
DEPARTMENT OF STATE REVENUE

Information Bulletin #112
Income Tax
June 2016
Effective Dates: January 1, 2016; July 1, 2016

SUBJECT: Income Tax Credit for Property Tax Paid by a For Profit Hospital

REFERENCE: [IC 6-3-3-14.6](#)

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SUMMARY OF CHANGES

Aside from nonsubstantive, technical changes, this bulletin is changed to reflect that the credit may be carried forward indefinitely.

INTRODUCTION

[IC 6-3-3-14.6](#), as added by HEA 1001-2015, SECTION 83 provides an income tax credit for property taxes paid by a for profit acute care hospital. The credit is effective for taxable years beginning after December 31, 2015. SEA 309-2016, SECTION 26 permits a carryforward of any unused credit, effective July 1, 2016.

HOSPITAL DEFINED

A "hospital" means an acute care hospital that is licensed under [IC 16-21-2](#); is operated on a for-profit basis; is subject to the adjusted gross income tax at the corporate income tax rate; provides health care, accommodations, facilities, and equipment, in connection with the services of a physician, to individuals who need medical care or surgical services; and is not primarily providing care and treatment of patients with a cardiac condition, an orthopedic condition, or receiving a surgical procedure.

AMOUNT OF CREDIT

A hospital is entitled to a credit against the hospital's adjusted gross income tax liability for the taxable year equal to 10 percent of the property taxes paid in Indiana on property used as a hospital.

The credit may not exceed the taxpayer's adjusted gross income tax liability for the taxable year, reduced by the sum of all credits applied before the application of this credit for the taxable year. The amount of any unused credit for a taxable year may be carried forward to a succeeding taxable year. There is no time limitation on the credit carryforward. However, any unused credit for a taxable year may not be carried back to a preceding taxable year, or refunded.

Andrew Kossack, Commissioner

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