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**DEPARTMENT OF STATE REVENUE****Information Bulletin #113  
Income Tax  
March 2023  
Effective Date: Upon Publication  
(Replaces Bulletin #113, dated September 2019)**

**SUBJECT:** Deduction for a Contribution to a Regional Development Authority Infrastructure Fund

**REFERENCES:** [IC 6-3-2-26](#); [IC 36-9-43-9](#)

**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**

Only nonsubstantive, technical changes have been made to this bulletin. It has been primarily changed to reflect updated formatting.

**INTRODUCTION**

Each taxable year, a taxpayer that has made a contribution or gift to the fund is entitled to a deduction from the taxpayer's adjusted gross income for the taxable year in an amount equal to the amount of the federal income tax deduction allowable to the entity under Section 170 of the Internal Revenue Code for the taxable year for the taxpayer's contribution or gift to the fund. The taxpayer is permitted the deduction even if the taxpayer does not actually claim the deduction for federal tax purposes.

The deduction is only available for adjusted gross income tax purposes. To claim the credit, the taxpayer must report the deduction using code 631 on the taxpayer's Indiana income tax return.

**REGIONAL DEVELOPMENT AUTHORITY INFRASTRUCTURE FUND**

The regional development authority infrastructure fund is a fund created by the Indiana Finance Authority for the purpose of allowing a regional development authority to finance or contribute to the financing of regional transportation infrastructure projects. A person, including a political subdivision, may make a contribution or gift to the fund.

**YEAR IN WHICH DEDUCTION MAY BE CLAIMED**

The deduction provided for a taxable year may apply to a contribution or a gift to the fund that was made in a different taxable year.

**APPLICATION TO PASS THROUGH ENTITY**

If a pass through entity that makes a contribution or gift to the fund is entitled to the deduction provided by subsection (c) for a taxable year, a shareholder, partner, fiduciary, or member of the pass through entity is entitled to an adjusted gross income tax deduction equal to: (1) the adjusted gross income tax deduction computed for the pass through entity for the taxable year; multiplied by (2) the percentage of the pass through entity's distributive income to which the shareholder, partner, fiduciary, or member is entitled.

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Commissioner

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