Barcode Placeholder

Oklahoma Tax Commission
Pass-through Entity Election Form

Pass-Through Entity Tax Equity Act of 2019
68 Oklahoma Statutes Section 2355.1P-1 through 2355.1P-4.

-Office Use Only-

FORM **586**
Revised 2025

Form 586 is used to report to the Oklahoma Tax Commission (OTC) that the below named entity is electing, or revoking an election, to become an electing pass-through entity (PTE). Once an entity has received an acknowledgment letter from the OTC, that entity is not required to file an additional Form 586, unless the entity is revoking a previous PTE election.

FEIN: _____ Entity Type: ☐ Partnership ☐ S-Corp

Name of Entity: _____

Address: _____

City: _____ State: _____ ZIP: _____

Phone Number: _____

Part 1 - Pass-through Entity Making the Election:

☐ The entity listed above is making the election to become an electing PTE.

The election is effective beginning tax year _____ (from _____ to _____)
YYYY MM/DD/YYYY MM/DD/YYYY

Did the PTE file an Oklahoma income tax return for the previous tax year? ☐ Yes ☐ No

Part 2 - Pass-through Entity Revoking the Election:

☐ The entity listed above is revoking its election to be an electing PTE.

The revocation is effective beginning tax year _____ (from _____ to _____)
YYYY MM/DD/YYYY MM/DD/YYYY

Under penalty of perjury, I declare that I have examined this form and to the best of my knowledge and belief it is true, accurate and complete, and that I have the authority to execute this document on behalf of the electing PTE.

Name: _____ Title: _____

Signature: _____ Date: _____
MM/DD/YYYY

Mail to: **Oklahoma Tax Commission**
Oklahoma City, OK 73194

Form 586 PTE Election Form Information

The Pass-Through Entity Tax Equity Act of 2019 allows qualifying entities to elect to pay Oklahoma income tax at the entity level rather than having the income passed through to be taxed at the individual owner level. This election is available to:

- Entities required to file an Oklahoma partnership income tax return.
- Entities required to file an Oklahoma Subchapter S corporation income tax return.

Form 586 is used to make an election for a PTE to pay Oklahoma income tax at the entity level or revoke a previously made election.

Part 1: Making the Election. An election can be made in two ways:

Option 1 – Filing Form 586 as a stand-alone form:

- The election may be made at any time during the preceding tax year; or
- Within two months and 15 days after the beginning of the current tax year.

Option 2 – Making the election on the tax return (beginning with tax year 2024):

- The election may be made by a qualifying PTE directly on its Oklahoma income tax return (Form 512-S or Form 514).
- The election must be made prior to, but not later than, the due date of the applicable income tax return, including any extensions.
- Form 586 must be included with the tax return when making this election.

When a PTE makes this election:

- The OTC will send an acknowledgment letter to the electing PTE;
- The electing PTE must provide shareholders, partners, or only members with a copy of this acknowledgment letter; and
- Oklahoma income or losses included in computing the PTE's tax will not be used to calculate the Oklahoma taxable income of partners, members or shareholders.

Shareholder, Partner, or Member Requirements

For tax years in which the election is first made:

- If the election is made by stand-alone Form 586: Shareholders, partners or members must include a copy of the OTC's acknowledgment letter with their Oklahoma income tax return.
- If the election is made on the PTE's tax return: Shareholders, partners or members must include a copy of the electing PTE's Form 586 (signed by an authorized person) with their Oklahoma income tax return.

For subsequent tax years, shareholders, partners or members must include a copy of the OTC acknowledgment letter with their Oklahoma income tax return.

Part 2: Revoking the Election

An election remains binding until revoked. A PTE may revoke its election by completing Part 2 of Form 586. Revocations **cannot** be made as part of filing either Form 512-S or Form 514.

The effective date of a revocation is:

- The first day of the taxable year if the revocation is made within two months and 15 days of the beginning of the electing PTE's taxable year, or
- The first day of the following taxable year if the revocation is made after this time period.

Signature Requirements:

- For partnerships: A partner or member who is authorized to sign and file the partnership income tax return must provide the signature.
- For S corporations: A corporate officer or member who is authorized to sign and file the S corporation income tax return must provide the signature.