



# 2024 Tax Chapter

for the 2023 filing year



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The Tax Chapter is provided through DOR's Business Education Outreach Program.

The Business Education Outreach Program provides taxpayer education and advice through speakers, presentations and programs for Hoosier organizations, including professional associations, colleges, businesses and civic groups.

For more information visit [dor.in.gov/business-tax/business-education-outreach-program](https://dor.in.gov/business-tax/business-education-outreach-program) or email [bizoutreach@dor.in.gov](mailto:bizoutreach@dor.in.gov).

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#### **DISCLAIMER**

Every attempt is made by the department to provide information that is consistent with the appropriate statutes, rules and court decisions at the time of publication. Any information provided by the department in this publication that is not consistent with the law, regulations or court decisions is not binding on either the taxpayer or the department. Therefore, the information provided herein should serve only as a foundation for further investigation and study of the current law and procedures related to the subject matter covered herein.

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# Commissioner's Letter

Tax Professional Partners,

The Indiana Department of Revenue (DOR) is once again pleased to provide our annual Tax Chapter, designed to help you and your clients accurately prepare returns for the upcoming tax year.

The last year has been an incredibly busy and extremely successful one for our agency. The completion of the 2023 Legislative Session brought about several significant legislative changes that impact Indiana tax laws and our administration of them, including items like the pass through entity tax, detailed more in this publication. Throughout the year, DOR bolstered industry-leading cybersecurity, data protection, identification safeguarding and refund fraud prevention. We also supported agency operations through improved internal controls and internal auditing. As we approach 2024, we are proud to report that our systems, data, performance and organizational capability are better by almost every measure. Most importantly, the services we provide to all our customers, partners and stakeholders have improved across the board. I encourage you to read our 2023 Annual Report at [in.gov/dor/files/FY23-Annual-Report.pdf](https://in.gov/dor/files/FY23-Annual-Report.pdf) to learn more about these initiatives.

Last year marked the conclusion of a modernization initiative we called Project NextDOR. Beginning in 2017, this project aimed to update DOR's more than 20-year-old technology, enhance payment services and revenue processing and improve customer service. It has done all that and more, with every deliverable and milestone on schedule and on budget for six straight years. As a result, our new, e-services portal, INTIME provides increased access and functionality to tax practitioners and taxpayers, which you can learn more about in the following pages.

I am also proud to announce that DOR was once again recognized with both a 2023 Top Workplace USA Award and 2023 IndyStar Top Workplace Award. This brings the agency to a total of eight employee engagement awards in the last five years, all of which are based on our team's voluntary and anonymous feedback, which is benchmarked against private sector firms. These recognitions represent the passion we bring to our mission and vision every day, and we are gratified that our internal culture can offer better external service for practitioners and taxpayers.

The DOR team is made up of over 650 Hoosiers serving from 13 locations throughout Indiana. On behalf of all of us, I would like to thank you for your partnership and for the demanding and important work you do to serve your clients and Indiana. We look forward to working with you again this year.

Respectfully,



Bob Grennes,  
Commissioner

# Be in the Know: Changes and Update for Tax Year 2023

## Agricultural Exemption Expansion

Agricultural machinery, tools and equipment that are predominately used for agricultural production (i.e., more than 50% of the time) are now fully exempt from sales tax. This is true regardless of whether the purchaser also uses or intends to use the property for a nonexempt purpose. To qualify for this full exemption, the property must be included on a business personal property tax return.

Prior to when this change became effective on July 1, 2023, sales tax on qualified machinery, tools and equipment was prorated based on the purchaser's nonexempt use of these items. The preexisting prorated sales tax exemption remains for property used for agricultural production, but not *predominately* used for agricultural production (i.e., less than 50% of the time). See Sales Tax Information Bulletin #9 at [in.gov/dor/files/reference/sib09.pdf](https://www.in.gov/dor/files/reference/sib09.pdf) for more information on agricultural exemptions, including the procedures for refunds and exemption certificate use.

## Dependent Child Exemption Increase

If a taxpayer is claiming a child as a dependent for the first taxable year in which the additional child exemption is allowed, the taxpayer is now permitted to claim an amount of \$3,000, instead of \$1,500. The child will not be considered to be claimed for the first time if the previous \$1,500 additional child exemption was claimed by someone else, or if the \$1,500 additional child exemption was claimed or claimable when the child was living outside of Indiana. The taxpayer must indicate the child is being claimed as a dependent for the first time on Schedule IN-DEP. See Income Tax Information Bulletin #117 at [in.gov/dor/files/ib117.pdf](https://www.in.gov/dor/files/ib117.pdf) for more information.

## Nonprofit Changes

Senate Enrolled Act 417, set new thresholds for when a nonprofit must collect sales tax for the sale of tangible personal goods. The previous \$20,000 per year threshold has been changed as of May 4, 2023, to \$100,000 in either the current or previous calendar year. The \$100,000 current or previous calendar year threshold applies to all qualified nonprofits except for the following:

- Churches and other places of worship
- Monasteries
- Convents
- Schools that are a part of the Indiana public school system
- Parochial schools regularly maintained by a recognized religious denomination
- A youth organization focused on agriculture

These six types of nonprofits are exempt from the requirement to collect and remit sales tax regardless of the dollar amount of sales in a year. A nonprofit that is not one of these six types of

organizations is required to collect sales tax if they reached the \$100,000 threshold in the previous calendar year or after they reach the \$100,000 threshold in the current calendar year on an ongoing basis for the remainder of the calendar year and each calendar year thereafter until the organization makes less than \$100,000 in sales for two consecutive years. Nonprofits that do not meet the threshold will not need to be registered for sales tax and can close their sales tax account. If they subsequently meet the \$100,000 threshold, they will then need to re-register with the \$25 application fee. More information is available in Sales Tax Information Bulletin #10 at [in.gov/dor/files/sib10.pdf](https://in.gov/dor/files/sib10.pdf).

Nonprofits should also be aware that any form ST-105 issued prior to January 1, 2023, by a qualified nonprofit registered in Indiana will expire January 1, 2024. All nonprofits claiming an exemption from sales tax must provide Form NP-1 to vendors from that point forward. Form NP-1 is available via INTIME. See DOR's Nonprofit Tax Forms page [in.gov/dor/business-tax/nonprofit-tax-forms](https://in.gov/dor/business-tax/nonprofit-tax-forms) for more information.

Senate Bill 419 now authorizes DOR to publish and disclose information regarding the status of a nonprofit organization's sales tax exemption. Merchants who want to confirm the status of a nonprofit or the validity of a Form NP-1, may contact DOR customer service at 317-232-2240 or send a secure message via INTIME.

## Pass Through Entity Tax (PTET)

Senate Enrolled Act 2 was signed into law February 22, 2023, authorizing certain pass-through entities to voluntarily elect to pay tax at the entity level based on each owner's total share of adjusted gross income. It is retroactively effective for taxable years beginning on or after January 1, 2022. The bill provides a refundable tax credit equal to the amount of tax paid by the electing entity regarding the owner's share. A nonrefundable credit is also available for pass-through entity taxes that are imposed by and paid to another state. This change aims to provide tax relief to Indiana small businesses by allowing them to receive an unlimited federal deduction for their state tax payments.

For Tax Year 2023, Schedule PTET has been created to report PTET and amounts of PTET passed through to partners and shareholders. This schedule is available for reporting on Form IT-20S, IT-65 and IT-41. DOR has also modified Schedule IN K-1 to reflect a separate line for PTET. Schedule Composite and Schedule Composite-COR have also been modified to reflect that PTET paid on a non-resident owner's share of adjusted gross income reduces composite withholding on a dollar-for-dollar basis. Individual returns will also now have separate lines for PTET. Additional instructions will be available on all relevant 2023 returns.

See DOR's website for more information about PTET, including the following pages:

- PTET Instructions and Forms (currently 2022, website to be updated with 2023 instructions and forms in the coming months): [in.gov/dor/tax-forms/ptet](https://in.gov/dor/tax-forms/ptet)
- PTET FAQs: [in.gov/dor/tax-forms/ptet/faq](https://in.gov/dor/tax-forms/ptet/faq)
- Income Tax Information Bulletin #72: [in.gov/dor/files/reference/ib72.pdf](https://in.gov/dor/files/reference/ib72.pdf)
- Income Tax Information Bulletin #72 B: [in.gov/dor/files/ib72b.pdf](https://in.gov/dor/files/ib72b.pdf)

## Research and Experimental Expenditures

Historically, research expenses could be claimed in the first year they were incurred, unless amortized over time. The Tax Cuts and Job Act of 2017 required amortization over 5 years beginning in 2022. In 2023, Indiana decoupled from the federal treatment retroactive to 2022. Typically, reporting a modification would require a single 3-digit code (such as depreciation). Instead, specified research and experimental expenditures will require two 3-digit codes. Filers must report expenditures using code 641 and add back what was taken for federal purposes using code 154. For 2022 returns only, use code 147 instead of 641 and 120 instead of 154.

## Cigarette, OTP, Closed System Cartridge and Electronic Cigarette Taxes

Effective July 1, 2023, the cigarette tax collection allowance was raised from 1.3 to 2.0 cents per package, and starting January 1, 2024, the 24% tobacco products tax for cigars will be capped at \$1 per cigar.

The definition of “vapor product” has been amended to remove “disposable vapor product devices that are attached to a closed system cartridge and intended for single use” from the list of items that fall under this term, as this caused confusion with whether “disposables” should be taxed under the closed system cartridge tax or the e-cigarette tax. This change went into effect July 1, 2023.

Finally, for OTP and Closed System Cartridge Tax, new requirements for remote sellers passed during the 2022 legislative session became effective July 1, 2023. Remote sellers are required to collect the taxes on an actual cost or actual cost list method. They must obtain a license from DOR, renewed annually and when applying, must attest that they use third party age verification technology that meets certain, stringent standards. This license only pertains to the products taxed under these taxes, and not to the sale of cigarettes, vapor products or other products subject to cigarette tax or electronic cigarette tax.

For more information, see DOR’s e-cigarette compliance page, [in.gov/dor/business-tax/cigarette-and-other-tobacco-products-tax/ecig-compliance](https://in.gov/dor/business-tax/cigarette-and-other-tobacco-products-tax/ecig-compliance) and General Tax Information Bulletin #206 [in.gov/dor/files/gb206.pdf](https://in.gov/dor/files/gb206.pdf).

## Successor Liability

Beginning January 1, 2024, when a business sells or otherwise transfers more than 50% of its tangible personal property to another person (a successor), the successor will be liable for the seller’s past due sales tax, use tax, county innkeeper’s tax and food and beverage tax.

Additionally, the seller must notify DOR 45 days before such a transfer via a Notice of Transfer in Bulk. This form will be available on DOR’s website before January 1, 2024. Failure to provide such

notice will result in the purchaser becoming liable for any tax due including penalties and interest, of the transferring business up to the amount of the purchase price or value of the tangible personal property transferred.

After timely notice, DOR will provide a summary of sales, use, food and beverage and county innkeepers tax liabilities including missing and/or estimated periods, if applicable. The seller must acknowledge and approve release of their tax information for DOR to provide this information. The purchaser is liable for any of the above taxes that are due from the seller.

If there are no outstanding tax liabilities or past due returns, DOR will mail a tax clearance letter within 20 days after receipt of the Notice of Transfer in Bulk to the purchaser and seller.

# Tax Year 2023 Updates to DOR Forms

## Add-Backs and Modifications

### **Tax Add-Back (IND/COR)**

- The portion of wagering taxes required to be added back as a tax based on or measured by income is being phased out. The percentage of taxes required to be added back for 2023 is 37.5%.

### **NOL Modification (IND/COR)**

- Add-back code 151 has been added for certain modifications required to be applied against a net operating loss resulting from an excess business loss.
- Add-back code 152 has been added for certain modifications required to be applied against a nonprofit's net operating loss when the nonprofit is required to report losses separately for each trade or business.
- Add-back code 153 has been added for certain modifications required to be applied toward a net operating loss permitted after excess inclusion income.
- IT-40NOL and IT-20NOL have been revised to align with the net operating loss reporting changes.
- Instructions removed from IT-40NOL and IT-20NOL and moved to instruction booklets.

### **Specified Research or Experimental Expenditures Add-Back – 3-Digit Code 154 (IND/COR)**

- A new addback (154) is available for specified research and experimental expenses required to be amortized for federal income tax purposes.

## Credits

### **Earned Income Credit (IND)**

- Recoupled the Indiana Earned Income Tax Credit (EITC) with the federal EITC as in effect on January 1, 2023.
- Indiana EIC is 10% of federal EITC.
- May now claim up to three qualified children on Schedule IN-EIC.

### **Indiana's CollegeChoice 529 Education Savings Plan Credit Changes (IND)**

- Maximum amount of credit is increased to \$1,500 for single filers and married filing jointly.
- Maximum amount of credit is increased to \$750 for married filing separately.
- Contributions made after December 31 but before tax filing deadline (prior to extensions), may claim a credit for either the current tax year or previous tax year returns.

### **Mine Reclamation Tax Credit – 3-Digit Code 874 (IND/COR)**

- A new nonrefundable credit is available for qualified investments at a mine reclamation site.
- Credit must be approved by IEDC.
- The credit for a taxable year cannot exceed 30% of the IEDC-approved qualified investment for the taxable year or \$5,000,000, whichever is less.

### **Credit for Indiana Pass Through Entity Tax (PTET) Paid (IND)**

- An entity owner is entitled to a refundable credit for PTET, for a taxpayer who is a partner in a partnership or a shareholder of an S corporation that has elected to pay PTET.
- The amount of credit is equal to the portion of the tax paid by the entity that is attributable to the partner or shareholder's share of income taxable in Indiana.
- Eligible individuals may claim the credit by including Schedule IN K-1 or IT-41 Schedule K-1, reflecting the credit and listing the credit on IT-40 Schedule 5 or IT-40PNR Schedule F.

## **Deductions**

### **Broadband Expansion Grants Deduction – 3-Digit Code 640 (COR)**

- New deduction available to exempt certain amounts for providing or expanding access to broadband service in Indiana.
- Must be claimed on IT-20.

### **Career Scholarship Account Deduction – 3-Digit Code 642 (IND)**

- Provides an income tax deduction for Career Scholarship Account (CSA) program grants received and used towards qualified expenses.

### **Small Employer Health Insurance Premium Deduction – 3-Digit Code 639 (IND/COR)**

- A new deduction (639) is available to allow the deduction for the portion of small employer health insurance premiums that is disallowed for federal purposes as a result of claiming the credit under IRC section 45R.

### **Specified Research or Experimental Expenditures Deduction – 3-Digit Code 641 (IND/COR)**

- A new deduction (641) is available to permit a current-year deduction for specified research and experimental expenses otherwise required to be amortized for federal tax purposes.

## **Miscellaneous**

### **Pass Through Entity Tax (COR)**

- In 2023, P.L. 1-2023 was enacted to create a new Pass Through Entity Tax (PTET) for partnerships and S corporations. The tax is imposed at the election of the partnership or S corporation.
- A new Schedule PTET has been added to report PTET and amounts of PTET passed through to partners and shareholders.
- Reporting PTET has been added to IT-20S, IT-65, Schedule Composite, Schedule Composite-COR, IT-41 Schedule 1, IT-20S/IT-65 Schedule IN K-1 and IT-41 Schedule IN K-1.

**Penalty for Failure to Include Nonresident Partners on Schedule Composite / Composite-COR (COR)**

- Line to self-report \$500 penalty for failure to report all nonresident partners and shareholders on composite schedules has been removed from IT-20S and IT-65.
- DOR will continue to assess the penalty if an S Corporation or partnership does not include all nonresident shareholders or partners as otherwise required.

**Nonprofit Agricultural Organization Healthcare Coverage Tax Procedure (COR)**

- An organization that provides nonprofit agricultural organization insurance coverage may elect to be subject to state income tax instead of insurance premium tax.
- Notice of election must be filed with the Indiana Department of Insurance and DOR on or before November 30 of a taxable year.

**Repeal of Election to Be Taxed at the Partnership Level on Audit Adjustments (COR)**

- The election for a partnership to be taxed at the partnership level on audit adjustments or amended returns was repealed effective April 30, 2023.
- Schedule IN-EL has been removed.

**Nonprofit Organization's Report (COR)**

- NP-20R replaces NP-20 and must be filed every five years.

**IRC Update (IND)**

- Line 1 of Form IT-40 assumes conformity with the Internal Revenue Code of 1986, as amended and in effect on January 1, 2023. If the 2023 Indiana General Assembly does not conform to the most current changes to the Internal Revenue Code, you may have to amend your 2023 tax return at a later date to reflect any differences between Indiana and federal law. You may wish to periodically check DOR's homepage at [dor.in.gov](http://dor.in.gov) for updates.

**Individual Income Tax Rate Change (IND)**

- Individual income tax rate is lowered to 3.15% from 3.23% for tax year 2023, and 3.05% for tax year 2024.

**Income Tax Exemption for Military Pay Change – 3-Digit Code 621 (IND)**

- All military pay for reservists and National Guard may be deducted (previously exempt if deployed or mobilized) beginning tax year 2023.

**E-File Direct Debit of Estimated Payments (IND)**

- DOR will begin accepting direct debit of estimated payments, with electronic submission of current year individual return.
- Limited to four estimated payments.

**Underpayment of Estimated Tax Penalty Change (IND)**

- New line added to Form IT-40 and Form IT-40PNR for taxpayers to indicate if they are computing their penalty using Form IT-2210A or reporting estimated tax as a farmer or a fisherman.

**2022 Additional Automatic Taxpayer Refund Change (IND)**

- Can no longer be claimed beginning 2023 tax year.
- Modified line to "Reserved for future use" on IT-40 and IT-40NPR.
- Deleted line from SC-40.

**Updates to Form WH-4**

- Added new checkbox to declare if the employee moves or works in another county after January 1 and wishes to request a change to a county of residence or work for the next calendar year.
- Line 7 has been added to claim a dependent child for the first time in order to be eligible for a one-time \$3,000 exemption for the calendar year during which the WH-4 exemption claim is submitted (instead of the current \$1,500).

# Due Dates for Tax Filers

## Individual Forms

Date	Form Type/Payment/Filing Activity
01/16/24	Farmer/fisherman 2/3rd rule: only one estimated payment due IT-40ES/ES-40 2023: 4th estimated installment payment due
01/31/24	File 2023 IND return, pay all tax due, no 4th installment payment due
03/01/24	Farmer/fisherman 2/3rd rule: file 2023 return/pay all tax due by March 1, 2024, no est. tax due
04/15/24	Filing due date for: 2023 IT-40, IT-40PNR, IT-40RNR, SC-40, IT-9 (extension of time to file) IT-40ES/ ES-40 2024: 1st estimated tax installment payment due
06/17/24	IT-40ES/ ES-40 2024: 2nd estimated tax installment payment due
09/16/24	IT-40ES/ ES-40 2024: 3rd estimated tax installment payment due
11/15/24	IND return filing due date if filing under extension (federal Form 4868; state Form IT-9; online)
01/15/25	IT-40ES/ ES-40 2024: 4th estimated tax installment payment due

## Corporate Forms

Date	Form Type
Due 15th day of fifth month following the end of the taxable year	Form IT-20
Due 15th day of fourth month following the end of the tax year	Form IT-20S
Due 15th day of fourth month following the end of the tax year	Form IT-65
Extended due date is 15th day of tenth month after the end of the taxpayer's tax year	Form IT-20
Extended due date is 15th day of tenth month after the end of the taxpayer's tax year	Form IT-20S (Indiana S Corp) and Form IT-65 (Indiana Partnership)

## Nonprofit Forms

Date	Form Type
Due 15th day of fifth month following the end of the taxable year	Form IT-20NP
May 15, 2024, if FEIN ends in 00 through 24 (or nonprofit has no FEIN) May 15, 2025, if FEIN ends in 25 through 49 May 15, 2026, if FEIN ends in 50 through 74 May 15, 2027, if FEIN ends in 75 through 99	NP-20R (available on INTIME)
After the date shown above, due May 15 every fifth year, see <a href="https://www.in.gov/dor/files/reference/ib17.pdf">in.gov/dor/files/reference/ib17.pdf</a> for more information	
Due 120 days after the nonprofit's formation	NP-20A (available on INTIME)

For additional tax filing deadlines and information, visit [in.gov/dor/individual-income-taxes/filing-my-taxes/tax-filing-deadlines](https://www.in.gov/dor/individual-income-taxes/filing-my-taxes/tax-filing-deadlines).

# Electronic Filing & Payment Information

## Filing and Paying with INTIME

Payments can be made 24/7 via DOR’s e-services portal, INTIME at [intime.dor.in.gov](https://intime.dor.in.gov), using a bank account (no fee) or credit/debit card (fee). Payment types include return, extension or estimated payments, bill payments, as well as payment plan payments that can be made securely with and without logging into an INTIME account.

More information on making electronic payments is available at [in.gov/dor/online-services/pay-taxes-electronically](https://in.gov/dor/online-services/pay-taxes-electronically).

INTIME also offers increased access and functionality for tax preparers via:

- Access to view and manage multiple customers under one login.
- Ability to file returns, make payments and view filing and payment history for clients.
- Electronic power of attorney (ePOA) request for authorization to act on behalf of clients.
- Ability to view and respond to DOR correspondence for clients.

INTIME supports a variety of individual, business, corporate and special taxes. For a full list of tax types and forms supported through INTIME, visit [in.gov/dor/files/dor-efile-methods.pdf](https://in.gov/dor/files/dor-efile-methods.pdf).

## Payment Plans

Individuals and businesses who have received a bill may be able to set up a payment plan for a liability online at [intime.dor.in.gov](https://intime.dor.in.gov). DOR payment plans require little to no down payment and allow customers up to 36 months to pay an outstanding tax obligation. Generally, the amount of tax due must be more than \$100 for individuals or \$500 for businesses to establish a payment plan.

### Payment Plans available through INTIME

Amount Owed – Individual Income Tax	Amount Owed – Business Tax	Maximum months
\$100 or less	\$500 or less	full payment required
\$101 to \$1,000	\$501 to \$1,000	up to 12 months
\$1,001 to \$5,000	\$1,001 to \$5,000	up to 24 months
\$5,001 and above	\$5,001 and above	up to 36 months

## Alcohol, Cigarette and Other Tobacco Products Taxes

Businesses in Indiana must file and pay their alcohol excise taxes, cigarette taxes and other tobacco product (OTP) taxes electronically. Any informational returns that do not require a tax payment also must be filed electronically.

There are three methods for electronic filing. The first is directly through INTIME at [intime.dor.in.gov](https://intime.dor.in.gov). The second method involves extracting the data from the taxpayer’s recordkeeping system and using

the XML schema definitions to format the data correctly. In the third method, taxpayers enter data in an Excel template and export it to XML using a converter tool.

For more detailed information, visit the following webpages:

- Alcohol: [in.gov/dor/business-tax/electronic-filing-for-alcohol-taxpayers](https://www.in.gov/dor/business-tax/electronic-filing-for-alcohol-taxpayers)
- Cigarette and OTP: [in.gov/dor/business-tax/cigarette-and-other-tobacco-products-tax](https://www.in.gov/dor/business-tax/cigarette-and-other-tobacco-products-tax)

## Motor Carrier Services

All motor carriers are required by law to file and pay their fuel taxes and registrations electronically. Carriers can visit [motorcarrier.dor.in.gov](https://motorcarrier.dor.in.gov) to manage their fleet and related tax filings and permits in one place. For more information on Motor Carrier Services, visit [in.gov/dor/motor-carrier-services](https://www.in.gov/dor/motor-carrier-services).

## INBiz

INBiz serves as a single point of contact for those registering a business with the state. Customers can register at [inbiz.in.gov](https://inbiz.in.gov) and use a variety of online functionalities such as:

- Registering with the Secretary of State
- Filing a Business Entity Report
- Completing Tax Registration
- Ordering a Certificate of Existence

Businesses can use INBiz to register for the following tax types: sales, withholding, gasoline use taxes and metered pump sales, tire fees, fuel taxes, wireless prepaid fees, food and beverage taxes, county innkeeper's taxes, heavy vehicle rental tax and motor vehicle rental taxes.

# Working Together: Information & Tips to Help Your Clients

## Power of Attorney (POA)

A taxpayer can elect a Power of Attorney (POA) representative either by completing an electronic Power of Attorney (ePOA) on INTIME or filing Form POA-1. See [in.gov/dor/tax-professionals/power-of-attorney-procedures-and-form](https://www.in.gov/dor/tax-professionals/power-of-attorney-procedures-and-form) for ePOA guides, FAQs and other resources.

INTIME and the ePOA process streamlines the establishment of a POA relationship, enabling representatives to view a taxpayer's account information and correspondence, pay taxes and bills, register tax accounts, file business taxes and securely message DOR Customer Service.

DOR recently consolidated Form POA-1, making it easier for customers to read and complete. The new form limits you to listing a maximum of two authorized representatives per form and provides one Taxpayer Identification Number and Social Security Number field. If you are submitting Form POA-1 for an individual, that POA applies to that individual and continues with them throughout any filing status changes. Form POA-1 can be submitted by:

- Fax: 317-615-2605
- Mail: Indiana Department of Revenue  
P.O. Box 7230  
Indianapolis, IN 46207-7230
- Accepted by walk-in at any district office

## Streamlined Letters

DOR has simplified our Notice of Proposed Assessment and Demand for Payment letters. Information has been grouped into three sections to help customers understand why they are receiving these letters, what action they need to take and what will happen if they take no action. The letters also now provide clearer directions for customers who established a payment plan before the letter was issued, information on self-service options and how to file a protest if applicable.

## Protest and Appeals

Only a proposed assessment or the denial of a refund may be protested. Any taxpayer wishing to protest a tax assessment or denial of a refund must, by statute, file a protest with DOR no later than 60 days from the date printed on the proposed assessment or denial of refund. Protests must be filed in writing and must be accompanied by the Protest Submission Form, available at [in.gov/dor/legal-resources/appeals](https://www.in.gov/dor/legal-resources/appeals).

If filing a protest by mail, the mailing address for a protest is:

Indiana Department of Revenue  
Legal Division, MS 102  
100 N. Senate Avenue, Room N248  
Indianapolis, IN 46204

As of July 24, 2023, protests may also be filed electronically through INTIME. To file your protest on INTIME, log into your account and select "Submit Protest Documentation" in the Legal protests panel. DOR has previously accepted the submission of protests via email; however, that email address will be retired as of Friday, September 29, 2023. After that day, all electronic filing of protests must be done via INTIME.

For more information and a link to DOR's Protest Guide, see [in.gov/dor/legal-resources/appeals](https://in.gov/dor/legal-resources/appeals).

## Reporting Tax Fraud

Tax practitioners are encouraged to help DOR combat and prevent tax fraud by reporting suspected fraudulent activities through INTIME at [intime.dor.in.gov](https://intime.dor.in.gov) or completing DOR's Tax Fraud Referral Form at [in.gov/dor/fraud-prevention/tax-fraud-and-how-to-report-it](https://in.gov/dor/fraud-prevention/tax-fraud-and-how-to-report-it) and mailing or faxing it to:

Indiana Department of Revenue  
Special Investigations Unit  
P.O. Box 6480  
Indianapolis, IN 46206  
Fax: 317-233-6107

## Taxpayer Advocate Office (TAO)

TAO assists customers in rectifying problems that have not been settled through other DOR programs and is a final resource to resolve customer issues. Visit [in.gov/dor/contact-us/tao](https://in.gov/dor/contact-us/tao) for more information on TAO services such as:

- Claim for Hardship
- Offer-in-Compromise
- Tax Warrant Expungement
- Active Duty Military Assistance
- Incarcerated Individual Assistance

# 2023 Legislative Overview Highlights

The following is a summary of legislation passed by the 2023 Indiana General Assembly, not already covered in this publication. This section highlights a few more significant items that affect taxpayers and tax practitioners.

## **Individual Rate Changes**

Starting in 2024, the state individual income tax rate will be reduced each year until 2027. In 2024, the rate will be 3.05%. In 2025, the rate will be 3.00%. In 2026, the rate will be 2.95%. In 2027 and later, the rate will be 2.90%. In addition, the rate reductions will occur automatically. Previous law required meeting certain targets before rate reductions.

## **Nonresident Employee 30-Day Safe Harbor**

Beginning in 2024, individuals who work in Indiana for 30 days or less will be exempt from state and local income taxes on their employee compensation. In addition, employers will be exempt from withholding on those employees. However, once an employee exceeds 30 days of work in Indiana, the employee is subject to tax on all wages from day one though other exceptions such as reciprocity still may apply. Employers also become subject to withholding from day one if the employee exceeds 30 days.

This safe harbor does not cover income other than employee compensation. In addition, compensation from professional athletes, professional team members, race team members, entertainers and public figures is taxable from day one and is not eligible for the safe harbor. Also, individuals that are or become Indiana residents during the tax year are not eligible for the safe harbor.

## **Military Pay Exemption**

Beginning in 2023, all compensation from an individual's service in armed forces reserve components and National Guard is exempt from income tax, regardless of whether the individual or individual's unit is mobilized, deployed or federalized. Beginning in 2024, all compensation from an individual's service as an active-duty armed forces member is exempt from income tax.

## **529 Plan Contributions**

For 2023 and later, individuals can make College Choice 529 Plan contributions from January 1 until the regular filing deadline (April 15 in most years) and elect to have those contributions treated for tax credit purposes as if they were made in the previous taxable year. Thus, a January 2024 contribution could be treated as if it had been made in 2023. For 2024, similar rules apply to the Indiana ABLE 529A Account Credit.

## **Net Operating Loss Changes**

Beginning in 2023, modifications related to net operating losses not specifically listed in a tax return (for instance, excess business losses and separate nonprofit trades or businesses) will be applied separately from adjustments applied against Indiana adjusted gross income. In addition, the Indiana net operating loss statutes have new provisions related to applying excluded debt discharges to

reduce Indiana net operating losses. Most notably, corporations are required to apply certain excluded debt discharges multiplied by the apportionment factor in the year of discharge.

Also, Indiana has a corporate IRC section 382 limitation equal to the federal limitation multiplied by the apportionment factor for the year of application, with modifications similar to federal IRC section 382. Further, Indiana explicitly adopted federal consolidated return rules for net operating losses that occur on consolidated or combined returns.

### **Fuel Tax Factors**

Indiana has extended the last period for which gasoline excise tax and special fuel excise tax rates are subject to annual adjustment from 2024 to 2027. In other words, the last adjustment was scheduled to occur for the rates effective on July 1, 2024. Now, the last adjustment will occur for the rates effective on July 1, 2027.

### **Three Business Day Grace Period**

As of July 1, 2023, if a mailed payment or document, excluding payment plan payments, is received by DOR within three business days (not including Saturday, Sunday, national or state holidays) after the deadline, it will automatically be considered as received on time. This change is not an extension of any existing due dates, and the grace period has no impact on electronic or third-party carriers (FedEx, UPS, etc.), only mail delivered by the United States Postal Service (USPS).

# Legislative Summary by Tax Type

This synopsis contains a list of legislation passed by the 2023 Indiana General Assembly that affects DOR. Legislation is organized according to tax type.

## State Funds (IC 4-10)

**Code:** IC 4-10-22-3

**Enrolled Act:** HEA 1001, Sec. 66

**Effective Date:** July 1, 2023

- Precludes the possibility of an automatic taxpayer refund being declared in 2025.

## Administrative Rules and Procedures (IC 4-22)

**Code:** IC 4-22-2-17

**Enrolled Act:** HEA 1623, Sec. 11

**Effective Date:** July 1, 2023

- Requires agencies to webcast public hearings and allow remote comments.

**Code:** IC 4-22-2-22.7

**Enrolled Act:** HEA 1623, Sec. 18

**Effective Date:** July 1, 2023

- Requires an agency to conduct a regulatory analysis for any proposed rule.
- Provides standards for the regulatory analysis and what information the analysis must contain.

**Code:** IC 4-22-2-22.8

**Enrolled Act:** HEA 1623, Sec. 19

**Effective Date:** July 1, 2023

- Requires an agency to submit a request to the budget agency and the Office of Management and Budget to authorize commencement of the public comment period.

**Code:** IC 4-22-2-23

**Enrolled Act:** HEA 1623, Sec. 20

**Effective Date:** July 1, 2023

- Requires an agency to provide notice in the Indiana Register of the first public comment period and detailing the information to be submitted to the publisher of the Indiana Register.

**Code:** IC 4-22-2-26

**Enrolled Act:** HEA 1623, Sec. 24

**Effective Date:** July 1, 2023

- Requires an agency convening a public hearing to include an option for remote attendance.

**Code:** IC 4-22-2-26

**Enrolled Act:** HEA 1623, Sec. 25

**Effective Date:** July 1, 2023

- Requires those who adopt a rule to fully consider comments received by the agency during each public comment period and comments received at public hearings.

**Code:** IC 4-22-2-27.5

**Enrolled Act:** HEA 1623, Sec. 26

**Effective Date:** July 1, 2023

- Requires an agency to submit a summary of the comments received and the responses given by the agency during each public comment period and public hearing to the attorney general, the governor and the publisher.
- Directs the publisher to publish the summaries with the final adopted and approved rule.

**Code:** IC 4-22-2-37.2

**Enrolled Act:** HEA 1623, Sec. 34

**Effective Date:** July 1, 2023

- Establishes the process for implementing interim rules that are accepted for filing by the Indiana Register after June 30, 2023.

**Code:** IC 4-22-2.3

**Enrolled Act:** HEA 1623, Sec. 43

**Effective Date:** July 1, 2023

- Establishes the expiration dates for rules adopted under IC 4-22-2-37.1.

**Code:** IC 4-22-2.6

**Enrolled Act:** HEA 1623, Sec. 45

**Effective Date:** July 1, 2023

- Establishes new rules for the expiration and readoption of administrative rules.
- Reduces the time in which rules need to be readopted to remain effective from seven to five years.
- Sets out the readoption rulemaking actions that must be undertaken to readopt the agency's rules.

## Charity Gaming (IC 4-32.3)

**Code:** IC 4-32.3-2-25.5

**Enrolled Act:** SEA 447, Sec. 1

**Effective Date:** July 1, 2023

- Defines the term "professional sports team foundation" for purposes of the charity gaming law.

**Code:** IC 4-32.3-2-31

**Enrolled Act:** SEA 447, Sec. 2

**Effective Date:** July 1, 2023

- Specifies that a professional sports team foundation is a qualified organization.

**Code:** IC 4-32.3-4-3

**Enrolled Act:** SEA 447, Sec. 3

**Effective Date:** July 1, 2023

- Specifies that qualified organizations may conduct unlicensed, allowable events at facilities leased or owned by the capital improvement board of managers of Marion County CIB. (Current law allows qualified organizations to conduct charity gaming events without a license if the value of all prizes awarded is less than \$2,500 for a single event and \$7,500 for all unlicensed events conducted during a calendar year.)

**Code:** IC 4-32.3-5-16

**Enrolled Act:** SEA 172, Sec. 1

**Effective Date:** July 1, 2023

- Increases the maximum price of a charity gaming ticket for a pull tab, punchboard or tip board game from \$1 to \$5.

**Code:** IC 4-32.3-5-23

**Enrolled Act:** SEA 447, Sec. 4

**Effective Date:** July 1, 2023

- Authorizes payment by credit card for a chance to enter a raffle or water race at an allowable event conducted by a qualified organization or at a facility leased or owned by the CIB.

## Riverboat Gambling (IC 4-33)

**Code:** IC 4-33-13-2.5

**Enrolled Act:** HEA 434, Sec. 1

**Effective Date:** July 1, 2023

- Changes the distribution of revenue remitted by an inland Gary casino after June 30, 2025. New funds in which this revenue shall be deposited include the city of Gary in the blighted property demolition fund, the Lake County economic development and convention fund and the Gary Metro Center station revitalization fund.
- Requires the northwest Indiana regional development authority to provide DOR with any information that is necessary for DOR to carry out this distribution.

**Code:** IC 6-9-2-1.5

**Enrolled Act:** HEA 434, Sec. 4

**Effective Date:** July 1, 2023

- Authorizes Lake County to increase its County Innkeeper's tax by up to 5%.
- Directs that the amounts received from the rate increase adopted shall be deposited in the Lake County convention and event center reserve fund established by IC 36-7.5-7-10.

## Type II Gaming (IC 4-36)

**Code:** IC 4-36-5-5

**Enrolled Act:** SEA 172, Sec. 2

**Effective Date:** July 1, 2023

- Increases the maximum selling price for one ticket for type II gaming from \$1 to \$5.

**Code:** IC 4-36-5-6

**Enrolled Act:** SEA 172, Sec. 3

**Effective Date:** July 1, 2023

- Requires that for type II gaming in which tickets are sold for at least \$1 but not more than \$5, the payout must be at least 75% and not more than 100% of the amount wagered.

## Indiana Economic Development Corporation (IC 5-28)

**Code:** IC 5-28-2-1.5

**Enrolled Act:** HEA 1106, Sec. 1

**Effective Date:** January 1, 2023 (Retroactive)

- Adds the Mine Reclamation Tax Credit to the definition of “applicable tax credit” for purposes of the \$250 million aggregate limit of applicable tax credits that the Indiana Economic Development Corporation may award for a state fiscal year.

**Code:** IC 5-28-6-9

**Enrolled Act:** HEA 1001, Sec. 85

**Effective Date:** July 1, 2023

- Reduces the aggregate amount of applicable tax credits in IC 5-28-2-1.5 that the corporation may certify for a state fiscal year for all taxpayers to \$250 million from \$300 million.

## Indiana Career Accelerator Fund (IC 5-34)

**Code:** IC 5-34-1-7

**Enrolled Act:** HEA 1002, Sec. 6

**Effective Date:** July 1, 2023

- Changes the requirements for certification of a qualified education program for INvestED Indiana.
- Allows an individual to earn a credential in no more than two years instead of six months, and for graduates to earn an average wage that is at least 150% of the statewide per capita income within two years of graduation instead of the previous 200%.

## Sales and Use Tax (IC 6-2.5)

**Code:** IC 6-2.5-5-2

**Enrolled Act:** SEA 419, Sec. 1

**Effective Date:** July 1, 2023

- Expands the sales tax exemption for agricultural machinery, tools or equipment (the property) to a full exemption if the property is predominately used for agricultural production.
- To qualify for this full exemption, the property must be included on a business personal property tax return.
- The preexisting prorated sales tax exemption remains for property used for agricultural production, but not predominately used for agricultural production.

**Code:** IC 6-2.5-5-8.5

**Enrolled Act:** SEA 419, Sec. 2

**Effective Date:** Upon passage

- Clarifies that the sales tax exemption for the provision, installation or construction of tangible personal property by a public utility in furtherance of providing utility services applies to all such tangible personal property and not just the utility services utilized in such transactions.

**Code:** IC 6-2.5-10-1

**Enrolled Act:** HEA 1001, Sec. 93

**Effective Date:** July 1, 2023

- Changes the distribution of collections from the gasoline use tax beginning in fiscal year 2024, reducing to zero distribution to the general fund and increasing to 64.285% distribution to the state highway fund.

**Code:** IC 6-2.5-5-10.7

**Enrolled Act:** SEA 419, Sec. 3

**Effective Date:** July 1, 2023

- Creates an exemption for solar and wind energy systems with an originally rated nameplate production capacity of at least two megawatts.
- Provision is consistent with existing department legal interpretation of the manufacturing exemption as it applies to such systems.

**Code:** IC 6-2.5-5-26

**Enrolled Act:** SEA 417, Sec. 1

**Effective Date:** July 1, 2023

- Amends the statute providing an exemption for sales by a nonprofit.
- Changes the \$20,000 annual threshold to \$100,000 in the current or previous calendar year.
- Excepts churches, monasteries, convents, schools that are a part of the Indiana public school system and parochial schools regularly maintained by a recognized religious denomination from the requirement to collect sales tax, regardless of the dollar amount of sales in a year.
- Further provides that a nonprofit that is not one of the excepted types of nonprofits that reaches the \$100,000 threshold must remain registered and collect sales tax on an ongoing basis and each year thereafter until the nonprofit makes less than the threshold for two consecutive years.

## Income Taxes (IC 6-3)

**Code:** IC 6-3; IC 6-5.5; IC 6-8.1; non-code

**Enrolled Act:** SEA 2

**Effective Date:** Generally, January 1, 2022 (Retroactive); some sections effective as of other dates

- Authorizes, retroactive to 2022, certain pass-through entities to make an election to pay tax at the entity level based on each owner's aggregate share of adjusted gross income.
- Provides a refundable tax credit equal to the amount of tax paid by the electing entity with regard to the owner's share.
- Adds a modification for fiduciaries to add back state income taxes and defines adjusted gross income for pass through entity tax and nonresident withholding purposes for 2023 and later.
- Allows, retroactive to 2019, a credit for pass-through entity taxes that are imposed by and paid to another state.
- Makes conforming changes to nonresident withholding taxes to permit withholding taxes for nonresidents to be reduced by their share of pass-through entity tax.
- Makes conforming changes to partnership audit rules and eliminates the election to be taxed at the partnership level under the partnership audit regime.
- Makes certain changes to provisions that apply to taxpayers who file a combined return for the financial institutions tax.
- Provides a statute of limitations safe harbor for nonresident individuals who are subject to composite tax to not file an individual tax return.

For details regarding SEA 2, please see [in.gov/dor/tax-forms/ptet](https://www.in.gov/dor/tax-forms/ptet).

**Code:** IC 6-3-1-3.5

**Enrolled Act:** SEA 419, Sec. 7

**Effective Date:** January 1, 2023 (Retroactive)

- Clarifies the acquisition date for applying the addback for federally tax-exempt state and local bond interest.
- Decouples from the federal rule in IRC Section 174 requiring taxpayers to amortize the deduction of qualified research expenditures over a five-year period.
- Allows the complete expenditure to be deducted in the year in which it was incurred.
- Provides direction for calculating the amount of the deduction in IC 6-3-2-29.
- Exempts from Indiana income tax the amount of a federal, state or local grant received or discharged indebtedness for providing or expanding broadband service in the state.
- Clarifies the inclusion of adjusted gross income and related modifications for tax-exempt entities.
- Clarifies the application of modifications for estates, trusts, corporations that deduct dividends and in the case of certain net operating losses.

**Code:** IC 6-3-1-3.5

**Enrolled Act:** HEA 1001, Sec. 94

**Effective Date:** January 1, 2023 (Retroactive)

- Increases the dependent exemption from \$1,500 to \$3,000 for the first taxable year in which a particular exemption is allowed under Section 151(c)(1)(B) of the Internal Revenue Code (as effective January 1, 2004).

**Code:** IC 6-3-1-3.5

**Enrolled Act:** HEA 1002, Sec. 7

**Effective Date:** July 1, 2023

- Provides an income tax deduction for Career Scholarship Account program grants received and used towards qualified expenses under IC 20-51.4.

**Code:** IC 6-3-1-3.5

**Enrolled Act:** HEA 1454, Sec. 63

**Effective Date:** January 1, 2022 (retroactive)

- Clarifies the definition of adjusted gross income for pass-through entity tax and tax withholding purposes and clarifies the adjusted gross income for trusts and estates to reflect distributions subject to tax for state and federal income tax for beneficiaries.

**Code:** IC 6-3-1-11

**Enrolled Act:** SEA 419, Sec. 8

**Effective Date:** January 1, 2023 (Retroactive)

- Updates Indiana Code definition of the federal Internal Revenue Code (IRC) to that in effect on January 1, 2023.

**Code:** IC 6-3-1-34

**Enrolled Act:** HEA 1034, Sec. 1

**Effective Date:** July 1, 2023

- Exempts all military pay for members of a reserve component of the armed forces of the United States or the National Guard from the income tax for taxable years beginning in 2023 and thereafter.
  - Current law provides an exemption only for the period these members are mobilized or deployed.
- Exempts military pay earned by members of an active component of the armed forces of the United States from the individual income tax for taxable years beginning in 2024 and thereafter.
  - Current law provides a maximum income tax deduction of \$5,000 for members of an active component of the armed forces of the United States.

**Code:** IC 6-3-1-39

**Enrolled Act:** SEA 419, Sec. 9

**Effective Date:** January 1, 2023 (Retroactive)

- Provides a new definition of preliminary federal net operating loss.
- Provides that the definition includes federal taxable income if a taxpayer does not have a federal net operating loss.
- Provides that certain net operating losses included in the definition of separately stated net operating losses are not included in the definition of preliminary federal net operating loss.

**Code:** IC 6-3-1-40

**Enrolled Act:** SEA 419, Sec. 10

**Effective Date:** January 1, 2023 (Retroactive)

- Provides a new definition of separately stated net operating losses.
- Provides that a separately stated net operating loss is a loss that is determined regardless of whether a taxpayer has federal taxable income.

**Code:** IC 6-3-2-1

**Enrolled Act:** HEA 1001, Sec. 95

**Effective Date:** January 1, 2024

- Reduces the current 3.15% individual income tax rate in stages.
- The rate becomes:
  - 3.05% for 2024
  - 3.00% for 2025
  - 2.95% for 2026
  - 2.90% for 2027 and subsequent years.

**Code:** IC 6-3-2.1-4

**Enrolled Act:** HEA 1454, Sec. 64

**Effective Date:** January 1, 2022 (retroactive)

- Corrects a reference from "entity owner" to "direct owner."
- Clarifies treatment for when a pass-through entity elects to be subject to pass through entity tax and is an owner of another pass-through entity that is passing through pass through entity tax.

**Code:** IC 6-3-2-1.9

**Enrolled Act:** SEA 419, Sec.11

**Effective Date:** July 1, 2021 (Retroactive)

- Clarifies the definition of federal taxable income for the application of net operating losses for taxable years ending after June 30, 2021, and beginning before January 1, 2023.

**Code:** IC 6-3-2-2.5

**Enrolled Act:** SEA 419, Sec. 12

**Effective Date:** January 1, 2023 (Retroactive)

- Clarifies application of modifications to net operating losses and disallowance of double counting of modifications.
- Makes various modifications to Indiana net operating losses to more closely reflect federal net operating losses.
- Clarifies net operating application for tax-exempt entities.
- Clarifies treatment of net operating losses when certain debt discharges occur.
- This provision only applies to resident individuals, trusts and estates.

**Code:** IC 6-3-2-2.6

**Enrolled Act:** SEA 419, Sec. 13

**Effective Date:** January 1, 2023 (Retroactive)

- Clarifies application of modifications to net operating losses and disallowance of double counting of modifications.
- Makes various modifications to Indiana net operating losses to more closely reflect federal net operating losses.
- Clarifies net operating loss application for tax-exempt entities and S corporations.
- Clarifies treatment of net operating losses when certain debt discharges.
- Clarifies the treatment of net operating loss when certain corporate reorganizations and ownership changes occur.
- Clarifies the treatment of apportionment and allocation provisions when applied to discharged debt and corporate ownership changes.
- This provision applies to nonresident individuals, trusts and estates and corporations.

**Code:** IC 6-3-2-2.8

**Enrolled Act:** SEA 419, Sec. 14

**Effective Date:** January 1, 2023 (Retroactive)

- Permits organizations offering nonprofit agricultural organization insurance coverage to elect to be subject to the adjusted gross income tax instead of the insurance premiums tax.

**Code:** IC 6-3-2-21.7

**Enrolled Act:** SEA 419, Sec. 15

**Effective Date:** January 1, 2023 (Retroactive)

- Clarifies the rules regarding claiming the exemption for certain income derived from patents.
- Clarifies that an S corporation is eligible for the exemption.
- Clarifies that in the case of an S corporation, the domicile and employee requirements are determined at the S corporation level.
- Clarifies that:
  1. A taxpayer is not required to claim the exemption in the first year after which the patent was issued.
  2. The years in which the exemption is claimed are not required to be consecutive taxable years.
  3. If a qualified taxpayer claims an exemption on the taxpayer's return for a taxable year, the taxpayer may not file an amended return to reverse the claimed exemption unless the correct amount of the claimed exemption would have been zero.
  4. If a qualified taxpayer does not claim an exemption on the taxpayer's return for a taxable year, the taxpayer may not file an amended return to claim an exemption.
  5. If a qualified taxpayer files returns claiming an exemption with regard to a particular qualified patent for more than ten years, the statute of limitations for assessment of the qualified taxpayer and any entities claiming an exemption through a qualified taxpayer for taxable years after the tenth taxable year for which the exemption is claimed for the qualified patent shall not expire with regard to any claimed exemption.
- Clarifies that for an S corporation, the maximum allowable deduction and ten-year deduction period is determined at the S corporation level.

**Code:** IC 6-3-2-27.5

**Enrolled Act:** SEA 419, Sec. 16

**Effective Date:** January 1, 2024

- Exempts most non-resident workers from Indiana income tax if they work no more than 30 days in a calendar year in Indiana.
  - The exemption does not apply to professional athletes, professional entertainers or public figures.
- Provides extensive details regarding the employee eligibility for this exemption and the requirements on the employer for an employee to receive this exempt treatment.

**Code:** IC 6-3-2-28

**Enrolled Act:** SEA 419, Sec. 17

**Effective Date:** January 1, 2024

- Provides a qualified individual an income tax deduction for the total amount of qualified health care sharing expenses paid by the qualified individual during the taxable year.
- Establishes rules by which a taxpayer must claim this deduction.

**Code:** IC 6-3-2-29

**Enrolled Act:** SEA 419, Sec. 18

**Effective Date:** January 1, 2022 (Retroactive)

- Provides direction for computing the amount a taxpayer may deduct under IC 6-3-1-3.5 and IC 6-5.5-1-2 for qualified research expenditures the taxpayer is required to amortize over a five-year period for federal tax purposes under IRC Section 174.

**Code:** IC 6-3-2.1-2

**Enrolled Act:** SEA 419, Sec. 19

**Effective Date:** January 1, 2022 (Retroactive)

- Clarifies that an S corporation shareholder that is an IRC section 501(c)(3) corporation not domiciled in Indiana is considered a nonresident for pass through entity tax purposes.
- Clarifies that bank holding companies that are S corporations are eligible entities for pass through entity tax purposes.
- Clarifies the definition of resident.

**Code:** IC 6-3-3-12

**Enrolled Act:** HEA 1454, Sec. 65

**Effective Date:** January 1, 2024

- Allows a taxpayer to treat a contribution to a 529 college savings account made after December 31 as having been made during the preceding taxable year if:
  - the contribution is made before the original tax filing deadline, and
  - an irrevocable election is made with the Indiana Education Savings Authority.

**Code:** IC 6-3-3-12.1

**Enrolled Act:** HEA 1454, Sec. 66

**Effective Date:** January 1, 2024

- Allows a taxpayer to treat a contribution to a 529A ABLE account made after December 31 as having been made during the preceding taxable year if:
  - the contribution is made before the original tax filing deadline, and
  - an irrevocable election is made with the Indiana ABLE Authority.

**Code:** IC 6-3-7-3

**Enrolled Act:** SEA 419, Sec. 21

**Effective Date:** July 1, 2023

- Directs that all revenues derived from adjusted gross income tax computed from a partnership that has made an election to be subject to tax directly at the partnership level under IC 6-3-4.5 shall be deposited in the state general fund.

## Tax Credits (IC 6-3.1)

**Code:** IC 6-3.1-17.1

**Enrolled Act:** HEA 1454, Sec. 67

**Effective Date:** January 1, 2024

- Establishes the Historic Rehabilitation Tax Credit effective for tax years beginning after December 31, 2023.
- Authorizes the Indiana Economic Development Corporation (IEDC) to award a credit to a qualified taxpayer against the qualified taxpayer's state tax liability in the taxable year in which the qualified taxpayer completes restoration and preservation of a qualified historic structure if the total amount of qualified rehabilitation expenditures incurred by the qualified taxpayer equals \$5,000 or more.
- Provides that the amount of the credit is generally 25% of the qualified rehabilitation expenditures that the qualified taxpayer makes for the restoration and preservation of a qualified historic structure. Provides that the amount of the credit is 30% of the qualified rehabilitation expenditures that the qualified taxpayer makes for the restoration and preservation of a qualified historic structure if the structure is owned by a taxpayer that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code or is not income producing.
- Directs that if the IEDC awards credits, DOR and the Office of Community and Rural Affairs shall administer the allowance of the credits.
- Allows the credit to be applied to a shareholder, partner or member of the pass-through entity if a pass-through entity does not have state income tax liability against which the tax credit may be applied. The shareholder, partner or member is entitled to a tax credit equal to the tax credit determined for the pass-through entity for the taxable year multiplied by the percentage of the pass-through entity's distributive income to which the shareholder, partner or member is entitled.
- Notwithstanding the distributive shares, a pass-through entity and its partners, beneficiaries or members may allocate the credit among its partners, beneficiaries or members of the pass-through entity as provided by written agreement without regard to their sharing of other tax or economic attributes. The pass-through entity shall also provide a copy of such agreements, a list

of partners, beneficiaries or members of the pass-through entity and their respective shares of the credit resulting from such agreements in the manner prescribed by DOR.

- Allows credit in excess of a taxpayer's state tax liability to be carried forward for up to ten years.
- Permits the assignment of a credit. The assignment must be in writing, and both the qualified taxpayer and assignee shall report the assignment on the qualified taxpayer's and the assignee's state tax returns for the year in which the assignment is made in the manner prescribed by DOR. A qualified taxpayer may not receive value in connection with an assignment under this section that exceeds the value of the part of the credit assigned.
- Limits the aggregate amount of state tax credits allowed to \$10 million for each state fiscal year beginning after June 30, 2023, and ending before July 1, 2030.
- Includes any credits awarded in the \$250 million aggregate amount of applicable tax credits that the IEDC may certify for a state fiscal year under IC 5-28-6-9.
- Authorizes DOR to adopt rules governing administration of the credit.

**Code:** IC 6-3.1-21-6

**Enrolled Act:** HEA 1001, Sec. 100

**Effective Date:** January 1, 2023 (Retroactive)

- Recouples the Indiana Earned Income Tax Credit (EITC) with the federal EITC as in effect on January 1, 2023.

**Code:** IC 6-3.1-30.5-13

**Enrolled Act:** HEA 1001, Sec. 101

**Effective Date:** July 1, 2023

- Changes the annual limit of school scholarship tax credit that may be allowed to \$18.5 million for any fiscal year beginning after June 30, 2023.

**Code:** IC 6-3.1-34-18

**Enrolled Act:** HEA 1001, Sec. 102

**Effective Date:** July 1, 2023

- Directs that any repayment of the redevelopment tax credit shall be deposited in the general fund and be counted against the \$250 million aggregate amount of available tax credits under IC 5-28-6-9.

**Code:** IC 6-3.1-35-2

**Enrolled Act:** SEA 419, Sec. 22

**Effective Date:** July 1, 2023

- Changes the start of the five-year period in which the Affordable and Workforce Housing Tax Credit can be claimed from the taxable year in which any amount of the federal tax credit for the qualified project is first claimed by a taxpayer to the year a building in the project is placed into service.

**Code:** IC 6-3.1-35-3

**Enrolled Act:** SEA 419, Section 23

**Effective Date:** July 1, 2023

- Makes changes to the calculation of the Affordable and Workforce Housing Tax Credit.

**Code:** IC 6-3.1-35-7

**Enrolled Act:** SEA 419, Sec. 24

**Effective Date:** July 1, 2023

- Makes changes to the maximum amount of Affordable and Workforce Housing Tax Credit allowable for a qualified project.

**Code:** IC 6-3.1-35.8-1

**Enrolled Act:** SEA 151, Sec. 1

**Effective Date:** July 1, 2023

- Defines "qualifying contribution" as a monetary payment made by a person to the insuring foster youth trust fund established by IC 31-26-4.5-4.

**Code:** IC 6-3.1-35.8-3

**Enrolled Act:** SEA 151, Sec. 3

**Effective Date:** July 1, 2023

- Directs that the Foster Care Donation Tax Credit must be claimed on the annual state tax return of the contributor in the manner prescribed by DOR.

**Code:** IC 6-3.1-35.8-4

**Enrolled Act:** SEA 151, Sec. 4

**Effective Date:** July 1, 2023

- Eliminates the requirement that a taxpayer wishing to claim the foster care donation tax credit apply to DOR for approval before making the credit-qualifying contribution.
- Instead, the contributor must file an application with DOR stating the amount of the contribution or investment that it made that would qualify for a tax credit and proof of payment of the contribution, the amount sought to be claimed as a credit and any other information that DOR determines is necessary to determine whether the business firm or person is eligible for the credit.
- Requires DOR to notify the applicant no later than 45 days after DOR receives an application for a tax credit that the applicant has been approved for the tax or denied.
- Requires the Department of Child Services to annually provide DOR a list of each approved organization before January 1 of each year instead of July 1.

**Code:** IC 6-3.1-35.8-5

**Enrolled Act:** SEA 151, Sec. 5

**Effective Date:** July 1, 2023

- Changes the period for applying the global credit limit from a fiscal year to a calendar year beginning with calendar year 2024.
- Before 2024, the total amount of tax credits allowed may not exceed \$2,000,000 for the period beginning July 1, 2021, through December 31, 2023.

**Code:** IC 6-3.1-35.8-6.1

**Enrolled Act:** SEA 151, Sec. 6

**Effective Date:** July 1, 2023

- Requires DOR to provide the following information on DOR's website:
  - the application for the tax credit
  - a timeline for receiving the credit; and
  - the total amount of credits awarded during the current calendar year.

**Code:** IC 6-3.1-35.8-8

**Enrolled Act:** SEA 151, Sec. 7

**Effective Date:** July 1, 2023

- Extends the duration of the credit through 2027 instead of 2024.

**Code:** IC 6-3.1-37.2

**Enrolled Act:** HEA 1106, Sec. 2

**Effective Date:** January 1, 2023 (Retroactive)

- Provides a Mine Reclamation Tax Credit for a taxpayer that enters into an agreement with the Indiana Economic Development Corporation for a qualified investment for development of property located on reclaimed coal mining land.
- Limits the credit to the lesser of the qualified investment made by the taxpayer during the taxable year multiplied by 30% or \$5,000,000.
- Permits a taxpayer to assign any part of the credit to which the taxpayer is entitled to a lessee of the mine reclamation site. An assignment must be in writing, and both the taxpayer and the lessee must report the assignment on their state tax returns for the year in which the assignment is made in the manner prescribed by DOR.
- Limits the amount the taxpayer may receive value in connection with the assignment to the value of the part of the credit assigned.
- Allows any amount of the credit in excess of the taxpayer's tax liability to be carried forward for up to ten taxable years following the taxable year in which the taxpayer is first entitled to claim the credit.
- Establishes that the credit shall be applied against taxes owed by the taxpayer in the following order:
  1. Against the taxpayer's adjusted gross income tax liability (IC 6-3-1 through IC 6-3-7) for the taxable year.
  2. Against the taxpayer's insurance premiums tax liability (IC 27-1-18-2) for the taxable year.
  3. Against the taxpayer's financial institutions tax (IC 6-5.5) for the taxable year.
- Provides that a taxpayer must claim the credit on the taxpayer's annual state tax return or returns in the manner prescribed by DOR. The taxpayer shall submit to DOR the certification letter from the Indiana Economic Development Corporation to DOR stating the percentage of credit allowable and all other necessary information for the calculation of the credit and whether an expenditure is for a qualified investment.
- Allows the credit to be applied to a shareholder, partner or member of the pass-through entity if a pass-through entity does not have state income tax liability against which the tax credit may be applied. The shareholder, partner or member is entitled to a tax credit equal to the tax credit determined for the pass-through entity for the taxable year multiplied by the

percentage of the pass-through entity's distributive income to which the shareholder, partner or member is entitled.

- Notwithstanding the distributive shares, a pass-through entity and its partners, beneficiaries or members may allocate the credit among its partners, beneficiaries or members of the pass-through entity as provided by written agreement without regard to their sharing of other tax or economic attributes. Such agreement shall be filed with the Indiana Economic Development Corporation not later than 15 days after execution. The pass-through entity shall also provide a copy of such agreements, a list of partners, beneficiaries or members of the pass-through entity and their respective shares of the credit resulting from such agreements in the manner prescribed by DOR.
- Limits the aggregate amount of mine reclamation tax credits to \$25,000,000 from January 1, 2023, to December 31, 2027.

**Code:** IC 6-3.1-38

**Enrolled Act:** HEA 1004, Sec. 2

**Effective Date:** January 1, 2024

- Establishes the health reimbursement arrangement credit beginning in tax year 2024.
- Defines "qualified taxpayer" as an employer that is a corporation, a limited liability company, a partnership or another entity that has any state tax liability and has adopted a health reimbursement arrangement (as described in Section 9831(d) of the Internal Revenue Code) in lieu of a traditional employer provided health insurance plan.
- Allows a qualified taxpayer with less than 50 employees to claim a credit against their state tax liability for an eligible contribution for up to \$400 per covered employee in the first year if the amount provided toward the health reimbursement arrangement is equal to or greater than the level of benefits provided in the previous benefit year, or if the amount the employer contributes toward the health reimbursement arrangement equals the same amount contributed per covered individual toward the employer provided health insurance plan during the previous benefit year. The credit under this section decreases to \$200 per covered employee in the second year.
- Limits the amount of total tax credits granted to \$10 million in any taxable year.
- Directs DOR to record the time of filing of each return claiming a credit and approve the claims if they otherwise qualify for a tax credit in the chronological order in which the claims are filed in the state fiscal year.
- Permits a taxpayer to carry over the amount of a credit that exceeds the qualified taxpayer's state tax liability for that taxable year to the immediately succeeding taxable years.
- Restricts the credit carryover from being used for any taxable year that begins more than ten years after the date on which the donation from which the credit results is made.
- Directs the department to adopt rules for implementing the credit.

**Code:** IC 6-3.1-38.3

**Enrolled Act:** HEA 1454, Sec. 68

**Effective Date:** January 1, 2024

- Establishes the employment of individuals with disability tax credit.
- Allows a credit, except in certain circumstances, to a taxpayer that employs an individual who is referred to the employer for employment through a vocational rehabilitation services program for individuals with a disability and was initially hired by the taxpayer after

December 31, 2023. The amount of the credit is based on the wages paid to the particular employee during the taxable year.

- Requires that the employee must work at least an average of 20 hours per week for the employer in a similar setting and at a rate that is comparable to other employees of the taxpayer who perform the same or similar tasks.
- Establishes the amount of the credit based on the attributes of the employer.
- If the taxpayer is a benefit corporation (as defined in IC 23-1.3-2-3); the taxpayer employs no more than 50 individuals; and the majority of the taxpayer's employees are eligible individuals the amount of the tax credit is determined according to the following:
  - In the first taxable year for which the credit is claimed with respect to wages paid to a particular employee, 30% of the wages paid to the employee during the taxable year.
  - In the second taxable year for which the credit is claimed with respect to wages paid to a particular employee, 40% of the wages paid to the employee during the taxable year.
  - In the third and each subsequent taxable year for which the credit is claimed with respect to wages paid to a particular employee, 50% of the wages paid to the employee during the taxable year.
- If the taxpayer does not meet the requirements above and employs 500 or fewer employees, the amount of the tax credit is determined according to the following:
  - In the first taxable year for which the credit is claimed with respect to wages paid to a particular employee, 20% of the wages paid to the employee during the taxable year.
  - In the second taxable year for which the credit is claimed with respect to wages paid to a particular employee, 30% of the wages paid to the employee during the taxable year.
  - In the third and each subsequent taxable year for which the credit is claimed with respect to wages paid to a particular employee, 40% of the wages paid to the employee during the taxable year.
- Allows the credit to be applied to a shareholder, partner or member of the pass-through entity if a pass-through entity does not have state income tax liability against which the tax credit may be applied. The shareholder, partner or member is entitled to a tax credit equal to the tax credit determined for the pass-through entity for the taxable year multiplied by the percentage of the pass-through entity's distributive income to which the shareholder, partner or member is entitled.
- Allows any amount of the credit in excess of the taxpayer's tax liability to be carried forward for up to five taxable years following the taxable year in which the taxpayer is first entitled to claim the credit.
- Disallows assignment of the credit.
- Expires the credit after December 31, 2028.

**Code:** IC 6-3.1-39.5

**Enrolled Act:** HEA 1001, Sec.103

**Effective Date:** January 1, 2024

- Allows a credit for qualified childcare expenditures by an employer.
- Limits the maximum amount of the credit to the lesser of 50% of the employer's qualified expenditures in the taxable year or \$100,000.
- If a pass-through entity does not have state tax liability against which to apply the credit, the credit flows through on a pro rata basis to the shareholders, partners or beneficiaries.
- Allows credit in excess of a taxpayer's state tax liability to be carried forward for up to three years.

- Directs that the credit must be claimed in a manner prescribed by DOR.
- Provides a recapture schedule for the credit in the event of a "recapture event."
- Limits the total amount of the credit allowed to \$2.5 million in a fiscal year.
- Directs DOR to record the time of returns filed claiming the credit and award the credit in chronological order.
- Expires the credit on July 1, 2025.

**Code:** IC 6-3.1-40

**Enrolled Act:** HEA 1004, Sec. 3

**Effective Date:** July 1, 2023

- Establishes the physician practice ownership tax credit beginning in tax year 2024.
- Defines "primary care physician" as a physician practicing in one or more of the following:
  - family medicine;
  - general pediatric medicine;
  - general internal medicine; or
  - the general practice of medicine.
- Defines "taxpayer" for purposes of the credit to mean an individual who:
  - is a physician practicing as a primary care physician;
  - has an ownership interest in a corporation, limited liability company, partnership or other legal entity organized to provide primary health care services as a physician owned entity;
  - is not employed by a health system (as defined in IC 16-18-2-168.5); and
  - has any state income tax liability.
- Allows a taxpayer to claim a credit if a taxpayer has an ownership interest in a physician-owned medical practice described in IC 6-3.1-40-5(2) that:
  - is established as a legal entity under Indiana law after December 31, 2023;
  - opens and begins to provide primary health care services to patients in a particular taxable year beginning after December 31, 2023; and
  - has billed for primary health care services for at least six months of that taxable year.
- Limits the amount of the credit for a particular taxable year to \$20,000.
- Allows any amount of the credit in excess of the taxpayer's tax liability to be carried forward for up to ten taxable years following the taxable year in which the taxpayer is first entitled to claim the credit.
- Prohibits the credit from being assigned.
- Requires a taxpayer to claim the credit on the taxpayer's annual state income tax return in the manner prescribed by DOR. The taxpayer shall submit all necessary information to DOR to verify the taxpayer's eligibility for the credit.
- Directs DOR to recapture the credit if DOR determines within five years of a taxpayer's receipt of a tax credit that the taxpayer has sold, transferred, granted or otherwise relinquished the taxpayer's ownership interest in an entity described IC 6-3.1-40-5(2) and is employed by a health system or another non-physician owned medical practice.
- Directs that any recaptured credit amount be deposited in the general fund.

**Code:** IC 6-3.1-40.9

**Enrolled Act:** HEA, Sec. 104

**Effective Date:** January 1, 2024

- Allows a credit to a taxpayer that makes a contribution to an affordable housing organization approved by the Indiana Economic Development Corporation.
- Limits the amount of the credit to the lesser of 50% of the qualified contribution or \$10,000.
- If a pass-through entity does not have state tax liability against which to apply the credit, the credit flows through on a pro rata basis to the shareholders, partners or beneficiaries.
- Allows credit in excess of a taxpayer's state tax liability to be carried forward for up to five years.
- Directs that the credit must be claimed in a manner prescribed by DOR.
- Limits the total amount of the credit allowed to \$2.5 million in a fiscal year.
  - Any amounts carried forward shall first be deducted from the total amount of tax credits that may be awarded for the succeeding state fiscal year.
- Directs DOR to record the time of returns filed claiming the credit and award the credit in chronological order.
- Directs DOR to provide the following information on its website:
  - the application for the credit provided in this chapter;
  - a timeline for receiving the credit provided in this chapter; and
  - the total amount of credits awarded during the current state fiscal year.
- Authorizes DOR to adopt rules under IC 4-22-2 to implement this new credit.
- Expires the credit January 1, 2030.

## Local Taxation (IC 6-3.5)

**Code:** IC 6-3.5-4-7.5

**Enrolled Act:** HEA 1454, Sec. 71

**Effective Date:** July 1, 2023

- Provides that any county motor vehicle registration surtax for permanent registration of trailers with a gross declared weight of 3,000 pounds or less does not apply after December 31, 2023.

**Code:** IC 6-3.5-10-8.5

**Enrolled Act:** HEA 1454, Sec. 74

**Effective Date:** July 1, 2023

- Provides that any municipal motor vehicle registration surtax for permanent registration of trailers with a gross declared weight of 3,000 pounds or less does not apply after December 31, 2023.

## Local Income Taxes (IC 6-3.6)

**Code:** IC 6-3.6-6-2.9

**Enrolled Act:** SEA 419, Sec. 2

**Effective Date:** July 1, 2023

- Authorizes a county to impose a local income tax (LIT) rate in increments of 0.01% up to a maximum of 0.2% to pay for county staff expenses of the state judicial system in the county.
- Provides that the expenses paid from the LIT revenue may not comprise more than 50% of the county's total budgeted operational staffing expenses related to the state judicial system in any given year.
- Requires certain reporting requirements related to the use of the LIT revenue.

**Code:** IC 6-3.6-3-3

**Enrolled Act:** HEA 1454, Sec. 75

**Effective Date:** July 1, 2023

- Establishes that if a county or local income tax (LIT) council does not provide the required notice to underlying units of a tax rate change, the change does not take effect.

**Code:** IC 6-3.6-3-7

**Enrolled Act:** HEA 1454, Sec. 77

**Effective Date:** July 1, 2023

- Establishes notice requirements for a change in LIT when the county adopting body is the local income tax council.
  - If a county adopting body makes any fiscal decision that has a financial impact to an underlying local taxing unit, the decision must be made, and notice must be given to the affected local taxing unit by August 1.
  - If a county adopting-body passes an ordinance changing the allocation of local income tax revenue to a local taxing unit, the county adopting-body must provide direct notice to the affected local taxing unit within 15 days of the passage of the ordinance.
  - The county adopting-body must provide confirmation to DOR and the Department of Local Government Finance that direct notice was provided to the affected local taxing units within 15 days of the passage of the ordinance.

**Code:** IC 6-3.6-3-7.5

**Enrolled Act:** HEA 1454, Sec. 78

**Effective Date:** July 1, 2023

- Establishes notice requirements for a change in LIT when the county adopting body is the county council.
  - If a county adopting-body makes any fiscal decision that has a financial impact to an underlying local taxing unit, the decision must be made, and notice must be given to the affected local taxing unit by August 1.
  - If a county adopting-body passes an ordinance changing the allocation of local income tax revenue to a local taxing unit, the county adopting-body must provide direct notice to the affected local taxing unit within 15 days of the passage of the ordinance.

- The county adopting-body must provide confirmation to DOR and the Department of Local Government Finance that direct notice was provided to the affected local taxing units within 15 days of the passage of the ordinance.

**Code:** IC 6-3.6-6-2.7

**Enrolled Act:** HEA 1454, Sec. 79

**Effective Date:** July 1, 2023

- Raises the maximum tax rate a county fiscal body may impose for correctional facilities and rehabilitation facilities from 0.2% to 0.3% in the case of a county with bonds or lease agreements outstanding on July 1, 2023, backed by revenue from this tax.
- Restricts the amount of revenue that may be used for operating expenses for correctional facilities and rehabilitation facilities in the county to 0.2% of this tax.

## Financial Institutions Tax (IC 6-5.5)

**Code:** IC 6-5.5-1-2

**Enrolled Act:** SEA 419, Sec. 25

**Effective Date:** January 1, 2023 (Retroactive)

- Decouples from the federal rule in IRC Section 174 requiring taxpayers to amortize the deduction of qualified research expenditures over a five-year period.
- Allows the complete expenditure to be deducted in the year in which it was incurred.
- Provides direction for calculating the amount of the deduction in IC 6-3-2-29.

**Code:** IC 6-5.5-2-1

**Enrolled Act:** SEA 419, Sec. 26

**Effective Date:** January 1, 2023 (Retroactive)

- Clarifies the application of certain debt discharges for net operating loss purposes.
- Clarifies that the application of debt discharges is to be consistent with the application of regular income for the year of discharge.

**Code:** IC 6-5.5-2-7

**Enrolled Act:** SEA 419, Sec. 27

**Effective Date:** January 1, 2023 (Retroactive)

- Exempts an organization offering nonprofit agricultural insurance coverage from the financial institutions tax if it elects to pay the Nonprofit Agricultural Organization Health Coverage Tax.

## Motor Fuel and Vehicle Excise Taxes (IC 6-6)

**Code:** IC 6-6-1.1-201

**Enrolled Act:** HEA 1001, Sec. 106

**Effective Date:** July 1, 2023

- Extends the requirement that DOR calculate the gasoline excise tax through July 1, 2027.

**Code:** IC 6-6-1.6-3

**Enrolled Act:** HEA 1001, Sec. 107

**Effective Date:** July 1, 2023

- Extends the requirement that DOR calculate the fuel tax index factors through July 1, 2027.

**Code:** IC 6-6-2.5-1

**Enrolled Act:** HEA 1050, Sec. 2

**Effective Date:** January 1, 2024

- Adds hydrogen, hythane, electricity or any other fuel used to propel a motor vehicle on a highway that is not subject to the special fuel tax or gasoline tax to the definition of "alternative fuel" for purposes of the special fuel tax.

**Code:** IC 6-6-2.5-6.5

**Enrolled Act:** HEA 1454, Sec. 83

**Effective Date:** July 1, 2023

- Defines "compressed natural gas product fuel station" as a fuel station that purchases special fuel, converts it into compressed natural gas product and sells the compressed natural gas product from a metered pump at the same location.

**Code:** IC 6-6-2.5-28

**Enrolled Act:** HEA, Sec. 108

**Effective Date:** July 1, 2023

- Extends the requirement that DOR calculate special fuel tax rate through July 1, 2027.

**Code:** IC 6-6-2.5-30

**Enrolled Act:** HEA 1454, Sec. 84

**Effective Date:** July 1, 2023

- Exempts the difference between the amount of special fuel purchased by a compressed natural gas product fuel station and the amount of compressed natural gas product produced and sold by the compressed natural gas product fuel station from the special fuel tax.
- Provides that this exemption shall be applied for through the refund procedures established in section IC 6-6-2.5-32.7.

**Code:** IC 6-6-2.5-32

**Enrolled Act:** HEA 1454, Sec. 85

**Effective Date:** July 1, 2023

- Clarifies that a refund for special fuel tax collected on compressed natural gas product may not be claimed under both IC 6-6-2.5-32 and IC 6-6-2.5-32.7 9 for the same special fuel tax.

**Code:** IC 6-6-2.5-32.7

**Enrolled Act:** HEA 1454, Sec. 86

**Effective Date:** July 1, 2023

- Creates a quarterly refund process of special fuel tax for compressed natural gas product fuel stations on the difference between the amount of special fuel purchased by a station and the amount of compressed natural gas product produced and sold by the station.

- Requires the station to submit a statement to DOR that lists such information, which is subject to penalties pertaining to perjury, as well as any information reasonably requested on a form prescribed by DOR.
  - The claim must be filed not later than the end of the third month following the end of the calendar quarter the compressed natural gas qualified for a special fuel tax refund.
  - No interest may be paid on this refund.
- Allows DOR to make any necessary investigations before refunding the tax.

**Code:** IC 6-6-2.5-37

**Enrolled Act:** HEA 1454, Sec. 87

**Effective Date:** July 1, 2023

- Clarifies that the special fuel tax collection allowance is in addition to any amount refunded under IC 6-6-2.5-32.7.

**Code:** IC 6-6-4.1-2

**Enrolled Act:** HEA 1050, Sec. 3

**Effective Date:** January 1, 2024

- Adds qualified motor vehicles that are subject to the tax reporting requirements of the International Fuel Tax Agreement to the types of vehicles subject to the motor carrier fuel tax.

**Code:** IC 6-6-4.1-4

**Enrolled Act:** HEA 1050, Sec. 4

**Effective Date:** January 1, 2024

- Adds a new motor carrier fuel tax calculation method for alternative fuels that are not propane or butane, depending on whether the carrier's fleet has both gas or special fuel consuming vehicles in addition to vehicles consuming such types of alternative fuel or whether the carrier's fleet only has vehicles that consume such types of alternative fuel.
- Requires DOR to publish MPG data on its website so the latter types of carriers can calculate the tax owed.

**Code:** IC 6-6-4.1-4.8

**Enrolled Act:** HEA 1050, Sec. 5

**Effective Date:** July 1, 2023

- Provides that a carrier that is exempt from the quarterly reporting requirements under 6-6-4.1-10 must continue to file a quarterly return in order to obtain a proportional use credit.
- Provides that a carrier that purchased alternative fuel does not have to pay the taxes ahead of time in order to claim a proportional use credit.

**Code:** IC 6-6-4.1-9

**Enrolled Act:** HEA 1050, Sec. 6

**Effective Date:** January 1, 2024

- Provides that the rule pertaining to applying a standard mileage rate in cases where the carrier did not maintain proper recordkeeping does not apply to alternative fuels that are not propane or butane.

**Code:** IC 6-6-4.1-10

**Enrolled Act:** HEA 1050, Sec. 7

**Effective Date:** July 1, 2023

- Removes the requirement that a carrier must apply for an exemption from filing their quarterly Motor Carrier Fuel Tax return.
- Replaces this requirement with an automatic exemption qualification for carriers that have purchased all or substantially all of their fuel in Indiana upon which the carrier paid gasoline or special fuel tax, and all or substantially all of their mileage was in Indiana.
- Requires carriers to file a quarterly return and pay the Motor Carrier Fuel Tax only on alternative fuel if all or substantially all of the quarterly mileage of the carrier is the result of operations in Indiana, and the motor fuel used for operations during the quarter was purchased in Indiana, some of which was alternative fuel.
- A carrier that meets the exemption or meets the requirements for alternative fuel previously mentioned still must keep books and records as required by IC 6-8.1-5.

**Code:** IC 6-6-4.1-12

**Enrolled Act:** HEA 1050, Sec. 8

**Effective Date:** July 1, 2023

- Creates an exemption for carriers that meet the exemption from filing quarterly reports as provided in IC 6-6-4.1-10 from the requirement to pay the \$25 annual fee and to put decals on their vehicles.
- A carrier that meets the alternative fuel requirements in IC 6-6-4.1-10(c) only has to put decals on their vehicles that consume alternative fuel.

**Code:** IC 6-6-5-0.5

**Enrolled Act:** HEA 1454, Sec. 88

**Effective Date:** July 1, 2023

- Exempts trailers with a declared gross vehicle weight of 3,000 pounds or less that are registered or renewed under IC 9-18.1-5-13 from the Motor Vehicle Excise Tax.

## Tobacco Taxes (IC 6-7)

**Code:** IC 6-7-1-17

**Enrolled Act:** HEA 1001, Sec. 109

**Effective Date:** July 1, 2023

- Raises the cigarette tax collection allowance from 1.3 to 2.0 cents/package.

**Code:** IC 6-7-1-28.1

**Enrolled Act:** HEA 1001, Sec. 110

**Effective Date:** July 1, 2023

- Changes the distribution of cigarette tax collections.
- Eliminates the distribution to the mental health centers fund.
- Increases the distribution to the general fund from 56.24% to 56.84%.

**Code:** IC 6-7-2-7

**Enrolled Act:** HEA 1454, Sec. 91

**Effective Date:** January 1, 2024

- Caps the 24% tobacco products tax for cigars at \$1 per cigar.

**Code:** IC 6-7-4-8

**Enrolled Act:** SEA 419, Sec. 29

**Effective Date:** July 1, 2023

- Amends the definition of “vapor product” by removing “disposable vapor product devices that are attached to a closed system cartridge and intended for single use” from the list of items that fall under this term.

**Code:** IC 6-7-4-10

**Enrolled Act:** SEA 419, Sec. 30

**Effective Date:** July 1, 2023

- Renames the “electronic cigarette retail dealer's certificate” the “open system electronic cigarette retail dealer's certificate.”

## Miscellaneous Tax Matters (IC 6-8)

**Code:** IC 6-8-15-5

**Enrolled Act:** SEA 419, Sec. 31

**Effective Date:** January 1, 2023 (Retroactive)

- Establishes that in order for an organization providing nonprofit agricultural organization coverage in Indiana to be subject to the adjusted gross income tax instead of the nonprofit agricultural organization health coverage tax, the organization must:
  1. file a notice of election with the insurance commissioner and the commissioner of DOR on or before November 30 of a taxable year; and
  2. state in the notice of election that the organization elects to be subject to the adjusted gross income for the taxable year.

## Department of Revenue Tax Administration (IC 6-8.1)

**Code:** IC 6-8.1-3-29

**Enrolled Act:** HEA 1499, Sec. 17

**Effective Date:** July 1, 2023

- Requires DOR (for tax receipts for adjusted gross income taxes due and owing for a taxable year beginning after December 31, 2023) to annually provide a taxpayer receipt to an individual who has an individual INTIME account with DOR and filed a resident individual income tax return with DOR. The taxpayer receipt shall be posted on the taxpayer's individual INTIME account.
- Prohibits DOR from providing a taxpayer with a copy of the taxpayer receipt by mail.
- Directs DOR, in consultation with the budget agency, to create and administer a web page on which individual taxpayers may access an estimate of the allocation of their adjusted gross income taxes to various expenditure categories for the most recent state fiscal year based on

the adjusted gross income taxes paid by the taxpayer. The web page must contain the following elements:

1. The web page must be conveniently and easily accessible.
  2. A link to the web page must be prominently displayed on the department's main website.
  3. The web page must provide an estimate of the allocation of the statewide spending of adjusted gross income tax revenue broken down under the following categories:
    - public education
    - higher education
    - social services
    - infrastructure
    - criminal justice
    - economic development
    - environment and natural resources
    - elected officials
    - general government
- The estimate must include the amount and the percentage of adjusted gross income tax revenue allocated to each category and provide an estimate of an individual taxpayer's contribution based on the individual's input of their adjusted gross income tax payments.
  - Requires DOR to include a link to the web page on the Indiana individual income tax return, Form IT-40.

**Code:** IC 6-8.1-6-3

**Enrolled Act:** SEA 419, Sec. 3

**Effective Date:** July 1, 2023

- Directs DOR to consider a document received after the deadline as on time if the postmark date is up to three business days (not including a day falling on Saturday, Sunday, a national, legal holiday recognized by the federal government or a statewide holiday) after the date of the deadline.

**Code:** IC 6-8.1-7-1

**Enrolled Act:** SEA 419, Sec. 32

**Effective Date:** Upon passage

- Authorizes DOR to publish a list of persons, corporations or other entities that qualify for a sales tax exemption under IC 6-2.5-5-16 (state and local governments), IC 6-2.5-5-25 (nonprofit purchases) or IC 6-2.5-5-26 (nonprofit sales). Information that may be disclosed includes:
  1. any federal identification number or other identification number for the entity assigned by DOR;
  2. any expiration date of an exemption under IC 6-2.5-5-25;
  3. whether any sales tax exemption has expired or has been revoked by DOR; and
  4. any other information reasonably necessary for a recipient of an exemption certificate to determine if an exemption certificate is valid.

**Code:** IC 6-8.1-9.5-10

**Enrolled Act:** HEA 1454, Sec. 92

**Effective Date:** July 1, 2023

- Reduces the collection fee charged to a debtor for any debts collected under DOR's debt offset program from 15% to 10%.

**Code:** IC 6-8.1-10-9.5

**Enrolled Act:** SEA 419, Sec. 33

**Effective Date:** January 1, 2024

- Requires that a purchaser or seller notify DOR at least 45 days prior to transferring more than 50% of the tangible personal property of a business.
- Failure to provide such notice will result in the purchaser becoming liable for any tax due under IC 6-2.5 (retail sales and use tax), or IC 6-9 (county innkeepers and food and beverage tax), including penalties and interest, of the transferring business up to the amount of the purchase price or value of the tangible personal property.
- After timely notice, the purchaser remains liable for any of the above taxes that are due from the seller if DOR mails a summary of such taxes due to the purchaser at least 20 days prior to the closing date of the transaction.

**Code:** IC 6-8.1-10-14

**Enrolled Act:** SEA 419, Sec. 34

**Effective Date:** July 1, 2023

- Directs how penalties and interest resulting from a listed tax shall be deposited.
- Generally, penalties and interest are deposited in the same place as the underlying tax to which the penalty and interest are associated. Dishonored payment penalties are deposited in the state general fund. However, in the case of penalties and interest arising from local income tax under IC 6-3.6, the penalties and interest shall be deposited in the state general fund.
- In the case of penalties or interest associated with the late payment of a tax imposed under IC 6-6-9 (auto rental excise tax), IC 6-6-9.5 (Vanderburgh County Supplemental auto rental excise tax), IC 6-6-9.7 (Marion County Supplemental auto rental excise tax) or IC 6-6-16 (vehicle sharing excise tax) or the taxes imposed under IC 6-9 by local units, penalties and interest shall be distributed to the appropriate local unit and shall be distributed, spent or otherwise managed in the same manner as the underlying tax.

## Innkeeper's and Food and Beverage Taxes (IC 6-9)

**Code:** IC 6-9-2-1.5

**Enrolled Act:** HEA 434, Sec. 4

**Effective Date:** July 1, 2023

- Authorizes the Lake County fiscal body to adopt an increase of up to an additional 5% in the Lake County innkeeper's tax.
- Directs that the amounts received from the rate increase adopted shall be deposited in the Lake County convention and event center reserve fund established by IC 36-7.5-7-10.

**Code:** IC 6-9-7-7

**Enrolled Act:** HEA 1454, Sec. 93

**Effective Date:** July 1, 2023

- Changes the distribution formula for revenue from the Tippecanoe County Innkeeper's Tax.

**Code:** IC 6-9-18-3

**Enrolled Act:** HEA 1454, Sec. 94

**Effective Date:** Upon passage

- Authorizes Parke County to impose its innkeeper's tax at a rate of 8% under the uniform innkeeper's tax instead of the 5% allowed under current law.

**Code:** IC 6-9-20-12

**Enrolled Act:** HEA 1454, Sec. 95

**Effective Date:** Upon passage

- Expires the Vanderburgh County food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

**Code:** IC 6-9-21-10

**Enrolled Act:** HEA 1454, Sec. 96

**Effective Date:** Upon passage

- Expires the Delaware County food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

**Code:** IC 6-9-24-10

**Enrolled Act:** HEA 1454, Sec. 97

**Effective Date:** Upon passage

- Expires the Nashville food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

**Code:** IC 6-9-25-16

**Enrolled Act:** HEA 1454, Sec. 98

**Effective Date:** Upon passage

- Expires the Henry County food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

**Code:** IC 6-9-26-17

**Enrolled Act:** HEA 1454, Sec. 99

**Effective Date:** Upon passage

- Expires the Madison County food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

**Code:** IC 6-9-27-11

**Enrolled Act:** HEA 1454, Sec. 100

**Effective Date:** Upon passage

- Expires any miscellaneous food and beverage tax (FAB) passed under IC 6-9-27 on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

**Code:** IC 6-9-36-9

**Enrolled Act:** HEA 1454, Sec. 101

**Effective Date:** Upon passage

- Expires the Lake County and Porter County food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

**Code:** IC 6-9-38-27

**Enrolled Act:** HEA 1454, Sec. 102

**Effective Date:** Upon passage

- Expires the Wayne County food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

**Code:** IC 6-9-40-12

**Enrolled Act:** HEA 1454, Sec. 103

**Effective Date:** Upon passage

- Expires the Steuben County food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

**Code:** IC 6-9-41-14

**Enrolled Act:** HEA 1454, Sec. 105

**Effective Date:** July 1, 2023

- Requires Monroe County to develop a written plan before December 1 each year detailing the proposed use of its food and beverage (FAB) tax funds.
- Requires that the county spend FAB receipts in accordance with the written plan.

**Code:** IC 6-9-41-15

**Enrolled Act:** HEA 1454, Sec. 106

**Effective Date:** July 1, 2023

- Requires Bloomington to develop a written plan before December 1 each year detailing the proposed use of its share of the food and beverage (FAB) tax funds.
- Requires that the city spend FAB receipts in accordance with the written plan.

**Code:** IC 6-9-41-15.5

**Enrolled Act:** HEA 1454, Sec. 107

**Effective Date:** July 1, 2023

- Voids the Monroe County food and beverage tax (FAB) after June 30, 2025, if Monroe County and Bloomington do not spend FAB money in accord with the written plans required under IC 6-9-41-14 and IC 6-9-41-15.
- In that case, Monroe County also may not adopt a new FAB ordinance.

**Code:** IC 6-9-41-17

**Enrolled Act:** HEA 1454, Sec. 109

**Effective Date:** Upon passage

- Expires the Monroe County food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

**Code:** IC 6-9-43-10

**Enrolled Act:** HEA 1454, Sec. 110

**Effective Date:** Upon passage

- Expires the Cloverdale food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

**Code:** IC 6-9-44-11

**Enrolled Act:** HEA 1454, Sec. 111

**Effective Date:** Upon passage

- Expires the Fishers food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

**Code:** IC 6-9-45-11

**Enrolled Act:** HEA 1454, Sec. 112

**Effective Date:** Upon passage

- Expires the Rockville food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

**Code:** IC 6-9-47.5-11

**Enrolled Act:** HEA 1454, Sec. 113

**Effective Date:** Upon passage

- Expires the Orange County food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

**Code:** IC 6-9-49-11

**Enrolled Act:** HEA 1454, Sec. 114

**Effective Date:** Upon passage

- Expires the Attica food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

**Code:** IC 6-9-50-11

**Enrolled Act:** HEA 1454, Sec. 115

**Effective Date:** Upon passage

- Expires the Danville food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

**Code:** IC 6-9-5111

**Enrolled Act:** HEA 1454, Sec. 116

**Effective Date:** Upon passage

- Expires the Greenwood food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

**Code:** IC 6-9-52-11

**Enrolled Act:** HEA 1454, Sec. 117

**Effective Date:** Upon passage

- Expires the Whitestown food and beverage tax (FAB) on the later of January 1, 2045, or the date on which all bonds or lease agreements backed by this FAB's revenue are completely paid.

**Code:** IC 6-9-54

**Enrolled Act:** HEA 1454, Sec. 118

**Effective Date:** July 1, 2023

- Authorizes Columbia City to impose a food and beverage tax.

**Code:** IC 6-9-54.5

**Enrolled Act:** HEA 1454, Sec. 119

**Effective Date:** July 1, 2023

- Authorizes Merrillville to impose a food and beverage tax.

**Code:** IC 6-9-55

**Enrolled Act:** HEA 1454, Sec. 120

**Effective Date:** July 1, 2023

- Authorizes Jasper to impose a food and beverage tax.

**Code:** IC 6-9-56

**Enrolled Act:** HEA 1454, Sec. 121

**Effective Date:** July 1, 2023

- Authorizes Hamilton County to impose an innkeeper's tax under its new specific innkeeper's tax statute at a rate not more than 8% rather than the 5% allowed under the uniform county innkeeper's tax.

**Code:** IC 6-9-57

**Enrolled Act:** HEA 1454, Sec. 122

**Effective Date:** July 1, 2023

- Authorizes Decatur County to impose a food and beverage tax.

## Motor Carrier Regulation (IC 8-2.1)

**Code:** IC 8-2.1-19.1-8

**Enrolled Act:** HEA 1125, Sec. 9

**Effective Date:** July 1, 2023

- Amends the law regarding transportation network companies (TNC) to provide that after June 30, 2024, while a TNC driver is logged on to the TNC's digital network but is not engaged in a prearranged ride, the primary motor vehicle liability insurance coverage requirement is at least \$50,000 per incident for property damage. (Under current law, the coverage requirement is at least \$25,000 per incident for property damage.)

## Motor Vehicle Registration (IC 9-18.1)

**Code:** IC 9-18.1-5-12

**Enrolled Act:** HEA 1050, Sec. 88

**Effective Date:** July 1, 2023

- Increases the electric vehicle fee and hybrid vehicle fee by the indexing factor for fuel taxes before October 1 of each year.

**Code:** IC 9-18.1-5-13

**Enrolled Act:** HEA 1454, Sec. 124

**Effective Date:** July 1, 2023

- Excludes trailers with a declared gross vehicle weight of 3,000 pounds or less that are permanently registered from the Motor Vehicle Excise Tax.

## Size and Weight Regulation (IC 9-20)

**Code:** IC 9-20-18-14.5

**Enrolled Act:** HEA 1204, Sec. 4

**Effective Date:** July 1, 2023

- Revises the civil penalty amount for permitting violation for transporting overweight divisible loads or oversize loads. Instead of being no more than \$10,000 for each violation, the penalty is:
  - \$500 if the vehicle is over the dimensional limits.
  - \$500 if the vehicle is between 1,000 to 4,999 pounds overweight;
  - \$1,000 if the vehicle is between 5,000 to 9,999 pounds overweight; or
  - \$5,000 if the vehicle is at least 10,000 pounds overweight.
- Allows DOR to adopt rules regarding this section.

## Disabilities Services (IC 12-11)

**Code:** IC 12-11-14-6

**Enrolled Act:** HEA 1454, Sec. 125

**Effective Date:** January 1, 2026

- Beginning in 2026, raises the age threshold for qualifying for ABLE program benefits based on blindness or disability from 26 years to 46 years old.
- This change will track the federal law change set to occur at the same time.

## Oil Inspection Fee (IC 16-44)

**Code:** IC 16-44-2-18

**Enrolled Act:** SEA 246, Sec. 72

**Effective Date:** July 1, 2023

- Adds avgas and jet fuel to the types of fuel subject to the oil inspection fee.
- The fee on avgas is imposed to the same extent and the same manner as gasoline.
- The fee on jet fuel is imposed to the same extent and the same manner as kerosene.

## Fireworks Public Safety Fee (IC 22-11)

**Code:** IC 22-11-14-12

**Enrolled Act:** HEA 1001, Sec. 233

**Effective Date:** July 1, 2023

- Changes the distribution of fireworks public safety fees.
  - Eliminates the distribution to the regional public safety training fund.
  - Distributes all amounts that were previously distributable to the regional public safety training fund to the state general fund.

## Employment Services (IC 25-16)

**Code:** IC 25-16

**Enrolled Act:** HEA 1461, Sec. 20

**Effective Date:** July 1, 2023

- Repeals DOR's responsibility to license employment services agencies.

## Criminal Law (IC 35-43)

**Code:** IC 35-43-5-4.8

**Enrolled Act:** SEA 419, Sec. 35

**Effective Date:** July 1, 2023

- Establishes that a person who knowingly or intentionally sells, purchases, installs, transfers or possesses an automated sales suppression device (zapper) or phantom-ware commits unlawful sale or possession of a transaction manipulation device commits a Class A misdemeanor.

- Elevates the offense to a Level 6 felony if the pecuniary loss caused by the offense is \$750-\$50,000 or the person has a prior unrelated theft conviction, and to a Level 5 felony if the pecuniary loss caused by the offense is at least \$50,000.

## Planning and Development (IC 36-7)

**Code:** IC 36-7-32-22

**Enrolled Act:** SEA 271, Sec. 2

**Effective Date:** July 1, 2023

- Provides that a certified technology park that reaches its lifetime cap becomes a Level 2 certified technology park.
- Increases the annual limit of state and local income taxes distributable to Level 2 certified technology parks that reached their lifetime caps and maintain their status as a Level 2 certified technology park from \$100,000 to \$250,000.
- Provides clarifying rules for the year in which a certified technology park reached its lifetime cap before fiscal year 2022 and if the certified technology park reached its lifetime cap during fiscal years 2022 and later (see also HEA 1454, Section 188).
- Provides that when the Indiana Economic Development Corporation recertifies a certified technology park, it must also determine whether the status as a Level 2 certified technology park will continue after recertification.

**Code:** IC 36-7-31.3-8

**Enrolled Act:** SEA 326, Sec. 1

**Effective Date:** July 1, 2023

- Adds certain city facilities located in the city of South Bend to the tax area of the South Bend professional sports and convention development area.

**Code:** IC 36-7-31.3-9

**Enrolled Act:** SEA 326, Sec. 2

**Effective Date:** July 1, 2023

- Authorizes Fishers to establish a professional sports and convention development area before January 1, 2024.

**Code:** IC 36-7-31.3-10

**Enrolled Act:** SEA 326, Sec. 3

**Effective Date:** July 1, 2023

- Increases the amount of revenue that may be captured in a professional sports and convention development area (PSCDA) (other than a PSCDA in Allen County, South Bend or Fishers) to an amount that may not exceed \$10 (instead of \$5 under current law) per resident.
  - Currently, this applies to the City of Evansville.
- Increases the maximum amount of covered taxes that may be captured in the South Bend PSCDA from \$2 million to \$5 million. Provides that the first \$2,500,000 goes to the city of South Bend for purposes of capital improvements for a professional sports team facility and the balance used for other purposes previously permitted by statute.
- Provides that the South Bend PSCDA terminates no later than June 30, 2044.

- Provides that maximum amount of covered taxes that may be captured in the Fishers PSCDA is \$2 million per year.
- Provides that the Fishers PSCDA terminates no later than June 30, 2044.

**Code:** IC 36-7-32-22

**Enrolled Act:** HEA 1454, Sec. 188

**Effective Date:** July 1, 2023

- Clarifies that the distribution rules applicable to a certified technology park that has reached its lifetime cap apply if the lifetime distribution cap is reached before state fiscal year 2020 and if the lifetime distribution cap is reached during state fiscal years 2020 and later (SEA 271 referred to 2022 instead of 2020).

**Code:** IC 36-7-32.5-1.5

**Enrolled Act:** HEA 1001, Sec. 271

**Effective Date:** July 1, 2023

- Defines “contractor” for purposes of the innovation development districts to have the meaning set forth in IC 6-2.5-1-14.9.

**Code:** IC 36-7-32.5-4

**Enrolled Act:** HEA 1001, Sec. 272

**Effective Date:** July 1, 2023

- Modifies the definition of “gross retail base period amount” to include sales and use tax incurred and paid by a contractor with regard to tangible personal property incorporated into real property that is located in the innovation development district, if :
  - the contractor can determine the amount of sales or use tax incurred and paid on the tangible personal property incorporated into real property that is located in the innovation development district based on records maintained as required;
  - sales or use tax are not otherwise collected in an allocation area listed in IC 36-7-32.5-10(b); and
  - sales or use tax are not otherwise included in any innovation development district or IC 36-7-32.5-5.

**Code:** IC 36-7-32.5-5

**Enrolled Act:** HEA 1001, Sec. 273

**Effective Date:** July 1, 2023

- Modifies the definition of “gross retail incremental amount” to include sales and use tax incurred and paid by a contractor with regard to tangible personal property incorporated into real property that is located in the innovation development district if:
  - the contractor can determine the amount of sales or use tax incurred and paid based on records maintained as required;
  - the sales and use tax are not otherwise collected in an allocation area listed in IC 36-7-32.5-10(b); and
  - the sales and use tax are not otherwise included in any innovation development district or IC 36-7-32.5-4.

**Code:** IC 36-7-32.5-7

**Enrolled Act:** HEA 1001, Sec. 275

**Effective Date:** July 1, 2023

- Modifies the definition of “income tax incremental amount” to include state income taxes paid by individuals who are not employees with respect to income received for services performed in the territory comprising an innovation development district.
  - However, the term does not include state adjusted gross income taxes otherwise attributable to an allocation area listed in IC 36-7-32.5-10(b).

**Code:** IC 36-7-32.5-16.5

**Enrolled Act:** HEA 1001, Sec. 276

**Effective Date:** July 1, 2023

- Establishes requirements and provides guidance for a contractor operating in an innovation district.
- Requires a contractor that provides tangible personal property incorporated into real property in a project located in an innovation development district to maintain records of all sales and use tax paid or collected during a state fiscal year for such property.
- Allows a contractor to issue an exemption certificate under IC 6-2.5-8-8 to a vendor when purchasing tangible personal property to be incorporated into real property located in an innovation development district.
- Establishes that a contractor that issues an exemption certificate to a vendor under IC 36-7-32.5-16.5(b) is liable for collecting sales tax from the customer on the tangible personal property if the contractor uses a time and materials contract, or when accruing and remitting state use tax on the purchase price of the tangible personal property if the contractor uses a lump sum contract.
- Requires a contractor to report the following information (disaggregated by project, annually for each state fiscal year, and no later than the July 31 immediately following the end of the state fiscal year) to DOR:
  - the amount of sales and use taxes paid or collected by a contractor with respect to tangible personal property incorporated into real property in a project located in an innovation development district; and
  - the issuing of any exemption certificates by the contractor under IC 36-7-32.5-16.5(b)

**Code:** IC 36-7-32.5-17

**Enrolled Act:** HEA 1001, Sec. 277

**Effective Date:** July 1, 2023

- Requires an innovation development district to send a complete list of the employers and businesses that are paying for the services of individuals who are not employees in the innovation development district and the street names and the range of street numbers of each street in the innovation development district to DOR by July 1 of each year.

# Northwest Indiana Regional Development Authority (IC 36-7.5)

**Code:** IC 36-7.5-4.5-7

**Enrolled Act:** HEA 1454, Sec. 189

**Effective Date:** July 1, 2023

- Changes the “gross retail tax base period amount” for purposes of the transportation development districts from the calendar year before the district was established to the calendar year in which the district was established.

**Code:** IC 36-7.5-4.5-9

**Enrolled Act:** HEA 1454, Sec. 190

**Effective Date:** July 1, 2023

- Adds income from “residents living within the district” to that from “employees employed within the district” for purposes of calculating the “local income tax base period amount” for the transportation development districts.
- Clarifies that if a person is employed in one district and resides in another district during the same calendar year, the local income tax for the individual shall be attributed to the district in which the individual resides.

**Code:** IC 36-7.5-4.5-10

**Enrolled Act:** HEA 1454, Sec. 191

**Effective Date:** July 1, 2023

- Amends the definition of “local income tax increment revenue” to account for the inclusion of residents living within the district.
- Clarifies that if a person is employed in one district and resides in another district during the same calendar year, the local income tax for the individual shall be attributed to the district in which the individual resides.

**Code:** IC 36-7.5-4.5-13

**Enrolled Act:** HEA 1454, Sec. 192

**Effective Date:** July 1, 2023

- Adds income from “residents living within the district” to that from “employees employed within the district” for purposes of calculating the “state income tax base period amount” for the transportation development districts.
- Clarifies that if a person is employed in one district and resides in another district during the same calendar year, the state income tax for the individual shall be attributed to the district in which the individual resides.

**Code:** IC 36-7.5-4.5-14

**Enrolled Act:** HEA 1454, Sec. 193

**Effective Date:** July 1, 2023

- Amends the definition of “state income tax increment revenue” to account for the inclusion of residents living within the district.
- Clarifies that if a person is employed in one district and resides in another district during the same calendar year, the state income tax for the individual shall be attributed to the district in which the individual resides.

**Code:** IC 36-7.5-4.5-28

**Enrolled Act:** HEA 1454, Sec. 196

**Effective Date:** July 1, 2023

- Changes the date by which DOR must calculate the state income tax base period amount, the sales tax base period amount and the local income tax base period amount. The determinations must be made by November 30 of the year following the establishment of a district instead of 60 days after receiving a copy of the resolution establishing a district.
- Changes the date by which DOR must calculate the state income tax increment revenue, the sales tax increment revenue and the local income tax increment revenue. The determinations must be made by December 1 instead of the previous October 1. This requirement begins in the year two years following establishment of a district.
- Changes the date by which DOR must certify the increment revenues to the Indiana Finance Authority to December 15 from the previous November 1.
- Provides direction for the State Comptroller to distribute proceeds from the local income tax increment fund.
- Authorizes DOR to recalculate base period amounts and increment revenues if it determines that previous calculations were incorrect.
- Permits a municipality that includes more than one development district to share its increment revenue among the transit development districts upon approval of the legislative body of the municipality.

**Code:** IC 36-7.5-4.5-17

**Enrolled Act:** HEA 1046, Sec. 1

**Effective Date:** July 1, 2023

- Allows a transportation development district to be established in a municipality located in a county that is part of the Northwest Indiana Regional Development Authority and has operated regularly schedule commuter bus service to Chicago and shuttle bus services to train stations or stops along the Chicago to South Bend train line.

## Public Safety (IC 36-8)

**Code:** IC 36-8-16.6-11

**Enrolled Act:** HEA 1207, Sec. 1

**Effective Date:** Upon passage (May 1, 2023)

- Changes the period during which the statewide 911 board can increase the enhanced wireless prepaid telecommunications service charge to May 1, 2023, until June 30, 2026 (previous period was April 2, 2020, until June 30, 2023).

# Non-code

**Code:** Non-code

**Enrolled Act:** HEA 1454, Sec. 224

**Effective Date:** Upon passage

- Defines "weather related disaster" as severe weather that occurred after March 30, 2023, and before April 2, 2023, for which either the governor by executive order or the Federal Emergency Management Agency declared a disaster.
- Applies to individuals who reside in or businesses that are headquartered in a county for which the governor or the Federal Emergency Management Agency declared a disaster as a result of the weather-related disaster.
- Allows DOR to extend relief from penalties and interest through July 31 for late filings of most income tax returns and estimated payments that are due after March 31, 2023.
- Allows DOR to extend relief from penalties and interest through August 31 for late filings of corporate income tax and financial institutions tax returns and related estimated payments that are due after March 31, 2023.
- Allows DOR to extend the relief provided if the Internal Revenue Service extends return filing deadlines for individuals and taxpayers other than corporations and financial institutions to a date on or after July 31, 2023.
- Allows DOR to extend the relief provided if the Internal Revenue Service extends return filing deadlines for corporations and financial institutions to a date on or after August 31, 2023.

# Additional Tax Law Education Information

## Federal

The IRS Nationwide Tax Forums Online (NTFO), available at [irstaxforumsonline.com](http://irstaxforumsonline.com) provides information for tax professionals from the speakers at the IRS Nationwide Tax Forums. The seminars include a 50-minute interactive video of the seminar with downloadable slides and complete transcripts for each seminar. NTFO courses may be taken for continuing education credit (for a fee) or may be audited for free (no credit given for auditing).

## Neighboring States



### Illinois Department of Revenue

Website: [tax.illinois.gov](http://tax.illinois.gov)

Taxpayer Assistance: 800-732-8866

Contact Information: [tax.illinois.gov/aboutidor/contactus.html](http://tax.illinois.gov/aboutidor/contactus.html)

Tax Professionals Page: [tax.illinois.gov/taxprofessionals.html](http://tax.illinois.gov/taxprofessionals.html)

University of Illinois: [taxschool.illinois.edu](http://taxschool.illinois.edu)



### Kentucky Department of Revenue

Website: [revenue.ky.gov](http://revenue.ky.gov)

Taxpayer Assistance: 502-564-4581

Contact Information: [revenue.ky.gov/Get-Help/Pages/Tax-Area-Contact-Information.aspx](http://revenue.ky.gov/Get-Help/Pages/Tax-Area-Contact-Information.aspx)

Tax Professionals Page: [revenue.ky.gov/TaxProfessionals](http://revenue.ky.gov/TaxProfessionals)

University of Kentucky: [ukincometax.ca.uky.edu](http://ukincometax.ca.uky.edu)



### Michigan Department of Treasury

Website: [michigan.gov/treasury](http://michigan.gov/treasury)

Taxpayer Assistance: 517-636-4486

Contact Information: [michigan.gov/treasury/contact-us](http://michigan.gov/treasury/contact-us)

Tax Professionals Page: [michigan.gov/taxes/professionals](http://michigan.gov/taxes/professionals)

Michigan State University Income Tax School: [canr.msu.edu/taxschool](http://canr.msu.edu/taxschool)

University of Michigan Tax Seminars: [conferences.umich.edu/participants/tax-seminars](http://conferences.umich.edu/participants/tax-seminars)



### Ohio Department of Taxation

Website: [tax.ohio.gov](http://tax.ohio.gov)

Taxpayer Assistance: 800-282-1780

Contact Information: [tax.ohio.gov/wps/portal/gov/tax/help-center](http://tax.ohio.gov/wps/portal/gov/tax/help-center)

Tax Professional Assistance: [tax.ohio.gov/wps/portal/gov/tax/professional/professional](http://tax.ohio.gov/wps/portal/gov/tax/professional/professional)

Ohio Department of Taxation Virtual Tax Academy:

[tax.ohio.gov/wps/portal/gov/tax/researcher/ohio-virtual-tax-academy/ovta](http://tax.ohio.gov/wps/portal/gov/tax/researcher/ohio-virtual-tax-academy/ovta)

# Tax Professional Resources from DOR

DOR recognizes the crucial role practitioners serve in helping clients with tax filing obligations. Since practitioner needs are often more complex than those of the general population, DOR operates many special services to support your needs, including:

- DOR Tax Practitioner Hotline: 317-232-2240, Option 2 OR 800-462-6320\*  
This line is staffed with DOR's most senior customer service representatives, team leads and tax analysts. By state law, DOR requires POA, ePOA or checkbox authorization on a specific return to be on file to discuss your client's account with you. Your client may authenticate their identity and give consent to allow you to discuss their matter during a phone call while your client remains present.
- UCB Tax Practitioner Hotline: 866-416-4854\*
- Tax Practitioner Fax: 317-972-3241\*
- Dedicated Tax Professional Webpage: [in.gov/dor/tax-professionals](https://www.in.gov/dor/tax-professionals)
- Tax Practitioner Resource Packet: [in.gov/dor/files/dor-tax-pract-packet.pdf](https://www.in.gov/dor/files/dor-tax-pract-packet.pdf)
- Tax Policy Department Email: [taxpolicy@dor.in.gov](mailto:taxpolicy@dor.in.gov)

\*Please do not share these numbers outside the tax practitioner community, as they are dedicated resources.

## Tax Bulletin

Tax Bulletin is a monthly e-newsletter for tax practitioners. When you subscribe to Tax Bulletin, you will also receive regular updates that include agency announcements and blogs to ensure you are up to speed on DOR announcements and events. Subscribe at [in.gov/dor/news-media-and-publications/indiana-tax-bulletin-e-newsletter](https://www.in.gov/dor/news-media-and-publications/indiana-tax-bulletin-e-newsletter).

## Tax Library

Access Information Bulletins relating to income and sales tax, Departmental Notices and more by visiting DOR's Tax Library page at [in.gov/dor/legal-resources/tax-library](https://www.in.gov/dor/legal-resources/tax-library).

## Legal FinDOR

Legal FinDOR, located at [in.gov/dor/legal-resources/tax-library/legal-findor](https://www.in.gov/dor/legal-resources/tax-library/legal-findor), is a document retrieval tool designed for individuals with legal and financial interests. This tool enables you to search for and retrieve previously issued documents that explain DOR's position on a variety of tax related matters. Legal FinDOR allows you to access documents such as letters of findings, memoranda of decision, final orders denying refund and revenue rulings.

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### Subscribe Today!

DOR offers email subscriptions for Tax Bulletin, website updates, e-newsletters, most of DOR's Tax Library sections and the Tax Talk blog. To receive these updates, visit [public.govdelivery.com/accounts/INDOR/subscribers/new](https://public.govdelivery.com/accounts/INDOR/subscribers/new) and follow the registration steps.

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# Contact Us

This information is subject to change. Check [in.gov/dor/contact-us](https://in.gov/dor/contact-us) for the most up-to-date listings, as well as a full listing of phone numbers by tax type.

## Send Secure Messages with INTIME

You can use INTIME to submit a question or get an issue resolved easily and efficiently. Once you have registered or logged in to your INTIME account at [intime.dor.in.gov](https://intime.dor.in.gov), you can message DOR by selecting the "All Actions" tab followed by clicking on the "Messages" section.

## Contact Us by Phone

Frequently Called Areas	Phone Number
Individual Income Tax	317-232-2240
Sales and Withholding Tax	317-232-2240
Corporate Tax	317-232-0129
Legal & Appeals	317-232-2100
TAO Customer Service	317-232-4692
UCB Tax Practitioner Hotline	844-330-5075

Additional Services	Phone Number
Motor Carrier Services	317-615-7200
Electronic Funds Transfer	317-232-5500
Letter of Good Standing	317-232-5977
Investigations	317-232-3376
Warrants	317-232-2240
Bankruptcy	317-232-2289

## Visit Us in Person

DOR's 12 District Offices are generally open from 8 a.m. to 4:30 p.m. Monday through Friday. District Office information is subject to change, check [in.gov/dor/contact-us/district-office-contact-info](https://in.gov/dor/contact-us/district-office-contact-info) for the most up-to-date listings. DOR encourages you to schedule an appointment before visiting. You may find more information about in-person visit procedures and schedule an appointment online at [in.gov/dor/contact-us/dor-in-person-appointments](https://in.gov/dor/contact-us/dor-in-person-appointments).

Services provided by DOR's district offices include:

- Answer individual and/or business tax questions
- Submit completed state tax return(s) (paper filing only)
- Help correct or adjust processed tax return
- Review and explain tax billing(s)
- Process payments made with cash (exact amounts only), personal or cashier's checks, money orders and debit/credit cards
- Assist in setting up payment arrangements
- Provide state tax forms (based on availability)
- Answer questions about DOR's collection process (tax warrants with the sheriff and/or collection agency, bank levies, liens on credit reports, etc.)
- Assist with resolving license protests

# District Office Contact Information

**Indianapolis  
(Central Office)**  
 100 N. Senate Ave. IGCN,  
 Room N105  
 Indianapolis, IN 46204  
 317-232-2240  
 317-232-1843 (fax)

**Bloomington**  
 1531 S. Curry Pike, Suite 400  
 Bloomington, IN 47403  
 812-339-1119  
 812-330-1804 (fax)

**Clarksville**  
 1200 Madison St., Suite E.  
 Clarksville, IN 47129  
 812-282-7729  
 812-282-0574 (fax)

**Columbus**  
 4475 Ray Boll Blvd.  
 Columbus, IN 47203  
 812-376-3049  
 812-372-7368 (fax)

**Evansville**  
 500 S. Green River Rd.  
 Goodwill Building, Suite 202  
 Evansville, IN 47715  
 812-479-9261  
 812-471-8189 (fax)

**Fort Wayne**  
 7230 Engle Rd., Suite 314  
 Fort Wayne, IN 46804  
 260-436-5663  
 260-434-1380 (fax)

**Kokomo**  
 124 W. Superior St.  
 Kokomo, IN 46901  
 765-457-0525  
 765-452-0559 (fax)

**Lafayette**  
 100 Executive Dr., Suite B  
 Lafayette, IN 47905  
 765-448-6626  
 765-448-2760 (fax)

**Merrillville**  
 1411 E. 85th Ave.  
 Merrillville, IN 46410  
 219-769-4267  
 219-769-9363 (fax)

**Muncie**  
 3640 N. Briarwood Ln., Suite 5  
 Muncie, IN 47304  
 765-289-6196  
 765-286-7346 (fax)

**South Bend**  
 1001 Hickory Rd., Suite 5  
 South Bend, IN 46615  
 574-291-8270  
 574-291-8658 (fax)

**Terre Haute**  
 30 N. 8th St., 3rd Floor  
 Terre Haute, IN 47807  
 812-235-6046  
 812-235-2352 (fax)

1. Bloomington
2. Clarksville
3. Columbus
4. Evansville
5. Fort Wayne
6. Indianapolis
7. Kokomo
8. Lafayette
9. Merrillville
10. Muncie
11. South Bend
12. Terre Haute



# Notes

# Notes

# Department of Revenue Pyramid of Excellence

DOR's Pyramid of Excellence includes the agency's mission, vision and purpose, all of which were engineered to capture the culture and brand DOR is building upon. This symbol is the compass for the organization.

