



BIZTAX

JULY 2015

**Tax Amnesty
Coming in
September**

**Free Tax
Presentations
Available
for Indiana
Businesses**

**INtax Upgrade
Coming Soon**

*Even small businesses, like
flower shops, use INtax.*

A Publication for Indiana Businesses

If you are having trouble reading the text in the newsletter and wish it was a little bigger, there is a way to do that. View it in full-screen mode by clicking the Enable Full Screen button. You'll find it in the menu of buttons along the bottom of your screen—it's the very first button from the left and looks like a square with a little arrow pointing out from each corner.

You also can download the entire issue or just selected pages as PDF documents. Just click the Download button—the fifth button from the left that looks like a downward-pointing arrow with a line underneath it. This opens the issue as a PDF, which you can then save or print.

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BIZTAX

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STORY IDEAS?

Do you have a topic or questions you'd like addressed in *Biz Tax*? We always want to hear your suggestions! Send suggestions and feedback to feedback@dor.in.gov with the subject line "Biz Tax Feedback." We look forward to hearing from you!

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TAX AMNESTY

Coming in September

The Indiana Department of Revenue will conduct Tax Amnesty 2015 from September 15 through November 16, 2015.

Tax Amnesty 2015 is a limited-time opportunity for both individuals and businesses to pay past-due base tax liabilities free of penalty, interest, and collection fees. Existing tax liabilities, for all tax types, for periods ending prior to January 1, 2013, are eligible to participate in Tax Amnesty 2015.

In return for the full payment of the base tax, the state will:

- Waive penalties, interest, and collection fees for eligible liabilities;
- Release tax liens that have been imposed on existing liabilities; and
- Not seek civil or criminal prosecution against any individual or entity.

Indiana's first tax amnesty program was conducted in 2005.

- Taxpayers who participated in the 2005 amnesty program are not eligible to participate in Tax Amnesty 2015.
- Tax Amnesty 2015 is authorized by House Enrolled Act 1001, which was signed into law by Governor Mike Pence in May 2015.
- Of the outstanding taxes collected, the first \$84 million will fund the Indiana Regional Cities Development Fund. The next \$6 million will support the operation of the Hoosier State Rail Line. Any remaining taxes collected will be deposited into the state general fund.

More information, including instructions for participating in Tax Amnesty 2015, can be found at www.taxamnesty.in.gov.

Tax Amnesty 2015 is a limited-time opportunity for both individuals and businesses to pay past-due base tax liabilities free of penalty, interest, and collection fees.



Department Expands Business Outreach Education Program

According to the Small Business Administration, more than 97 percent of Indiana businesses are considered small. Small businesses often face unique challenges and obstacles.

To address these challenges, the Indiana Department of Revenue launched the Business Outreach Education Program. The program features customized



presentations designed to educate and support the thousands of businesses driving Indiana's economy.

One of the most popular presentations, *"Start Strong: Indiana Business Taxes for New and Small Businesses,"* addresses key tax information for new and small businesses, including sales tax and

income tax withholding. Attendees also have an opportunity to network with other business owners and ask questions of an experienced department representative.

The department has worked with the Indiana CPA Society, Indiana chambers of commerce, and other business organizations to hold free seminars across the state. This year the department plans to offer nearly 100 free seminars across Indiana.

“These presentations have a direct impact on Hoosier communities,” said Indiana Department of Revenue Commissioner Andrew Kossack. “Entrepreneurs and small business owners drive Indiana’s economy, so we’re very excited to provide tax resources to help these businesses succeed.”

The following presentations are currently available, but the department can create custom presentations based on your needs.



- **Start Strong: Indiana Business Taxes for New and Small Businesses**
- **Business Tax: Common Errors**
- **Automobile Dealer Tax Requirements**
- **Utility Sales Tax Exemptions**

“Entrepreneurs and small business owners drive Indiana’s economy, so we’re very excited to provide tax resources to help these businesses succeed.”

— Andrew Kossack



For a full list of upcoming presentations and to register, visit www.in.gov/dor/5176.htm.

If you or your organization is interested in hosting a seminar or having a department representative speak to your members, please contact the department at (317) 234-8587.



SPECIALIZED PRESENTATIONS AVAILABLE FOR AUTOMOBILE DEALERS

Automobile dealers, specifically those located along state lines, may encounter unique sales tax situations.

To alleviate confusion, the Indiana Department of Revenue has created a new Automobile Dealer Tax Seminar covering the following topics:

- Sales tax requirements for new, used, and leased vehicles
- Use tax requirements
- Tire fees
- Motor vehicle rental excise tax



Four free presentations are scheduled in 2015. **Click here** to see a list of upcoming presentations and to register.

Lessons Learned from the Tax Season

Each year the Indiana Department of Revenue takes time to evaluate feedback and implement lessons learned. This continual evaluation allows the department to provide better and faster service. Here's a look at lessons learned so far from corporate and trust taxes.



Trust tax filings in 2015 have been similar to last year, but several changes to communication processes have resulted in less confusion and faster turnaround time.

The department now uses email to send several messages to business owners. These include reminders of upcoming tax due dates, changes that may affect business owners, and notifications if the department did not receive a tax filing for a given period. These emails have reduced the number of late payments, in turn reducing the amount of penalty assessed to business owners.

More business owners are taking advantage of the INtax messaging system, helping to reduce confusion and accelerate the department's turnaround time. Messages

sent through INtax are delivered securely to the department and are as simple as sending an email. Sending a question or concern by mail requires the taxpayer to write a letter on company letterhead, have it signed by a responsible party, and mail it in. With written correspondence, it takes four to six weeks to receive a response, and letters may get lost in the mail.

With INtax messages, taxpayers know the department received the question or concern and the user receives a response in five to seven days. The department continues to learn ways to better communicate and engage with taxpayers to provide better service.

There are many ways business owners can find answers to their questions. The answers to commonly asked questions can be found by visiting the FAQ section in INtax. The “What’s New” page also will alert taxpayers to changes affecting them, such as a change in filing



More business owners are taking advantage of the INtax messaging system, helping to reduce confusion and accelerate the department's turnaround time.

frequencies. The department's blogs and tax video library provide additional instruction and guidance and are available on the department's [website](#). Of course, you also can call the department with questions. For a list of phone numbers, check out the [Contact Us](#) page on the website.

Corporate tax filings also have gone smoothly this filing season. The recent transition to electronic IT-20S filing has reduced processing time for those filers. Efforts in recent years have streamlined processes to provide faster service and turnaround time to taxpayers.

Electronic filing has produced higher quality data than do paper returns. The filing software ensures the data is correct before it is submitted. When a paper return with an error is submitted via mail, it has to go through the postal service, be sorted, and be processed by the department before the error is found. Then, the department must determine how to handle the error and send a letter back to the taxpayer. If the error requires verification, the taxpayer is issued a letter and asked to respond within 30 days before the department attempts to post the return.

Overall, business tax filing continues to improve. The department continues to streamline processes and increase the efficiency and accuracy of the tax filing process, thus making it easier for Hoosier businesses to remain compliant.



2015 Legislative Update

With the 2015 Indiana General Assembly over, it's time to take a look at the legislation that was passed and consider how it will affect Hoosier taxpayers. The following highlights some of the key changes to Indiana's tax laws, listed by tax type.



Changes Affecting **INDIVIDUAL INCOME TAX**



- Effective Jan. 1, 2016, several addbacks are eliminated: capital gain portion of a lump sum distribution, unemployment compensation excluded from federal gross income, qualified disaster assistance property, qualified refinery property, loss from the sale or exchange of preferred stock in the Federal National Mortgage Association or Federal Home Loan

Mortgage Corporation, an election under Section 179C of the IRC, and wages, reimbursements, or other payments made for services if the person was prohibited from being hired as an employee because the person was an unauthorized alien.

Changes Affecting **CORPORATE INCOME TAX**

- Effective Jan. 1, 2016, several addbacks are eliminated: capital gain portion of a lump sum distribution, unemployment compensation excluded from federal gross income, qualified disaster assistance property, qualified refinery property, loss from the sale or exchange of preferred stock in the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, an election under Section 179C of the IRC, and wages, reimbursements, or other payments made for services if the person was prohibited from being hired as an employee because the person was an unauthorized alien.

- Effective Jan. 1, 2015, a pass-through entity is not required to withhold tax or file a composite return for a nonresident member if the entity is a publicly traded partnership; meets the IRC Section 7704(c) exception; and agrees to file an annual information return reporting the name, address, and TID number for each member.
- Effective Jan. 1, 2015, if an S corporation is given an extension of time to file its annual return, it is automatically given an extension to file its withholding return for nonresident shareholders.
- Effective July 1, 2015, the recycling exemption is amended to exclude any collection of recycling materials from the definition of “recycling,” not limited to collection by licensed motor vehicles. “Occupationally engaged in recycling” is defined to engage in recycling with the intention of doing so at a profit. “Recycling cart” is defined to be a manually propelled container with a capacity of not more than 100 gallons. The double direct test for property acquired to be used in recycling is eliminated.
- Effective Jan. 1, 2016, the sales tax exemption for agricultural machinery, tools, and equipment is expanded to include material-handling equipment purchased for transporting materials into such activities from an onsite location.



- Effective Jan. 1, 2016, the “throwback rule” is eliminated for apportioning income to Indiana if the taxpayer is not taxable in the state of the purchaser.



Changes Affecting SPECIAL TAXES

- Effective Jan. 1, 2016, the annual registration date for aircraft is the last day of December instead of the last day of February.
- Effective July 1, 2015, an aircraft that has a total time in service exceeding 50 hours is no longer considered in inventory and is subject to registration and all applicable taxes.



A complete listing of all the legislation affecting 2015 tax filings can be found on the department's website. Go to the Legislative Summaries page and click the link for 2015.



Department Modernizes **IT-20S TAX FILING**

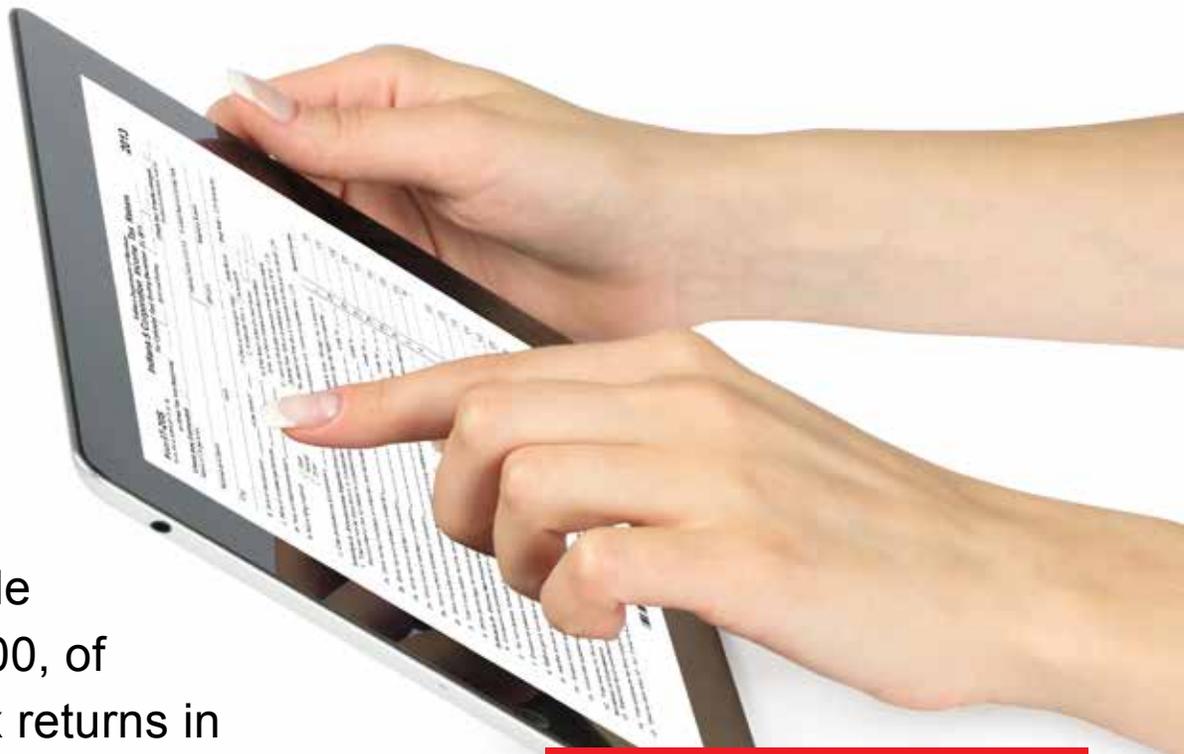
The department heard your requests and Form IT-20S now is available electronically. The form is available from six software vendors and is another step in the Indiana Department of Revenue's effort to modernize tax filings in Indiana.

Modernizing a tax form requires much effort and time. The department must develop its own system for collecting tax-related data for each form. The department then develops a schema that tells software developers how the department must receive the information. Through a process of testing, vendors build a successful interface to take information from the taxpayer and submit it directly to the department's system.

The IT-20S was chosen as the first corporate form to be modernized. It comprises roughly 45 percent, or a little more than 95,000, of all corporate tax returns in Indiana. So far, more than 15,000 IT-20S returns have been filed electronically. The department expects to receive at least 30 percent of the 2015 IT-20S returns electronically.

For a list of software vendors that currently support the electronic IT-20S return, visit www.in.gov/dor/5239.htm.

To aid tax professionals and business owners around Indiana, the department will modernize more corporate tax forms in the future.



The IT-20S was chosen as the first corporate form to be modernized. It comprises roughly 45 percent, or a little more than 95,000, of corporate tax returns in Indiana.



COMING SOON:

INtax Upgrade

If you file Indiana business taxes, chances are you've spent a lot of time using INtax.

INtax is Indiana's online business tax filing and payment application. It's a powerful tool that helps more than 303,000 businesses remit their taxes. INtax collected more than \$7 billion in Indiana taxes in 2014.

In August, the application will get even more powerful.

The Indiana Department of Revenue will launch a major technology upgrade to turn INtax into the fastest, most concise tax-calculating machine around.

Some key new features include:

- **Clearer instructions, language, and alerts**
- **Faster-performing technology**
- **Consolidated screens (which mean less clicking!)**
- **A new INtax logo and interface**

While the upgrade certainly will make your tax filing and payment process easier and faster, don't worry about too much change. You'll still recognize the same overall INtax framework.

For those who need some extra help adjusting to the changes, new guides will be available. Watch for these on the **INtax website** in August.



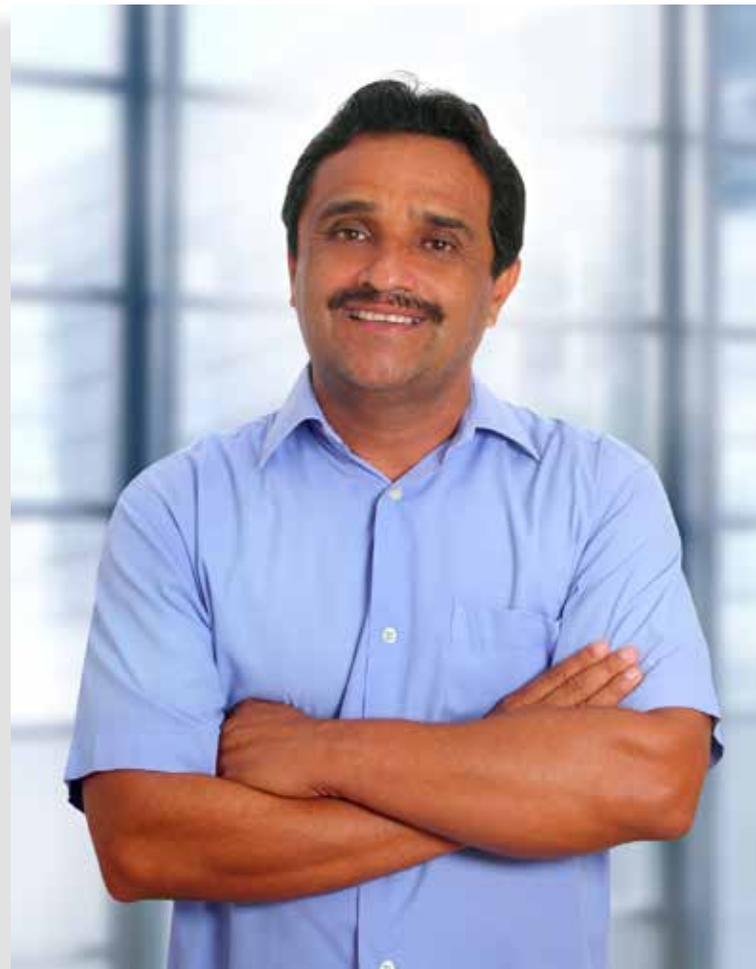
Many taxpayers currently using INtax are highly satisfied with it. In fact, 93 percent of INtax users surveyed said they would recommend INtax to others.

Department Has Resources to Aid in Estimating Tax Payments

The Indiana income tax system is basically a “pay-as-you-go” process. Taxes are automatically taken out of our paychecks.

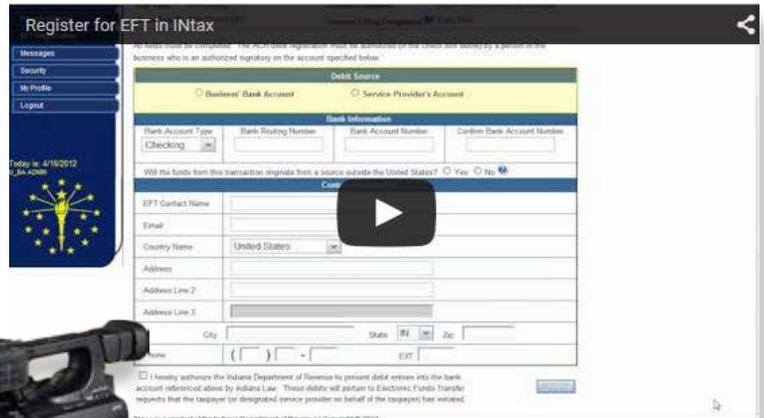
However, if you have income from non-wage sources, such as from dividends, interest, farm income, or rental income, no taxes are withheld. However, the “pay-as-you-go” requirement still applies.

Instead of paying taxes throughout the year, estimated payments are made in equal installments due in April, June, September, and January (of the next year). Estimating tax payments can be difficult for some, but there are safe harbors to help you avoid penalty.



The Indiana Department of Revenue has several resources to help you navigate estimated taxes.

The Indiana Department of Revenue has several resources to help you navigate estimated taxes, including a new video in our tax video library. The video is divided into chapters and reviews how to estimate taxes, how to make payments, and how to contact the department.



Check out the IDOR's video library showing step-by-step instructions by clicking here.

Tax Talk, the department's blog, also recently featured a three-part series on estimated taxes. Learn more about situations when you may need to make estimated tax payments, how to estimate

your taxes for the year, and ways to make payments.

Tax Talk can be found at www.in.gov/dor/3877.htm.

You can find the estimated tax series in the archive, along with many other helpful blog entries.





Important Dates

Each issue highlights upcoming key dates. Find a complete list of due dates **online**.

Note, if the due date shown falls on a weekend or federal or state holiday, the payment is due on the next business day.

AUGUST

DATE	TAX TYPE	FORM	DESCRIPTION
10	Sales	GT-103	Gasoline Use Tax (Second Filing)
10	Alcohol	ALC-PS	Monthly Report for Primary Source Suppliers
15	Motor Carrier	---	International Registration Plan (IRP) Renewal Due Date if mailing for October Staggered month

AUGUST

DATE	TAX TYPE	FORM	DESCRIPTION
15	Motor Carrier	---	Deadline for July Renewals for Penalty
15	Fuel	SF-900	Special Fuel Consolidated Monthly Tax Return (First installment payment due)
15	Cigarette	CIG-M	Monthly Return for Cigarette Distributors (w/ supporting schedules)
15	Cigarette	CIG-PT	Monthly Return for Cigarette Papers and Tubes
15	Cigarette	CT-19	Monthly Report of Cigarettes Stamped
15	Aviation	AVF-150	Aviation Fuel Excise Tax Return
15	Other Tobacco Products	OTP-M	Other Tobacco Products Monthly Return (w/ supporting schedules)
15	Gaming	TTG-103	Type II Gambling Game Excise Tax

AUGUST

DATE	TAX TYPE	FORM	DESCRIPTION
20	Sales	ST-103 ST-103MP CIT-103 FAB-103 MVR-103 MVR-103CS TF-103	Monthly Trust Tax Returns for July (Earlier Filers*) * Early Filers are defined as those having greater than \$1,000 average monthly tax liability for the prior calendar year.
20	Alcohol	ALC-W	Monthly Excise Tax Return for Wholesalers
20	Alcohol	ALC-FW	Monthly Excise Tax Return for Indiana Based Farm Wineries
20	Alcohol	ALC-M	Monthly Excise Tax Return for Indiana-based Breweries, Distillers, Rectifiers and vintners
20	Alcohol	ALC-DWS	Monthly Excise Tax Return for Out-of-state Direct Wine Sellers
20	Gaming	GCE-103	Charity Gaming Card Excise Tax Return
20	Gasoline	MF-360	Gasoline Distributor's Consolidated Monthly Tax Return

AUGUST

DATE	TAX TYPE	FORM	DESCRIPTION
20	Fuel	FT-501	Terminal Operator's Monthly Return
20	Fuel	SF-900	Special Fuel Consolidated Monthly Tax Return (Second payment)
20	Fireworks	FPS-103	Fireworks Public Safety Fee
25	Sales	GT-103	Gasoline Use Tax (First Filing)
25	Fuel	SF-401	Special Fuel Transporter Return
30	Sales	ST-103 ST-103MP CIT-103 FAB-103 MVR-103 MVR-103CS TF-103	Monthly Trust Tax Returns for July (Monthly Filers**) **Monthly Filers are defined as those having less than \$1,000 average monthly tax liability for the prior calendar year.
30	Gasoline	MF-600	Petroleum Severance Tax Return
31	Sales	GT-103DR	Recap of Gasoline Use Tax by Distributors



Contact Us

It is important for you to know the various ways in which you can contact the department if you are in need of help or want to receive critical updates.

If you have a specific question that our website does not answer, you are encouraged to email us by visiting www.in.gov/dor/3392.htm. If you have an immediate concern, however, you can contact the department at (317) 233-4015.



In addition, the department offers several other ways for you to learn about important tax updates at your convenience:

- Become a Facebook fan by [clicking here](#).
- Follow us on Twitter at www.twitter.com/INDeptofRevenue.
- Subscribe to our TaxTalk Blog at www.in.gov/dor/3877.htm.
- Sign up for automatic email updates on the department's website at www.in.gov/dor.
- Subscribe to our New and Small Business Education Center at www.smallbiz.in.gov.

For previous editions of *Biz Tax*, [click here](#).



July 2015

BizTax is a publication produced by the Indiana Department of Revenue twice a year to update taxpayers about the laws and changes that affect Indiana businesses.

