

DEPARTMENT OF STATE REVENUE

Information Bulletin #107
Income Tax
November 2022
Effective Date: Upon Publication
(Replaces Bulletin #107, dated September 2011)

SUBJECT: Unreimbursed Education Expenses Deduction

REFERENCES: [IC 6-3-2-22](#)

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SUMMARY OF CHANGES

Aside from nonsubstantive, technical changes, this bulletin has been changed to update the contact information provided in the bulletin.

INTRODUCTION

The purpose of this bulletin is to provide guidance concerning the unreimbursed education expenses deduction, which authorizes taxpayers to claim a \$1,000 income tax deduction per dependent who is enrolled in a private school or home schooled in grades K-12 and incurs costs for tuition, fees, computer software, textbooks, or school supplies.

DEFINITIONS

"Dependent child" means an individual who:

- (A) is eligible to receive a free elementary or high school education in an Indiana school corporation;
- (B) qualifies as a dependent (as defined in Section 152 of the Internal Revenue Code) of the taxpayer; and
- (C) is the natural or adopted child of the taxpayer or, if custody of the child has been awarded in a court proceeding to someone other than the mother or father, the court-appointed guardian or custodian of the child.

"Education expenditure" refers to any expenditures made in connection with enrollment, attendance, or participation of the taxpayer's dependent child in a private elementary or high school education program. The term includes tuition, fees, computer software, textbooks, workbooks, curricula, school supplies (other than personal computers), and other written materials used primarily for academic instruction or for academic tutoring, or both.

"Private elementary or high school education program" means attendance at:

- (A) a nonpublic school (as defined in [IC 20-18-2-12](#)); or
- (B) an accredited nonpublic school;

in Indiana that satisfies a child's obligation under [IC 20-33-2](#) for compulsory attendance at a school. The term does not include the delivery of instructional service in a home setting to a dependent child who is enrolled in a school corporation or a charter school.

APPLICATION OF DEDUCTION

A taxpayer who makes an unreimbursed education expenditure during the taxpayer's taxable year is entitled to a deduction against the taxpayer's adjusted gross income in the taxable year.

The amount of the deduction is:

- (1) \$1,000; multiplied by
- (2) the number of the taxpayer's dependent children for whom the taxpayer made education expenditures in the taxable year.

NOTE: A husband and wife are entitled to only one deduction under this section. To receive the deduction, a taxpayer must claim the deduction on the taxpayer's annual state tax return or returns in the manner prescribed by the department.

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

Robert J. Grennes, Jr.
Commissioner

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