

Indiana Department of Revenue

2012 General Update

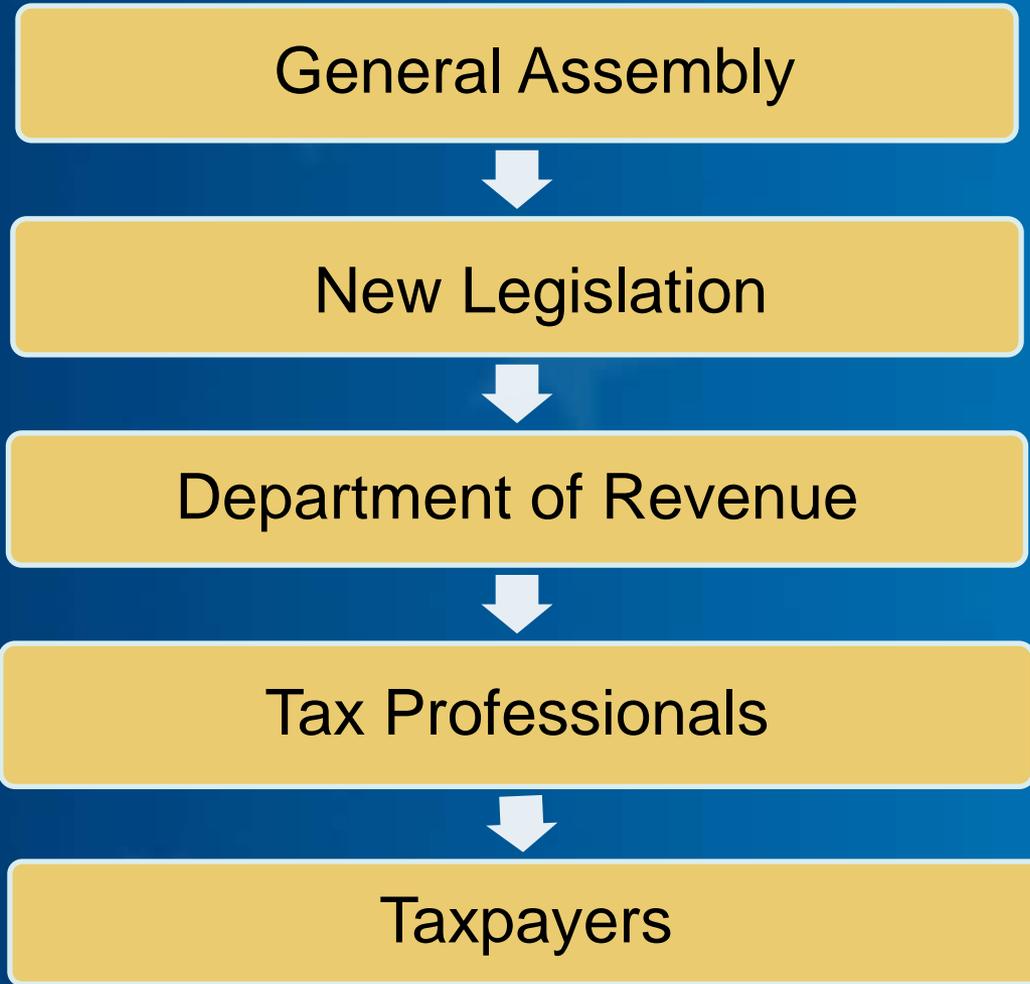


Program Forecast

- Mission
- DOR News
- 2011 Filing Season
- New Legislation
- E-File Mandate
- Tips & Review



The Process



Our Mission

Administer tax laws and collect tax revenues in a fair, consistent, and efficient manner for Indiana taxpayers and provide accurate, timely, and reliable funding and information to State and local constituents



Taxes Administered by the Indiana Department of Revenue

- Aircraft License Excise
- Alcoholic Beverage
- Auto Rental Excise
- Cigarette
- Commercial Motor Vehicle Excise
- Controlled Substance Excise
- Corporate Income
- County Adjusted Gross Income
- County Economic Development Income
- County Innkeeper's
- County Option Income
- Environmental
- Estate
- Fiduciary
- Financial Institutions
- Fireworks
- Food & Beverage
- Fuel
- Gasoline
- Generation Skipping Transfer
- Hazardous Waste Disposal
- Individual Income
- Inheritance
- Malt Beverage
- Marine Fuel
- Marion County Admissions
- Motor Carrier Fuel
- Motor Carrier Surcharge
- Motor Vehicle Excise
- Pari-mutual Admissions
- Pari-mutual Wagering
- Petroleum Severance
- Prepaid Sales
- Public
- Public Utility (Railroad Car Companies/Railroads)
- Riverboat Admissions
- Riverboat Wagering
- Sales & Use
- Tire Fee
- Tobacco
- Utility Receipts
- Withholding



DOR NEWS



New Commissioner: Mike Alley



In May the Department welcomed Mike Alley as the new commissioner. Previously, Alley served as president and CEO of Fifth Third Bank of Central Indiana in Indianapolis from 1989 to 2002.

Alley looks forward to building on success. “In talking with leaders within the Department, it is clear that many innovations and enhancements implemented have had a remarkably positive impact on the effectiveness and efficiency of our processing and collections,” he said. “Further, customer service and responsiveness have clearly been a focus favorably impacting our customer satisfaction levels.”



New Phone System

- New IVR Automated Phone System
- Individuals' rotation of District Offices in system
- Special practitioner contacts
 - Web www.in.gov/dor/3863.htm
 - Phone 800-462-6320 Ext 4367



Phone 800-462-6320 Ext 4367

- You will hear a beep, then a recording that asks you to reenter your account code
 - Enter the extension 4367
- Press “2” for Spanish
- Press “1” for questions about your client’s INDIVIDUAL Tax account
- Press “2” for questions about your client’s BUSINESS TAX account



Part 1

Looking Back at

2011 FILING SEASON



Record Processing Season

The Department has experienced its most efficient and effective tax processing season in recent memory – perhaps history. On May 11, we had processed just more than 3 million individual tax returns. This was accomplished a full month earlier than last year. In 2011, we did not reach 3 million until June 10. And, we accomplished this while continuing to process all business tax filings and corporate income tax returns.



Another Interesting Fact

In 2005, about 45 percent of our approximately 3.1 million individual returns were filed electronically. This year we appear to be headed to more than 74 percent electronic filing.



Feedback

We are continually striving to provide better customer service and welcome any ideas or suggestions that you want to share with us:

- Form changes
- Website suggestions
- Department interaction

Email us at feedback@dor.in.gov



Part 2

NEW LEGISLATION



New Legislation

Automatic Taxpayer Refund Credit Available in 2012

Individual must:

- Timely file a 2011 and 2012 Indiana tax return (including extensions) as a full-year resident
- Have a modified state tax liability in 2012
- Credit amount yet to be determined



New Legislation

The following credits have been extended through 12/31/16:

- Alternative fuel vehicle manufacturing tax credit
- Hoosier business investment tax credit
- New employer tax credit
- Venture capital investment tax credit



New Legislation

2011 last year to claim a new credit

- Employer health benefit plan credit
- Maternity home credit
- Small employer qualified wellness program credit

Any unused credit must be carry forward to 2014, 2015,
then sunsets



New Legislation

Sales and Withholding Tax

All sales and withholding tax must be reported electronically

- INtax
- Other software options

All payments must be made electronically

- INtax
- EFT

Effective Jan. 1, 2013



New Legislation

Sales and Withholding Tax (Continued)

- Conversion campaign for monthly, early, and weekly filers July-December 2012
- Annual filers required to convert by the end of 2013
- Applies to ALL taxpayers
- Minimal exceptions allowed
- Formal request process for exceptions



New Legislation

Form WH-3 which includes W-2G, 1099-R, and/or WH-18 showing Indiana withholding amounts must be filed electronically if filing more than 25 documents

Effective July 1, 2012



New Legislation

Withholding taxes are now required to be remitted on an annual basis if the annual withholding tax liability is less than \$1000

- Eliminates the current requirements for quarterly and semi-annual filing
- Must be filed electronically

Effective Jan. 1, 2013



New Legislation

Withholding Tax

The due date for the payment and reporting of one-time distributions to nonresident partners/shareholders has changed:

- WH-18 due to nonresident partners/shareholders by the 15th day of March
- The WH-1 and payment due by the 15th day of the fourth month after end of the tax year
- WH-3 due the 15th day of the fourth month after end of tax year

Effective July 1, 2012



New Legislation

Sales/Use Tax

- Machinery, tools and equipment directly used in the direct processing of recycled materials is exempt from sales tax
- Property acquired by recyclers to comply with state, local or federal environmental quality statutes, regulations or standards is exempt from the sales tax

Effective Jan. 1, 2012 (Retroactive)



New Legislation

Sales/Use Tax

Packaging materials used by industrial processors are exempt from sales tax

Effective July 1, 2012



New Legislation

Sales/Use Tax

Cigarette tax stamp meter machines and accessories such as re-packers, cutters and supplies are exempt from sales tax if the property is acquired by a person who is required to affix excise tax stamps

Effective July 1, 2012



New Legislation

Sales/Use Tax

- Recyclers' use of utilities may be exempt from the sales tax being imposed if the utility is predominately used for recycling or separately metered
- Information Bulletin #55

Effective Jan. 1, 2012 (Retroactive)



New Legislation

Sales/Use Tax

The E85 sales tax deduction that is allowed for sales of E85 during the period from January 1 to March 31 of each year has been repealed

Effective July 1, 2012



New Legislation

Sales/Use Tax

A utility is not required to charge sales tax for utilities that are separately metered or predominately used by a person engaged in recycling, processing, repairing, floriculture or arboriculture

Effective Jan. 1, 2013



New Legislation

Utility Receipts Tax

Gross receipts received from an electricity supplier as payment of severance damages or other compensation as a result of a change in assigned service area boundaries are exempt from the utility receipts tax

Effective Jan. 1, 2013



New Legislation

Tobacco Products

The wholesale price for other tobacco products will allow for discounts shown on an invoice but does not allow for any other reduction that is not shown on the invoice

Effective July 1, 2012



New Legislation

Synthetic Drugs

If a person has been convicted of selling synthetic drugs (AKA “bath salts” or “spice”) and the sale occurred in the normal course of business, the retail merchant certificate will be suspended for one year and no certificate will be issued to anyone else who owned, was an officer of, or was employed by the retail merchant that was suspended.

Effective immediately



New Legislation

Inheritance Tax

- The exemption for a Class A transferee is increased from \$100,000 to \$250,000
- A spouse, widow or widower of a child or a stepchild of a decedent is considered a Class A transferee

Effective Jan. 1, 2012 (Retroactive)



New Legislation

Inheritance Tax

- Transfers to a pass-through entity
- The inheritance tax will be based on each individual's ownership interest in the entity and whether the person is a Class A, B, or C transferee

Effective July 1, 2012



New Legislation

Fiduciary Filing Requirement Change

Trusts and estates are excluded from the requirement of filing a state fiduciary return (Form IT-41) if the gross receipts of the trust or estate are less than \$600

Effective Jan. 1, 2013



New Legislation

Refund Claims

- The prohibition of taking a case to tax court if the Department takes longer than three years to settle a claim for refund has been removed
- The provision that requires a sales tax claim for refund for utilities paid to be filed within 18 months after the date of payment has been removed
- The time period to file a claim for refund for exempt utility usage has been extended from 18 months to 36 months
- Commissioner's Directive #13

Effective July 1, 2012



Part 3

e-File Mandate for 2013

SALES & WITHHOLDING



New e-File Mandate

- All sales taxes **MUST** be filed and remitted electronically by Jan. 1, 2013
- All withholding taxes **MUST** be filed and remitted electronically by Jan. 1, 2013

Passed into law by 2012 General Assembly

Primary Method: INtax



INtax Is for Practitioners

- Securely correspond with the Department
- Register and edit multiple clients
- View and print a current client list
- Schedule payments up to 30 days ahead
- File a zero return to avoid BIA
- Make a separate payment for each client or pay multiple client accounts through bulk payment upload
- View client's payment and return history at any time



INtax Is for Practitioners

- Client not required to be registered with INtax before a practitioner can add the client
- Client has option to register for INtax to view account information, as well as view practitioner activity
- Client is notified that a practitioner is managing his state taxes using INtax
- Survey Says: **93** percent of current users satisfied and would recommend INtax to others





- Businesses
- View Clients
- File
- Filing History
- Pay
- Pay Underpaid Account Balances
- Make a Payment
- Payment History
- EFT Registration

INtax Profile

Tax Types and Returns Supported:

Withholding:

- WH-1
- WH-3

Fuel Tax:

- SF-900
- SF-401
- MF-360

Sales Tax:

- ST-103
- ST-103MP
- ST-103P

Tire Fee:

- TF-103

Type II Gaming (01/09)

- TTG-103

Wireless Prepaid(07/10)

- WPC-103

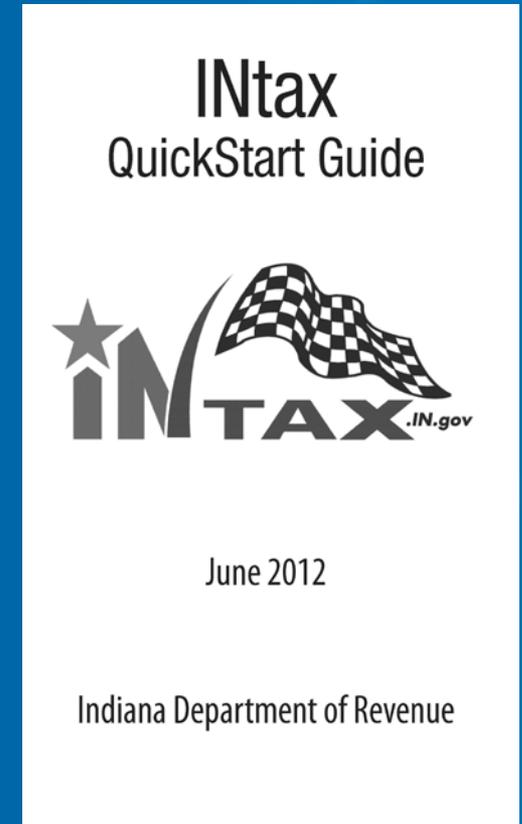
Functionality:

- Registration
- Business Detail
- Account Detail
- Filing History
- Payment History
- File Returns
- Make Payments
- Pay Underpaid Account Balances
- EFT Registration
- Send Secure Messages



INtax Assistance

- Special Hotline: 317-232-2337
- INtax QuickStart Guide
- INtax Online Tutorials



Part 4

TIPS



TIPS

- INfreefile continues for 2012
- No more I-File
- Past returns still available via I-File
- Multiple vendors
 - State and federal free
 - State only free (must complete federal information)
- Limits on AGI, age, etc. will apply



Tips

- Ensure all necessary and required schedules are included when submitting paper returns (any missing schedules will delay processing)
- Do not submit a paper return if you have already e-filed



Tips

Income statements must be included with a paper return to claim Indiana credit for state and/or local withholding:

- W-2s
- WH-18s
- 1099s

Do not send W-2s with information on the front and back; single-sided withholding statements only



Tips

If you have electronically filed and are planning to send in a paper check, **submit a PFC**

Anytime a payment is received without a PFC, there is an opportunity for the Department to misapply the payment which will cause processing delays

To avoid delays, payments can be made electronically at:

www.in.gov/dor/epay



Tips

- Do not black out the 1D barcode found at the bottom of forms
- Make sure that copies of forms are readable
- Ensure all forms submitted for a taxpayer are of the same type:
 - CT-40 PNR with IT-40 PNR
 - Schedule 7 with IT-40



Tips

Use returns provided by DOR or certified tax preparation software

Ensure that your tax preparation software is updated regularly

- Older versions do not contain the most current county tax rates or form versions
- Using old information or forms will likely slow processing time



IN-529

Indiana has two 529 College Choice Education Savings Plans:

- U-Promise account numbers may be 11 digits long and begin with 61 or 62
- College Savings Bank account numbers may be 10 digits long and begin with 200, 201 or 208



Tips

- Use the IT-40X for any amended IND returns
- Provide a complete explanation of the changes to your previously filed return
- Enclose a copy of your amended federal return, if one was filed
- Enclose schedules and forms that support the changes listed in Column B
- Not all changes to a tax return require an IT-40X, changes or additions to Schedules 2, 3, IN-DEP and 4, etc



Tips

- Encourage your clients to select direct deposit for their individual income tax refunds
- Check refund status by:
 - Visiting www.in.gov/dor/4339.htm
 - Calling 317-232-2240



Tips

- Submit only one check per trust tax return (E-Mandate begins Jan. 1, 2013)
 - Multiple returns with one check or multiple checks with one return may cause processing delays
- Returns and payments should only show a valid and complete TID
 - Do not use “applied for” or FIDs in the TID field
- No specific account information on a business will be given without having a valid POA on file



Tips

- Do not white out or make any handwritten changes on trust tax returns
 - This causes errors when processing
- Do not three-hole punch returns, staple the returns or use any other attachment device, excluding a paperclip
- The Department will no longer accept faxed tax returns of any type
 - This creates problems for our imaging and processing machines



ePay

- Liability balances
- Make payment online for balance due
- Make payment online for one or more liabilities or cases (**don't forget to use the case number**)
- Manage estimated tax installment payments or view payment history
- Schedule an eCheck payment for up to 90 days in the future

www.in.gov/dor/epay



Payment Plan Tool Online

INtax Pay

Pay in full or set up payment plan for IND liability:

- 20% down
- Must owe > \$100
- Need case ID found on bill

www.intaxpay.in.gov



Change of Address

Did you know you can change the address found on your individual and business account on our website?

- Individual www.in.gov/dor/3795.htm
- Business www.in.gov/dor/3788.htm



Mailing Instructions

WH-3 when claiming refund:

- P.O. Box 7220
Indianapolis, IN 46207-7220

All other WH-3 returns:

- P.O. Box 6108
Indianapolis, IN 46206-6108

Additional P.O. Boxes can be found at
www.in.gov/dor/3484.htm



Mailing Instructions

Returns w/ 2D barcodes are no longer mailed to separate address

IND returns with payments:

- P.O. Box 7224
Indianapolis, IN 46207-7224

IND returns without payments:

- P.O. Box 40
Indianapolis, IN 46206-0040

IND correspondence:

- P.O. Box 7207
Indianapolis, IN 46207-7207



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- Tax Blog www.in.gov/dor/3877.htm
- Register for our subscription service to receive emails when website is updated [Click](#) 
- Tax Dispatch www.in.gov/dor/3659.htm



New and Small Business Education Center

Starting point for a new business

- How to register or close your business
- Make changes to your account
- File and pay your taxes online

You'll also find answers to frequently asked questions, as well as all the business tax forms and publications you might need

www.smallbiz.in.gov



Contact Us

Practitioner Hotline 800-462-6320 enter code 4367

Online Inquiry Center www.in.gov/dor/3863.htm

INtax Hotline 317-232-2337

e-file Questions 317-232-0059

Streamlined Sales Tax 317-233-4015 or
www.in.gov/dor/3341.htm



IND Due Dates for 2013

April 15, 2013	IT-40, IT-40EZ, IT-40PNR, IT-40RNR, IT-40ES / ES-40, IT-9
June 17, 2013	IT-40ES / ES-40 (2nd qtr); State IT-9 extension filing due date
July 01, 2013	SC-40, IT-40, IT-40PNR filing due date if claiming unified tax credit for the elderly (not including extensions)
Sept . 16, 2013	IT-40ES / ES-40 (3rd qtr)
Nov. 15, 2013	State filing due date if under federal extension (Form 4868)
Jan. 15, 2014	IT-40ES / ES-40 (4th qtr)



Questions and Discussion

