 514 or 512-S
For each member, combine the amounts from:

- Form 514, Part 5, lines 5, 7 and 9; OR
- Form 512-S, Part 5, lines 5 and 7.

Column C: Capital Gain Deduction
Multiply the Oklahoma Capital Gain Deduction from Form 561-PTE, line 7 by each member's ownership percentage in the PTE.

Column D: Net Oklahoma Distributive Income (after any capital gain deduction)
Subtract Oklahoma Capital Gain Deduction (Column C) from Oklahoma Distributive Income (Column B).

Line 17: Total Oklahoma Capital Gain Deduction
Total Column C. Part 1, Column C, line 17 plus Part 2, Column C, line 17 should equal the Oklahoma Capital Gain Deduction on Form 561-PTE, line 7.

Total Net Oklahoma Distributive Income
Total Column D.

Oklahoma Pass-Through Entity Tax Supplement Instructions

68 OS Sec. 2355.1P-1 through 2355.1P-4

Line 20: Oklahoma Accrued Tax
If line 19 is positive and Form 514, Part 4 or Form 512-S, Part 4 was used to compute the Oklahoma distributive income reported in Column B, enter the Oklahoma accrued tax deduction on this line; otherwise, enter "0". Oklahoma accrued tax is computed by dividing Net Oklahoma Distributive Income (Column D, line 17) by the number 22.0526 for Part 1 and by 26 for Part 2.

When credits are allowed, the accrual of Oklahoma tax will not be allowed on the amount of Oklahoma taxable income that is covered by the credit. Tax accrual is allowed on the amount of income for which tax is actually paid. The following example shows how the accrual should be calculated. A schedule, like the example, should be provided and submitted with Form 587-PTE for the accrued tax computation in Part 1 and Part 2.

Computation of Tax Accrual When Tax Credits Are Allowable
In the example below, the total Oklahoma income before accrued tax is $200,000; 50% is distributed to members whose income is reported in Part 1 and subject to the 4.75% tax rate and 50% is distributed to members whose income is reported in Part 2 and subject to the 4% tax rate. The total nonrefundable credits are $4,000, 50% allocated to Part 1 and 50% to Part 2.

	Part 1	Part 2
1. Oklahoma income before tax accrual	100,000	100,000
2. Allowable Oklahoma credits	1,000	1,000
Computation of accrued tax allowed		
A. Oklahoma income (line 1 above)	100,000	100,000
B. Line 2 above divided by 4.75% for Part 1 and 4% for Part 2	21,053	25,000
C. Subtract line B from line A	78,947	75,000
D. **Oklahoma Accrued Tax** - Divide line C by 22.0526 for Part 1 and 26 for Part 2 (if line D is less than 0, enter "0".)	**3,580**	**2,885**
3. Oklahoma Taxable Income (Subtract line D from line 1 above.)	96,420	97,115
Total Tax Due	4,580	3,885
Tax accrual allowed	3,580	2,885
Tax credit allowed	1,000	1,000

Line 21: Oklahoma Taxable Income
Subtract line 20 from line 19. Enter the amount from Part 1, line 21 on Part 3, line 1. Enter the amount from Part 2, line 21 on Part 3, line 2.

Line 23: Oklahoma Tax
Multiply line 21 by the applicable tax rate of 4.75% or 4%. Enter the amount from Part 1, line 23 on Form 514, line 2b or Form 512-S, line 2b. Enter the amount from Part 2, line 23 on Form 514, line 2c or Form 512-S, line 2c. The PTE's tax is equal to the total of Part 1, line 23 and Part 2, line 23.

Instructions for Part 3

Line 3: Oklahoma Taxable Income
Add lines 1 and 2. The PTE's taxable income is equal to the total of Part 1, line 21 and Part 2, line 21. Enter the total here and on Form 514, line 1 or Form 512-S, line 1.