
DEPARTMENT OF STATE REVENUE**Information Bulletin #14
Income Tax
December 2022
Effective Date: Upon Publication
(Replaces Bulletin #14, dated July 2015)**

SUBJECT: Income Tax Credit for Donations to Colleges

REFERENCES: [IC 6-3-3-5](#)

DISCLAIMER: Information bulletins are intended to provide nontechnical assistance to the general public. Every attempt is made to provide information that is consistent with the appropriate statutes, rules, and court decisions. Any information that is not consistent with the law, regulations, or court decisions is not binding on either the department or the taxpayer. 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.

SUMMARY OF CHANGES

Aside from nonsubstantive, technical changes, this bulletin has been changed to update hyperlinks and forms used to claim the credit.

INTRODUCTION

The purpose of this bulletin is to briefly summarize the provision in the Indiana adjusted gross income tax law that provides taxpayers a credit for any contribution made to an accredited institution of higher education that is located in the State of Indiana. The term "contribution" does not include payments for tuition or fees to attend the institution, the price of tickets to attend sporting events, or other entertainment sponsored by the institution.

ELIGIBLE INSTITUTIONS

The department will recognize credits taken on Indiana individual and corporate tax returns for contributions made to an eligible institution or to any corporation or foundation organized and operated solely for the benefit of the institution of higher education.

DEFINITION OF "INSTITUTION OF HIGHER EDUCATION"

The term "institution of higher education" means any educational institution located within Indiana that:

- (1) Normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance at the place where its educational activities are carried on;
- (2) Regularly offers education at a level above the 12th grade;
- (3) Regularly awards associate, bachelor's, master's, or doctoral degrees, or any combination thereof; and
- (4) Is duly accredited by the North Central Association of Colleges and Schools, the Indiana State Board of Education, or the American Association of Theological Schools.

TAX CREDIT FOR CONTRIBUTIONS BY INDIVIDUALS

Individuals are allowed a tax credit against their Indiana adjusted gross income tax liability for contributions made to institutions of higher education. The amount of the individual's credit is 50% of the total amount given during the tax year. The credit may not exceed the lesser of:

- \$100 for a single return or \$200 for a joint return; or
- The adjusted gross income tax liability on any return less the credit for taxes paid to other states, the Twenty-first Century Scholars Program, the unified tax credit for the elderly, and the enterprise zone credit.

A taxpayer who purchases a university license plate through the Bureau of Motor Vehicles and pays the additional fee of \$25 that is donated to the institution is eligible to claim 50% of the fee as a tax credit.

A donation that is required to qualify to purchase season tickets or special seating for athletic events is a qualified donation and is eligible for the credit. The price of the ticket is not a qualified donation.

The above qualifying donations are part of the maximum credit cap and not additional amounts that can be claimed.

TAX CREDIT FOR CONTRIBUTIONS BY CORPORATIONS

Corporations are allowed a tax credit against their Indiana adjusted gross income tax liability for contributions

made to institutions of higher education.

The amount of a corporation's credit is equal to 50% of the total amount given during the tax year. However, the credit may not exceed the lesser of (1) 10% of the corporation's adjusted gross income tax liability; or (2) \$1,000.

COMPUTATION SCHEDULE

Schedule CC-40 must be enclosed with the taxpayer's income tax return to substantiate the credit. Corporations also use Schedule CC-40 to substantiate the credit. These schedules are used to calculate the allowable credit and to list eligible institutions to which contributions have been made, the date of the contribution, and the amount of the contribution. Schedule CC-40 is available on the department's website by visiting in.gov/dor/tax-forms/ and clicking on "Individual Income Tax Forms."

If you have any questions concerning this bulletin, please contact the Tax Policy Division at taxpolicy@dor.in.gov.

Robert J. Grennes, Jr.
Commissioner

Posted: 04/26/2023 by Legislative Services Agency
An [html](#) version of this document.