

**INDIANA TAX EXPENDITURE STUDY  
INDIVIDUAL INCOME TAX DEDUCTIONS AND  
EXEMPTIONS  
TAX YEARS 2005, 2006, AND 2007**

**INDIANA STATE BUDGET AGENCY  
TAX AND REVENUE DIVISION  
JUNE 2010**

Income tax deductions and exemptions exclude specified amounts of income from taxation. Exemptions are generally broad-based such as an exemption from taxation of the first \$1,000 of every taxpayer's income while deductions are more narrowly applied such as a deduction of a specified amount available to taxpayers undertaking a particular economic activity. Deductions and exemptions reduce tax receipts from what they otherwise would be thereby reducing funding available for other government programs and services or foregoing an opportunity for a more broad-based tax decrease. Within that context, providing a deduction or exemption is analogous to direct spending by a governmental entity and for that reason is often described as a tax expenditure. Unlike direct expenditures, however, tax expenditures are generally not subject to budgeting and appropriation processes. Nor, are tax expenditures generally subject to regular reviews for efficiency and efficacy.

Working under a confidentiality agreement with the Indiana Department of Revenue, the Indiana State Budget Agency has access for research purposes to tax return data that have been cleaned of information that could be used to identify a particular taxpayer. Using this data, the Budget Agency quantified the reductions in state income tax liabilities resulting from the deductions and exemptions available in tax years 2005, 2006 and 2007 by simulating their elimination. The dynamic interactions between a particular deduction or exemption and all of the other deductions and exemptions were captured by recalculating each tax return as though that deduction or exemption did not exist.

For tax year 2007, twenty-five deductions and exemptions were available to individuals with income subject to taxation by the State of Indiana. These deductions and exemptions reduced tax liabilities by a total of \$589.1M, or 12.6% of total individual income tax collections, for that year. This report provides detailed information on those reductions along with comparable information for tax years 2005 and 2006. A future report will quantify the tax reductions resulting from income tax credits available to Indiana income taxpayers in tax years 2005, 2006 and 2007.

## Summary of Individual Income Tax Exemptions and Deductions

Exemptions and Deductions	Enactment	Indiana Code Citation	Tax Year 2006			Tax Year 2007		
			Count	Amount Claimed	Dynamic State Revenue Reduction	Count	Amount Claimed	Dynamic State Revenue Reduction
Federal Exemption	1971	IC 6-3-1-3.5(a)(3); IC 6-3-1-3.5(a)(4)(A)	3,005,398	\$6,066,961,663	-\$199,128,462	3,095,037	\$6,215,799,298	-\$203,521,463
Dependent Child Exemption	1997	IC 6-3-1-3.5(a)(5)(A)	960,330	\$2,514,095,089	-\$82,026,793	971,934	\$2,545,921,359	-\$83,060,438
Elderly and Blind Exemption	1971	IC 6-3-1-3.5(a)(4)(B)	481,450	\$643,519,010	-\$20,230,458	510,528	\$678,974,046	-\$21,081,043
Additional Elderly Exemption	1999	IC 6-3-1-3.5(a)(5)(B)	324,250	\$213,345,006	-\$6,365,896	332,162	\$216,775,025	-\$6,303,061
Renter's Deduction	1979	IC 6-3-2-6	651,081	\$1,502,707,763	-\$48,358,862	671,883	\$1,552,785,435	-\$49,885,893
Residential Property Tax Deduction	1999	IC 6-3-1-3.5(a)(17)	1,396,499	\$1,755,554,980	-\$58,678,290	1,411,445	\$1,910,149,016	-\$63,779,253
State Tax Refund Reported on Federal Return	1978	IC 6-3-1-3.5(a)(8)	441,512	\$220,115,598	-\$7,354,107	444,961	\$230,812,057	-\$7,678,065
Interest on U.S. Govt. Obligations Deduction	1971	IC 6-3-1-3.5(a)(1)	113,800	\$293,756,383	-\$8,678,276	121,209	\$296,399,001	-\$9,576,304
Social Security Deduction	1978	IC 6-3-1-3.5(a)(9)(12)	282,803	\$2,828,296,204	-\$96,005,266	307,206	\$3,240,266,333	-\$109,991,641
Railroad Retirement Benefits Deduction	1978	IC 6-3-1-3.5(a)(9)(12)	8,711	\$101,710,431	-\$3,182,923	8,924	\$105,921,365	-\$3,335,303
Military Service Deduction	1977	IC 6-3-2-4	38,367	\$76,097,256	-\$2,528,389	39,246	\$78,254,082	-\$2,599,486
Non-Indiana Locality Earnings Deduction	1977	IC 6-3-1-3.5	52,453	\$107,343,020	-\$3,644,503	53,555	\$110,727,982	-\$3,757,601
Insulation Deduction	1978	IC 6-3-2-5	70,687	\$49,809,956	-\$1,675,550	65,487	\$46,211,744	-\$1,554,316
Unemployment Compensation Deduction	1987	IC 6-3-2-10	46,322	\$131,462,588	-\$3,990,737	47,658	\$140,771,521	-\$4,261,654
Airport Development Zone Employee Deduction	1983	IC 6-3-2-8; IC 8-22-3.5-8	43	\$295,241	-\$9,906	38	\$240,050	-\$7,735
Civil Service Annuity Deduction	1977	IC 6-3-2-3.7	3,753	\$6,457,648	-\$217,407	3,994	\$6,772,086	-\$227,830
Disability Retirement Deduction	1985	IC 6-3-2-9	2,607	\$11,573,604	-\$345,562	2,141	\$9,697,428	-\$290,064
Enterprise Zone Employee Deduction	1983	IC 6-3-2-8	3,718	\$24,684,197	-\$830,331	3,982	\$26,126,162	-\$878,469
Human Services Deduction	1989	IC 6-3-1-3.5(a)(14)	892	\$10,741,054	-\$277,261	975	\$13,632,758	-\$339,377
Indiana Lottery Winnings Deduction	1989	IC 6-3-2-14.1; IC 6-3-2-14.5; IC 4-30-4-7	3,793	\$32,539,583	-\$1,075,471	4,379	\$30,716,189	-\$1,012,436
Indiana Net Operating Loss Deduction	1987	IC 6-3-2-2.5	6,725	\$382,104,942	-\$7,709,624	6,900	\$403,708,073	-\$7,349,177
IN Partnership Long-Term Care Policy Deduction	1999	IC 6-3-1-3.5(a)(16)	10,699	\$26,283,002	-\$873,280	11,580	\$28,866,394	-\$961,165
Law Enforcement Reward Deduction	1990	IC 6-3-2-17	21	\$10,634	-\$340	26	\$14,295	-\$471
Medical Savings Account Deduction	1995	IC 6-3-2-18	977	\$1,268,832	-\$42,127	1,453	\$2,046,740	-\$68,465
Recovery of Deductions	1977	IC 6-3-1-3.5(a)(8)	1,086	\$2,720,362	-\$88,669	1,633	\$3,871,879	-\$128,035

Note: Due to the dynamic nature of removing each exemption or deduction from the available tax expenditures separately, summing the individual state impacts of the exemptions and deductions will not equal the total of removing all of the exemptions and deductions simultaneously.

## Federal Exemption

### Totals

Tax Year	Number of Fed Exemptions Claimed	Amount Claimed	Average Exemption Amount per Return	Dynamic State Tax Reduction	Dynamic Average State Tax Reduction per Exemption
2005	2,961,067	\$5,973,899,400	\$2,017	-\$195,832,361	-\$66.14
2006	3,005,398	\$6,066,961,663	\$2,019	-\$199,128,462	-\$66.26
2007	3,095,037	\$6,215,799,298	\$2,008	-\$203,521,463	-\$65.76

Description: Taxpayers are allowed a \$1,000 exemption on their Indiana tax return for each exemption claimed on the individual's federal return.

Indiana Code Citation: IC 6-3-1-3.5(a)(3), IC 6-3-1-3.5(a)(4)(A)

Enacted: PL 64 - 1971

Notes: The amount of the exemption has not changed since enacted in 1971.

### By Filing Type

Tax Year	Single, Joint or Separate	Number of Fed Exemptions Claimed	Amount Claimed	% Distribution of Exemptions Claimed	Average Exemption Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reduction	Dynamic Average State Tax Reduction per Exemption
2005	Single	1,641,503	\$2,241,912,871	37.53%	\$1,366	-\$71,624,234	36.57%	-\$43.63
2005	Joint	1,276,013	\$3,672,404,561	61.47%	\$2,878	-\$122,257,279	62.43%	-\$95.81
2005	Separate	43,551	\$59,581,968	1.00%	\$1,368	-\$1,950,848	1.00%	-\$44.79
2006	Single	1,677,931	\$2,318,963,836	38.22%	\$1,382	-\$74,333,025	37.33%	-\$44.30
2006	Joint	1,283,192	\$3,687,175,385	60.77%	\$2,873	-\$122,801,801	61.67%	-\$95.70
2006	Separate	44,275	\$60,822,442	1.00%	\$1,374	-\$1,993,636	1.00%	-\$45.03
2007	Single	1,752,671	\$2,435,179,148	39.18%	\$1,389	-\$77,843,391	38.25%	-\$44.41
2007	Joint	1,295,886	\$3,717,549,231	59.81%	\$2,869	-\$123,616,920	60.74%	-\$95.39
2007	Separate	46,480	\$63,070,920	1.01%	\$1,357	-\$2,061,152	1.01%	-\$44.34

### By Income (Indiana AGI)

2005	Number of Federal Exemptions Claimed	Amount Claimed	% Distribution of Exemptions Claimed	Average Exemption Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reduction	Dynamic Average State Tax Reduction per Exemption
< \$0	46,637	\$60,649,769	1.02%	\$1,300	\$0	0.00%	\$0.00
\$0-\$20,000	1,175,617	\$1,700,040,410	28.46%	\$1,446	-\$52,586,868	26.85%	-\$44.73
\$20,001-\$50,000	909,923	\$1,867,962,822	31.27%	\$2,053	-\$63,507,117	32.43%	-\$69.79
\$50,001-\$75,000	398,699	\$1,063,640,341	17.80%	\$2,668	-\$36,163,772	18.47%	-\$90.70
\$75,001-\$250,000	399,091	\$1,188,740,093	19.90%	\$2,979	-\$40,417,161	20.64%	-\$101.27
Greater than \$250,000	31,100	\$92,865,965	1.55%	\$2,986	-\$3,157,443	1.61%	-\$101.53

2006	Number of Federal Exemptions Claimed	Amount Claimed	% Distribution of Exemptions claimed	Average Exemption Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Exemption
< \$0	46,035	\$62,136,987	1.02%	\$1,350	\$0	0.00%	\$0.00
\$0-\$20,000	1,167,360	\$1,690,737,924	27.87%	\$1,448	-\$52,455,926	26.34%	-\$44.94
\$20,001-\$50,000	922,792	\$1,883,565,507	31.05%	\$2,041	-\$64,034,817	32.16%	-\$69.39
\$50,001-\$75,000	401,467	\$1,052,547,717	17.35%	\$2,622	-\$35,786,617	17.97%	-\$89.14
\$75,001-\$250,000	432,528	\$1,273,410,613	20.99%	\$2,944	-\$43,295,962	21.74%	-\$100.10
Greater than \$250,000	35,216	\$104,562,915	1.72%	\$2,969	-\$3,555,139	1.79%	-\$100.95

2007	Number of Federal Exemptions Claimed	Amount Claimed	% Distribution of Exemptions claimed	Average Exemption Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Exemption
< \$0	50,735	\$66,632,545	1.07%	\$1,313	\$0	0.00%	\$0.00
\$0-\$20,000	1,196,143	\$1,728,335,348	27.81%	\$1,445	-\$53,217,655	26.15%	-\$44.49
\$20,001-\$50,000	938,294	\$1,906,213,925	30.67%	\$2,032	-\$64,806,815	31.84%	-\$69.07
\$50,001-\$75,000	406,442	\$1,045,455,536	16.82%	\$2,572	-\$35,545,490	17.47%	-\$87.46
\$75,001-\$250,000	464,267	\$1,353,800,264	21.78%	\$2,916	-\$46,029,208	22.62%	-\$99.14
Greater than \$250,000	39,156	\$115,361,681	1.86%	\$2,946	-\$3,922,295	1.93%	-\$100.17

# Child Exemption

## State Totals

Tax Year	Number of Child Exemptions Claimed	Amount Claimed	Average Exemption Amount per Return	Dynamic State Tax Reduction	Dynamic Average State Tax Reduction per Exemption
2005	945,462	\$2,473,935,027	\$2,617	-\$80,614,049	-\$85.26
2006	960,330	\$2,514,095,089	\$2,618	-\$82,026,793	-\$85.42
2007	971,934	\$2,545,921,359	\$2,619	-\$83,060,438	-\$85.46

Description: An additional \$1,500 exemption is allowed for each dependent child.

Indiana Code Citation: IC 6-3-1-3.5(a)(5)(A)

Enacted: PL 57- 1997

Notes: The original amount of the exemption established by PL 57- 1997 was \$500 for each dependent child. The deduction was increased to \$1,500 for each dependent child by PL 257- 1999.

## By Filing Type

Tax Year	Single, Joint or Separate	Number of Child Exemptions Claimed	Amount Claimed	% Distribution of Exemptions claimed	Average Exemption Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Exemption
2005	Single	337,480	\$746,977,980	30.19%	\$2,213	-\$23,067,021	28.61%	-\$68.35
2005	Joint	597,954	\$1,704,807,026	68.91%	\$2,851	-\$56,818,601	70.48%	-\$95.02
2005	Separate	10,028	\$22,150,022	0.90%	\$2,209	-\$728,426	0.90%	-\$72.64
2006	Single	349,209	\$777,234,619	30.92%	\$2,226	-\$24,142,923	29.43%	-\$69.14
2006	Joint	600,772	\$1,714,092,920	68.18%	\$2,853	-\$57,133,968	69.65%	-\$95.10
2006	Separate	10,349	\$22,767,551	0.91%	\$2,200	-\$749,899	0.91%	-\$72.46
2007	Single	361,036	\$806,320,705	31.67%	\$2,233	-\$25,118,366	30.24%	-\$69.57
2007	Joint	600,286	\$1,716,232,935	67.41%	\$2,859	-\$57,173,033	68.83%	-\$95.24
2007	Separate	10,612	\$23,367,719	0.92%	\$2,202	-\$769,040	0.93%	-\$72.47

## By Income (Indiana AGI)

2005	Number of Child Exemptions Claimed	Amount Claimed	% Distribution of Exemptions claimed	Average Exemption Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Exemption
< \$0	9,169	\$16,895,264	0.68%	\$1,843	\$0	0.00%	\$0.00
\$0-\$20,000	235,493	\$526,897,686	21.30%	\$2,237	-\$14,992,838	18.60%	-\$63.67
\$20,001-\$50,000	291,552	\$765,778,431	30.95%	\$2,627	-\$26,032,849	32.29%	-\$89.29
\$50,001-\$75,000	182,688	\$508,340,247	20.55%	\$2,783	-\$17,283,569	21.44%	-\$94.61
\$75,001-\$250,000	210,845	\$606,119,136	24.50%	\$2,875	-\$20,608,048	25.56%	-\$97.74
Greater than \$250,000	15,715	\$49,904,264	2.02%	\$3,176	-\$1,696,745	2.10%	-\$107.97

2006	Number of Child Exemptions Claimed	Amount Claimed	% Distribution of Exemptions claimed	Average Exemption Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Exemption
< \$0	9,808	\$18,803,508	0.75%	\$1,917	\$0	0.00%	\$0.00
\$0-\$20,000	237,064	\$529,239,847	21.05%	\$2,232	-\$15,187,449	18.52%	-\$64.06
\$20,001-\$50,000	291,165	\$765,423,569	30.45%	\$2,629	-\$26,017,991	31.72%	-\$89.36
\$50,001-\$75,000	179,162	\$498,403,832	19.82%	\$2,782	-\$16,945,725	20.66%	-\$94.58
\$75,001-\$250,000	225,371	\$645,992,079	25.69%	\$2,866	-\$21,963,732	26.78%	-\$97.46
Greater than \$250,000	17,760	\$56,232,255	2.24%	\$3,166	-\$1,911,896	2.33%	-\$107.65

2007	Number of Child Exemptions Claimed	Amount Claimed	% Distribution of Exemptions claimed	Average Exemption Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Exemption
< \$0	10,293	\$18,875,304	0.74%	\$1,834	\$0	0.00%	\$0.00
\$0-\$20,000	238,120	\$532,769,839	20.93%	\$2,237	-\$15,259,336	18.37%	-\$64.08
\$20,001-\$50,000	291,000	\$765,862,122	30.08%	\$2,632	-\$26,035,023	31.34%	-\$89.47
\$50,001-\$75,000	175,095	\$485,610,749	19.07%	\$2,773	-\$16,510,767	19.88%	-\$94.30
\$75,001-\$250,000	237,943	\$681,458,816	26.77%	\$2,864	-\$23,169,599	27.89%	-\$97.37
Greater than \$250,000	19,483	\$61,344,530	2.41%	\$3,149	-\$2,085,712	2.51%	-\$107.05

# Elderly and Blind Exemption

Description: An additional \$1,000 exemption may be taken for certain individuals and their spouses who are either older than age 65 or legally blind.

Indiana Code Citation: IC 6-3-1-3.5(a)(4)(B)

Enacted: PL 64 - 1971

Notes: The amount of the exemption established by PL 64 - 1971 was \$500. The exemption was increased to \$1,000 by PL 2-1987.

## Totals

Tax Year	Number of Additional Exemptions Claimed	Amount Claimed	Average Exemption Amount per Return	Dynamic State Tax Reduction	Dynamic Average State Tax Reduction per Exemption
2005	469,550	\$628,402,046	\$1,338	-\$19,658,286	-\$41.87
2006	481,450	\$643,519,010	\$1,337	-\$20,230,458	-\$42.02
2007	510,528	\$678,974,046	\$1,330	-\$21,081,043	-\$41.29

## By Filing Type

Tax Year	Single, Joint or Separate	Number of Additional Exemptions Claimed	Amount Claimed	% Distribution of Exemptions Claimed	Average Exemption Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Exemption
2005	Single	222,211	\$220,951,669	35.16%	\$994	-\$6,683,248	34.00%	-\$30.08
2005	Joint	243,946	\$404,318,633	64.34%	\$1,657	-\$12,880,867	65.52%	-\$52.80
2005	Separate	3,393	\$3,131,744	0.50%	\$923	-\$94,170	0.48%	-\$27.75

2006	Single	228,466	\$227,210,495	35.31%	\$995	-\$6,907,519	34.14%	-\$30.23
2006	Joint	249,614	\$413,196,836	64.21%	\$1,655	-\$13,229,460	65.39%	-\$53.00
2006	Separate	3,370	\$3,111,679	0.48%	\$923	-\$93,477	0.46%	-\$27.74

2007	Single	245,303	\$243,703,521	35.89%	\$993	-\$7,235,144	34.32%	-\$29.49
2007	Joint	261,572	\$431,877,593	63.61%	\$1,651	-\$13,745,799	65.20%	-\$52.55
2007	Separate	3,653	\$3,392,932	0.50%	\$929	-\$100,100	0.47%	-\$27.40

## By Income (Indiana AGI)

2005	Number of Additional Exemptions Claimed	Amount Claimed	% Distribution of Exemptions Claimed	Average Exemption Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Exemption
< \$0	11,133	\$12,463,486	1.98%	\$1,120	\$0	0.00%	\$0.00
\$0-\$20,000	257,348	\$325,172,709	51.75%	\$1,264	-\$9,772,253	49.71%	-\$37.97
\$20,001-\$50,000	136,138	\$197,331,137	31.40%	\$1,449	-\$6,709,256	34.13%	-\$49.28
\$50,001-\$75,000	32,466	\$46,516,311	7.40%	\$1,433	-\$1,581,555	8.05%	-\$48.71
\$75,001-\$250,000	27,990	\$40,376,386	6.43%	\$1,443	-\$1,372,795	6.98%	-\$49.05
Greater than \$250,000	4,475	\$6,542,017	1.04%	\$1,462	-\$222,429	1.13%	-\$49.70

2006	Number of Additional Exemptions Claimed	Amount Claimed	% Distribution of Exemptions claimed	Average Exemption Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Exemption
< \$0	11,256	\$12,600,960	1.96%	\$1,119	\$0	0.00%	\$0.00
\$0-\$20,000	249,213	\$312,132,554	48.50%	\$1,252	-\$9,391,764	46.42%	-\$37.69
\$20,001-\$50,000	145,179	\$209,333,952	32.53%	\$1,442	-\$7,117,347	35.18%	-\$49.02
\$50,001-\$75,000	36,818	\$53,011,307	8.24%	\$1,440	-\$1,802,379	8.91%	-\$48.95
\$75,001-\$250,000	33,692	\$48,682,264	7.57%	\$1,445	-\$1,655,198	8.18%	-\$49.13
Greater than \$250,000	5,301	\$7,757,973	1.21%	\$1,463	-\$263,771	1.30%	-\$49.76

2007	Number of Additional Exemptions Claimed	Amount Claimed	% Distribution of Exemptions claimed	Average Exemption Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Exemption
< \$0	13,435	\$14,824,304	2.18%	\$1,103	\$0	0.00%	\$0.00
\$0-\$20,000	254,507	\$315,496,050	46.47%	\$1,240	-\$9,226,821	43.77%	-\$36.25
\$20,001-\$50,000	153,397	\$219,809,556	32.37%	\$1,433	-\$7,473,523	35.45%	-\$48.72
\$50,001-\$75,000	42,391	\$60,946,070	8.98%	\$1,438	-\$2,072,168	9.83%	-\$48.88
\$75,001-\$250,000	40,489	\$58,616,928	8.63%	\$1,448	-\$1,992,975	9.45%	-\$49.22
Greater than \$250,000	6,309	\$9,281,138	1.37%	\$1,471	-\$315,557	1.50%	-\$50.02

## Additional Elderly Exemption

### Totals

Tax Year	Number of Additional 2 Exemptions Claimed	Amount Claimed	Average Exemption Amount per Return	Dynamic State Tax Reduction	Dynamic Average State Tax Reduction per Exemption
2005	331,058	\$218,686,944	\$661	-\$6,511,640	-\$19.67
2006	324,250	\$213,345,006	\$658	-\$6,365,896	-\$19.63
2007	332,162	\$216,775,025	\$653	-\$6,303,061	-\$18.98

Description: An additional \$500 exemption is available for the head of household and/or spouse who are age 65 or older and have a federal adjusted gross income that is less than \$40,000.

Indiana Code Citation: IC 6-3-1-3.5(a)(5)(B)

Enacted: PL 249 -1999

Notes: The amount of the exemption has not changed since enacted in 1999.

### By Filing Type

Tax Year	Single, Joint or Separate	Number of Additional 2 Exemptions Claimed	Amount Claimed	% Distribution of Exemptions Claimed	Average Exemption Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Exemption
2005	Single	185,360	\$91,534,957	41.86%	\$494	-\$2,669,566	41.00%	-\$14.40
2005	Joint	143,530	\$126,103,225	57.66%	\$879	-\$3,812,608	58.55%	-\$26.56
2005	Separate	2,168	\$1,048,763	0.48%	\$484	-\$29,466	0.45%	-\$13.59
2006	Single	185,115	\$91,506,896	42.89%	\$494	-\$2,676,444	42.04%	-\$14.46
2006	Joint	137,102	\$120,850,875	56.65%	\$881	-\$3,662,114	57.53%	-\$26.71
2006	Separate	2,033	\$987,235	0.46%	\$486	-\$27,335	0.43%	-\$13.45
2007	Single	194,593	\$96,253,677	44.40%	\$495	-\$2,719,336	43.14%	-\$13.97
2007	Joint	135,394	\$119,464,372	55.11%	\$882	-\$3,555,462	56.41%	-\$26.26
2007	Separate	2,175	\$1,056,977	0.49%	\$486	-\$28,263	0.45%	-\$12.99

### By Income (Indiana AGI)

2005	Number of Additional 2 Exemptions Claimed	Amount Claimed	% Distribution of Exemptions Claimed	Average Exemption Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Exemption
< \$0	9,914	\$6,061,706	2.77%	\$611	\$0	0.00%	\$0.00
\$0-\$20,000	246,203	\$158,200,871	72.34%	\$643	-\$4,661,216	71.58%	-\$18.93
\$20,001-\$50,000	74,839	\$54,346,353	24.85%	\$726	-\$1,847,773	28.38%	-\$24.69
\$50,001-\$75,000	58	\$44,187	0.02%	\$762	-\$1,502	0.02%	-\$25.90
\$75,001-\$250,000	41	\$31,328	0.01%	\$764	-\$1,063	0.02%	-\$25.93
Greater than \$250,000	3	\$2,500	0.00%	\$833	-\$85	0.00%	-\$28.25

2006	Number of Additional 2 Exemptions Claimed	Amount Claimed	% Distribution of Exemptions claimed	Average Exemption Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Exemption
< \$0	9,962	\$6,128,817	2.87%	\$615	\$0	0.00%	\$0.00
\$0-\$20,000	237,523	\$151,826,413	71.16%	\$639	-\$4,482,655	70.42%	-\$18.87
\$20,001-\$50,000	76,623	\$55,284,548	25.91%	\$722	-\$1,879,668	29.53%	-\$24.53
\$50,001-\$75,000	90	\$67,532	0.03%	\$750	-\$2,290	0.04%	-\$25.44
\$75,001-\$250,000	42	\$31,697	0.01%	\$755	-\$1,079	0.02%	-\$25.69
Greater than \$250,000	10	\$6,000	0.00%	\$600	-\$203	0.00%	-\$20.33

2007	Number of Additional 2 Exemptions Claimed	Amount Claimed	% Distribution of Exemptions claimed	Average Exemption Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Exemption
< \$0	11,813	\$7,218,145	3.33%	\$611	\$0	0.00%	\$0.00
\$0-\$20,000	242,096	\$153,555,381	70.84%	\$634	-\$4,399,013	69.79%	-\$18.17
\$20,001-\$50,000	78,103	\$55,893,422	25.78%	\$716	-\$1,900,375	30.15%	-\$24.33
\$50,001-\$75,000	77	\$53,457	0.02%	\$694	-\$1,819	0.03%	-\$23.62
\$75,001-\$250,000	65	\$49,120	0.02%	\$756	-\$1,669	0.03%	-\$25.68
Greater than \$250,000	8	\$5,500	0.00%	\$688	-\$185	0.00%	-\$23.17

# Renter's Deduction

Description: A deduction of up to \$2,500 may be taken for rent paid on an individual's principal place of residence, if the place rented was subject to Indiana property tax.

## Totals

Tax Year	Number of Renter's Deductions Claimed	Amount Claimed	Average Deduction per Return	Dynamic State Reduction	Dynamic Average State Tax Reduction per Deduction
2005	639,094	\$1,472,449,609	\$2,304	-\$47,325,589	-\$74.05
2006	651,081	\$1,502,707,763	\$2,308	-\$48,358,862	-\$74.27
2007	671,883	\$1,552,785,435	\$2,311	-\$49,885,893	-\$74.25

Indiana Code Citation: IC 6-3-2-6

Enacted: PL 70 - 1979

### Notes:

- Maximum deduction limited to \$1,500 in PL 70 - 1979
- Maximum deduction limited to \$2,000 in PL 14 - 1999
- Maximum deduction limited to \$2,500 in PL 192 - 2002(ss)
- Maximum deduction limited to \$3,000 in PL 146 - 2008

## By Filing Type

Tax Year	Single, Joint or Separate	Number of Renter's Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
2005	Single	482,667	\$1,108,947,234	75.31%	\$2,298	-\$35,424,607	74.85%	-\$73.39
2005	Joint	145,793	\$339,486,867	23.06%	\$2,329	-\$11,106,503	23.47%	-\$76.18
2005	Separate	10,634	\$24,015,508	1.63%	\$2,258	-\$794,478	1.68%	-\$74.71
2006	Single	496,042	\$1,141,325,052	75.95%	\$2,301	-\$36,515,167	75.51%	-\$73.61
2006	Joint	144,496	\$337,668,733	22.47%	\$2,337	-\$11,060,854	22.87%	-\$76.55
2006	Separate	10,543	\$23,713,978	1.58%	\$2,249	-\$782,841	1.62%	-\$74.25
2007	Single	515,157	\$1,186,714,526	76.42%	\$2,304	-\$37,921,950	76.02%	-\$73.61
2007	Joint	145,815	\$341,505,848	21.99%	\$2,342	-\$11,150,947	22.35%	-\$76.47
2007	Separate	10,911	\$24,565,062	1.58%	\$2,251	-\$812,993	1.63%	-\$74.51

## By Income (Indiana AGI)

2005	Number of Renter's Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	15,762	\$36,499,286	2.48%	\$2,316	-\$146,362	0.31%	-\$9.29
\$0-\$20,000	318,295	\$720,703,117	48.95%	\$2,264	-\$22,860,862	48.31%	-\$71.82
\$20,001-\$50,000	241,258	\$566,145,756	38.45%	\$2,347	-\$19,248,919	40.67%	-\$79.79
\$50,001-\$75,000	44,005	\$103,076,738	7.00%	\$2,342	-\$3,504,609	7.41%	-\$79.64
\$75,001-\$250,000	19,129	\$44,464,559	3.02%	\$2,324	-\$1,511,791	3.19%	-\$79.03
Greater than \$250,000	645	\$1,560,154	0.11%	\$2,419	-\$53,045	0.11%	-\$82.24

2006	Number of Renter's Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	15,881	\$36,915,630	2.46%	\$2,325	-\$149,749	0.31%	-\$9.43
\$0-\$20,000	320,904	\$727,629,808	48.42%	\$2,267	-\$23,111,836	47.79%	-\$72.02
\$20,001-\$50,000	248,358	\$583,605,304	38.84%	\$2,350	-\$19,842,345	41.03%	-\$79.89
\$50,001-\$75,000	44,844	\$105,109,567	6.99%	\$2,344	-\$3,573,720	7.39%	-\$79.69
\$75,001-\$250,000	20,363	\$47,671,003	3.17%	\$2,341	-\$1,620,815	3.35%	-\$79.60
Greater than \$250,000	731	\$1,776,451	0.12%	\$2,430	-\$60,399	0.12%	-\$82.63

2007	Number of Renter's Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	18,049	\$41,836,173	2.69%	\$2,318	-\$157,786	0.32%	-\$8.74
\$0-\$20,000	325,468	\$738,776,613	47.58%	\$2,270	-\$23,474,726	47.06%	-\$72.13
\$20,001-\$50,000	257,825	\$606,092,506	39.03%	\$2,351	-\$20,606,655	41.31%	-\$79.92
\$50,001-\$75,000	47,427	\$111,715,852	7.19%	\$2,356	-\$3,798,341	7.61%	-\$80.09
\$75,001-\$250,000	22,338	\$52,490,253	3.38%	\$2,350	-\$1,784,668	3.58%	-\$79.89
Greater than \$250,000	776	\$1,874,037	0.12%	\$2,415	-\$63,715	0.13%	-\$82.11

# Homeowner's Residential Property Tax Deduction

## Totals

Tax Year	Number of Homeowner's PTax Deductions Claimed	Amount Claimed	Average Deduction per Return	Dynamic State Reduction	Dynamic Average State Tax Reduction per Deduction
2005	1,384,763	\$1,747,351,476	\$1,262	-\$58,349,234	-\$42.14
2006	1,396,499	\$1,755,554,980	\$1,257	-\$58,678,290	-\$42.02
2007	1,411,445	\$1,910,149,016	\$1,353	-\$63,779,253	-\$45.19

Description: Taxpayers are eligible to take a deduction of up to \$2,500 for Indiana property taxes paid during a tax year on the individual's principal place of residence.

Indiana Code Citation: IC 6-3-1-3.5(a)(17)

Enacted: PL 273-1999

Notes: The amount of the deduction has not changed since enacted in 1999.

## By Filing Type

Tax Year	Single, Joint or Separate	Number of Homeowner's PTax Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
2005	Single	436,211	\$456,706,803	26.14%	\$1,047	-\$15,092,266	25.87%	-\$34.60
2005	Joint	934,439	\$1,274,162,444	72.92%	\$1,364	-\$42,711,202	73.20%	-\$45.71
2005	Separate	14,113	\$16,482,230	0.94%	\$1,168	-\$545,766	0.94%	-\$38.67
2006	Single	446,447	\$465,083,706	26.49%	\$1,042	-\$15,400,423	26.25%	-\$34.50
2006	Joint	935,541	\$1,273,315,368	72.53%	\$1,361	-\$42,711,381	72.79%	-\$45.65
2006	Separate	14,511	\$17,155,905	0.98%	\$1,182	-\$566,484	0.97%	-\$39.04
2007	Single	457,913	\$515,976,627	27.01%	\$1,127	-\$17,056,653	26.74%	-\$37.25
2007	Joint	938,573	\$1,375,488,417	72.01%	\$1,466	-\$46,104,141	72.29%	-\$49.12
2007	Separate	14,959	\$18,683,972	0.98%	\$1,249	-\$618,458	0.97%	-\$41.34

## By Income (Indiana AGI)

2005	Number of Homeowner's PTax Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	13,234	\$17,653,686	1.01%	\$1,334	-\$15,686	0.03%	-\$1.19
\$0-\$20,000	238,209	\$216,643,693	12.40%	\$909	-\$6,890,500	11.81%	-\$28.93
\$20,001-\$50,000	448,671	\$474,677,869	27.17%	\$1,058	-\$16,138,259	27.66%	-\$35.97
\$50,001-\$75,000	306,766	\$385,520,581	22.06%	\$1,257	-\$13,107,700	22.46%	-\$42.73
\$75,001-\$250,000	350,706	\$590,174,054	33.78%	\$1,683	-\$20,065,915	34.39%	-\$57.22
Greater than \$250,000	27,177	\$62,681,593	3.59%	\$2,306	-\$2,131,175	3.65%	-\$78.42

2006	Number of Homeowner's PTax Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	12,999	\$17,145,597	0.98%	\$1,319	-\$10,359	0.02%	-\$0.80
\$0-\$20,000	228,322	\$202,402,202	11.53%	\$886	-\$6,444,500	10.98%	-\$28.23
\$20,001-\$50,000	443,329	\$460,332,515	26.22%	\$1,038	-\$15,650,498	26.67%	-\$35.30
\$50,001-\$75,000	304,896	\$377,383,665	21.50%	\$1,238	-\$12,831,039	21.87%	-\$42.08
\$75,001-\$250,000	376,286	\$627,799,223	35.76%	\$1,668	-\$21,345,174	36.38%	-\$56.73
Greater than \$250,000	30,667	\$70,491,778	4.02%	\$2,299	-\$2,396,721	4.08%	-\$78.15

2007	Number of Homeowner's PTax Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	14,986	\$20,431,082	1.07%	\$1,363	-\$13,127	0.02%	-\$0.88
\$0-\$20,000	222,574	\$214,706,402	11.24%	\$965	-\$6,816,170	10.69%	-\$30.62
\$20,001-\$50,000	436,716	\$490,936,918	25.70%	\$1,124	-\$16,691,419	26.17%	-\$38.22
\$50,001-\$75,000	302,663	\$401,592,879	21.02%	\$1,327	-\$13,654,159	21.41%	-\$45.11
\$75,001-\$250,000	400,527	\$703,256,419	36.82%	\$1,756	-\$23,910,717	37.49%	-\$59.70
Greater than \$250,000	33,979	\$79,225,317	4.15%	\$2,332	-\$2,693,659	4.22%	-\$79.27

# State Tax Refund Reported on Federal Returns

## Totals

Tax Year	Number of Tax Forms with a State Tax Rfd on Fed Return Claimed	Amount Claimed	Average Deduction per Return	Dynamic State Reduction	Dynamic Average State Tax Reduction per Deduction
2005	422,498	\$204,170,513	\$483	-\$6,819,116	-\$16.14
2006	441,512	\$220,115,598	\$499	-\$7,354,107	-\$16.66
2007	444,961	\$230,812,057	\$519	-\$7,678,065	-\$17.26

Description: A taxpayer may claim a deduction for the state tax refund amount reported on the individual's federal income tax form.

Indiana Code Citation: IC 6-3-1-3.5(a)(8)

Enacted: PL 42-1978

Notes: The amount of the deduction has not changed since enacted in 1978.

## By Filing Type

Tax Year	Single, Joint or Separate	Number of Tax Forms with a State Tax Rfd on Fed Return Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
2005	Single	120,895	\$36,940,866	18.09%	\$306	-\$1,231,189	18.05%	-\$10.18
2005	Joint	296,731	\$164,148,315	80.40%	\$553	-\$5,494,022	80.57%	-\$18.52
2005	Separate	4,872	\$3,081,333	1.51%	\$632	-\$93,904	1.38%	-\$19.27
2006	Single	130,063	\$40,608,004	18.45%	\$312	-\$1,348,705	18.34%	-\$10.37
2006	Joint	306,181	\$175,329,916	79.65%	\$573	-\$5,864,811	79.75%	-\$19.15
2006	Separate	5,268	\$4,177,677	1.90%	\$793	-\$140,587	1.91%	-\$26.69
2007	Single	132,186	\$42,225,541	18.29%	\$319	-\$1,402,776	18.27%	-\$10.61
2007	Joint	307,204	\$184,792,645	80.06%	\$602	-\$6,152,872	80.14%	-\$20.03
2007	Separate	5,571	\$3,793,871	1.64%	\$681	-\$122,417	1.59%	-\$21.97

## By Income (Indiana AGI)

2005	Number of Tax Forms with a State Tax Rfd on Fed Return Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	2,032	\$3,400,520	1.67%	\$1,673	-\$6,151	0.09%	-\$3.03
\$0-\$20,000	22,243	\$7,776,865	3.81%	\$350	-\$251,203	3.68%	-\$11.29
\$20,001-\$50,000	102,651	\$28,251,835	13.84%	\$275	-\$960,560	14.09%	-\$9.36
\$50,001-\$75,000	109,181	\$33,710,754	16.51%	\$309	-\$1,146,165	16.81%	-\$10.50
\$75,001-\$250,000	173,814	\$76,720,375	37.58%	\$441	-\$2,608,490	38.25%	-\$15.01
Greater than \$250,000	12,577	\$54,310,165	26.60%	\$4,318	-\$1,846,545	27.08%	-\$146.82

2006	Number of Tax Forms with a State Tax Rfd on Fed Return Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	2,178	\$3,674,747	1.67%	\$1,687	-\$7,709	0.10%	-\$3.54
\$0-\$20,000	22,594	\$7,665,928	3.48%	\$339	-\$248,063	3.37%	-\$10.98
\$20,001-\$50,000	105,042	\$28,809,593	13.09%	\$274	-\$979,520	13.32%	-\$9.33
\$50,001-\$75,000	110,471	\$34,368,130	15.61%	\$311	-\$1,168,511	15.89%	-\$10.58
\$75,001-\$250,000	188,295	\$83,015,248	37.71%	\$441	-\$2,822,519	38.38%	-\$14.99
Greater than \$250,000	12,932	\$62,581,952	28.43%	\$4,839	-\$2,127,787	28.93%	-\$164.54

2007	Number of Tax Forms with a State Tax Rfd on Fed Return Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	2,278	\$4,943,081	2.14%	\$2,170	-\$11,690	0.15%	-\$5.13
\$0-\$20,000	20,927	\$7,185,178	3.11%	\$343	-\$231,127	3.01%	-\$11.04
\$20,001-\$50,000	102,565	\$28,575,307	12.38%	\$279	-\$971,560	12.65%	-\$9.47
\$50,001-\$75,000	108,028	\$34,286,407	14.85%	\$317	-\$1,165,739	15.18%	-\$10.79
\$75,001-\$250,000	197,712	\$87,318,406	37.83%	\$442	-\$2,968,825	38.67%	-\$15.02
Greater than \$250,000	13,451	\$68,503,679	29.68%	\$5,093	-\$2,329,123	30.33%	-\$173.16

## Interest on US Government Obligations Deduction

Description: A deduction may be taken by a taxpayer if the taxpayer receives certain interest income from a direct obligation of the U.S. Government. The deduction may only be claimed for interest income included in an individual's federal adjusted income.

Indiana Code Citation: IC 6-3-1-3.5(a)(1)

Enacted: PL 64 - 1971

Notes: The amount of the deduction has not changed since enacted in 1971.

### Totals

Tax Year	Number of Interest on US Government Obligations Deductions Claimed	Amount Claimed	Average Deduction per Return	Dynamic State Reduction	Dynamic Average State Tax Reduction per Deduction
2005	109,000	\$252,403,580	\$2,316	-\$7,348,151	-\$67.41
2006	113,800	\$293,756,383	\$2,581	-\$8,678,276	-\$76.26
2007	121,209	\$296,399,001	\$2,445	-\$9,576,304	-\$79.01

### By Filing Type

Tax Year	Single, Joint or Separate	Number of Interest on US Government Obligations Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
2005	Single	45,407	\$120,939,098	47.91%	\$2,663	-\$3,244,345	44.15%	-\$71.45
2005	Joint	62,744	\$128,993,653	51.11%	\$2,056	-\$4,037,027	54.94%	-\$64.34
2005	Separate	849	\$2,470,830	0.98%	\$2,910	-\$66,780	0.91%	-\$78.66
2006	Single	46,810	\$136,313,324	46.40%	\$2,912	-\$3,688,260	42.50%	-\$78.79
2006	Joint	66,150	\$152,996,622	52.08%	\$2,313	-\$4,893,311	56.39%	-\$73.97
2006	Separate	840	\$4,446,437	1.51%	\$5,293	-\$96,702	1.11%	-\$115.12
2007	Single	49,989	\$117,476,359	39.63%	\$2,350	-\$3,808,108	39.77%	-\$76.18
2007	Joint	70,303	\$173,858,856	58.66%	\$2,473	-\$5,658,823	59.09%	-\$80.49
2007	Separate	917	\$5,063,785	1.71%	\$5,522	-\$109,372	1.14%	-\$119.27

### By Income (Indiana AGI)

2005	Number of Interest on US Government Obligations Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	1,766	\$36,997,578	14.66%	\$20,950	-\$76,903	1.05%	-\$43.55
\$0-\$20,000	30,191	\$66,181,720	26.22%	\$2,192	-\$2,197,629	29.91%	-\$72.79
\$20,001-\$50,000	30,926	\$58,763,657	23.28%	\$1,900	-\$1,997,961	27.19%	-\$64.60
\$50,001-\$75,000	16,458	\$25,305,604	10.03%	\$1,538	-\$860,390	11.71%	-\$52.28
\$75,001-\$250,000	24,685	\$38,077,248	15.09%	\$1,543	-\$1,294,623	17.62%	-\$52.45
Greater than \$250,000	4,974	\$27,077,775	10.73%	\$5,444	-\$920,645	12.53%	-\$185.09

2006	Number of Interest on US Government Obligations Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	1,558	\$39,891,294	13.58%	\$25,604	-\$91,721	1.06%	-\$58.87
\$0-\$20,000	28,422	\$60,690,742	20.66%	\$2,135	-\$2,018,639	23.26%	-\$71.02
\$20,001-\$50,000	31,681	\$66,506,177	22.64%	\$2,099	-\$2,261,203	26.06%	-\$71.37
\$50,001-\$75,000	17,701	\$32,233,804	10.97%	\$1,821	-\$1,095,945	12.63%	-\$61.91
\$75,001-\$250,000	28,562	\$52,408,752	17.84%	\$1,835	-\$1,781,898	20.53%	-\$62.39
Greater than \$250,000	5,876	\$42,025,614	14.31%	\$7,152	-\$1,428,871	16.46%	-\$243.17

2007	Number of Interest on US Government Obligations Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	1,584	\$25,578,985	8.63%	\$16,148	-\$409,713	4.28%	-\$258.66
\$0-\$20,000	28,042	\$53,342,713	18.00%	\$1,902	-\$1,772,363	18.51%	-\$63.20
\$20,001-\$50,000	32,898	\$74,320,381	25.07%	\$2,259	-\$2,526,892	26.39%	-\$76.81
\$50,001-\$75,000	19,022	\$33,130,341	11.18%	\$1,742	-\$1,126,433	11.76%	-\$59.22
\$75,001-\$250,000	32,739	\$59,209,331	19.98%	\$1,809	-\$2,013,116	21.02%	-\$61.49
Greater than \$250,000	6,924	\$50,817,250	17.14%	\$7,339	-\$1,727,785	18.04%	-\$249.54

# Taxable Social Security Benefits Deduction

## Totals

Tax Year	Number of Social Security Deductions Claimed	Amount Claimed	Average Deduction per Return	Dynamic State Reduction	Dynamic Average State Tax Reduction per Deduction
2005	254,340	\$2,395,578,046	\$9,419	-\$81,280,297	-\$319.57
2006	282,803	\$2,828,296,204	\$10,001	-\$96,005,266	-\$339.48
2007	307,206	\$3,240,266,333	\$10,548	-\$109,991,641	-\$358.04

Description: A taxpayer may claim a deduction for social security income.

Indiana Code Citation: IC 6-3-1-3.5(a)(9)(12)

Enacted: PL 42-1978

Notes: The amount of the deduction has not changed since enacted in 1978.

## By Filing Type

Tax Year	Single, Joint or Separate	Number of Social Security Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
2005	Single	77,778	\$547,923,855	22.87%	\$7,045	-\$18,573,976	22.85%	-\$238.81
2005	Joint	173,876	\$1,821,570,622	76.04%	\$10,476	-\$61,839,150	76.08%	-\$355.65
2005	Separate	2,686	\$26,083,569	1.09%	\$9,711	-\$867,171	1.07%	-\$322.85
2006	Single	89,470	\$666,666,758	23.57%	\$7,451	-\$22,604,789	23.55%	-\$252.65
2006	Joint	190,476	\$2,132,361,948	75.39%	\$11,195	-\$72,428,221	75.44%	-\$380.25
2006	Separate	2,857	\$29,267,498	1.03%	\$10,244	-\$972,254	1.01%	-\$340.31
2007	Single	100,202	\$785,401,474	24.24%	\$7,838	-\$26,642,451	24.22%	-\$265.89
2007	Joint	203,837	\$2,422,582,631	74.76%	\$11,885	-\$82,283,040	74.81%	-\$403.67
2007	Separate	3,167	\$32,282,227	1.00%	\$10,193	-\$1,066,151	0.97%	-\$336.64

## By Income (Indiana AGI)

2005	Number of Social Security Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	706	\$6,056,746	0.25%	\$8,579	-\$72,354	0.09%	-\$102.48
\$0-\$20,000	24,578	\$69,797,514	2.91%	\$2,840	-\$2,337,340	2.88%	-\$95.10
\$20,001-\$50,000	150,778	\$1,110,457,715	46.35%	\$7,365	-\$37,755,560	46.45%	-\$250.40
\$50,001-\$75,000	41,563	\$605,956,853	25.29%	\$14,579	-\$20,602,532	25.35%	-\$495.69
\$75,001-\$250,000	32,503	\$520,739,733	21.74%	\$16,021	-\$17,705,148	21.78%	-\$544.72
Greater than \$250,000	4,212	\$82,569,485	3.45%	\$19,603	-\$2,807,363	3.45%	-\$666.52

2006	Number of Social Security Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	658	\$5,293,278	0.19%	\$8,044	-\$62,260	0.06%	-\$94.62
\$0-\$20,000	27,344	\$73,906,080	2.61%	\$2,703	-\$2,473,726	2.58%	-\$90.47
\$20,001-\$50,000	163,451	\$1,270,195,699	44.91%	\$7,771	-\$43,186,647	44.98%	-\$264.22
\$50,001-\$75,000	47,052	\$722,369,404	25.54%	\$15,353	-\$24,560,555	25.58%	-\$521.99
\$75,001-\$250,000	39,400	\$656,673,348	23.22%	\$16,667	-\$22,326,895	23.26%	-\$566.67
Greater than \$250,000	4,898	\$99,858,395	3.53%	\$20,388	-\$3,395,186	3.54%	-\$693.18

2007	Number of Social Security Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	714	\$5,752,340	0.18%	\$8,056	-\$66,739	0.06%	-\$93.47
\$0-\$20,000	30,337	\$77,151,446	2.38%	\$2,543	-\$2,574,577	2.34%	-\$84.87
\$20,001-\$50,000	171,814	\$1,400,555,354	43.22%	\$8,152	-\$47,618,881	43.29%	-\$277.15
\$50,001-\$75,000	52,549	\$837,842,816	25.86%	\$15,944	-\$28,486,657	25.90%	-\$542.10
\$75,001-\$250,000	46,039	\$797,037,418	24.60%	\$17,312	-\$27,099,271	24.64%	-\$588.62
Greater than \$250,000	5,753	\$121,926,959	3.76%	\$21,194	-\$4,145,515	3.77%	-\$720.58

# Taxable Railroad Retirement Benefits Deduction

## Totals

Tax Year	Number of RR Retirement Deductions Claimed	Amount Claimed	Average Deduction per Return	Dynamic State Reduction	Dynamic Average State Tax Reduction per Deduction
2005	8,471	\$94,554,687	\$11,162	-\$2,938,473	-\$346.89
2006	8,711	\$101,710,431	\$11,676	-\$3,182,923	-\$365.39
2007	8,924	\$105,921,365	\$11,869	-\$3,335,303	-\$373.75

Description: A deduction may be taken for railroad retirement benefits that are issued by the United States Railroad Retirement Board.

Indiana Code Citation: IC 6-3-1-3.5(a)(9)(12)

Enacted: PL 42-1978

Notes: The amount of the deduction has not changed since enacted in 1978.

## By Filing Type

Tax Year	Single, Joint or Separate	Number of RR Retirement Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
2005	Single	3,527	\$22,025,060	23.29%	\$6,245	-\$648,046	22.05%	-\$183.74
2005	Joint	4,890	\$71,863,449	76.00%	\$14,696	-\$2,270,054	77.25%	-\$464.22
2005	Separate	54	\$666,178	0.70%	\$12,337	-\$20,372	0.69%	-\$377.26
2006	Single	3,651	\$23,446,117	23.05%	\$6,422	-\$704,817	22.14%	-\$193.05
2006	Joint	4,978	\$77,258,239	75.96%	\$15,520	-\$2,445,885	76.84%	-\$491.34
2006	Separate	82	\$1,006,075	0.99%	\$12,269	-\$32,216	1.01%	-\$392.88
2007	Single	3,870	\$25,722,661	24.28%	\$6,647	-\$772,621	23.16%	-\$199.64
2007	Joint	4,972	\$79,094,997	74.67%	\$15,908	-\$2,527,686	75.79%	-\$508.38
2007	Separate	82	\$1,103,707	1.04%	\$13,460	-\$34,994	1.05%	-\$426.76

## By Income (Indiana AGI)

2005	Number of RR Retirement Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	925	\$13,000,436	13.75%	\$14,055	-\$294,332	10.02%	-\$318.20
\$0-\$20,000	5,109	\$52,825,963	55.87%	\$10,340	-\$1,667,386	56.74%	-\$326.36
\$20,001-\$50,000	1,742	\$19,645,295	20.78%	\$11,277	-\$667,937	22.73%	-\$383.43
\$50,001-\$75,000	439	\$5,703,181	6.03%	\$12,991	-\$193,908	6.60%	-\$441.70
\$75,001-\$250,000	244	\$3,249,219	3.44%	\$13,316	-\$110,470	3.76%	-\$452.75
Greater than \$250,000	12	\$130,594	0.14%	\$10,883	-\$4,440	0.15%	-\$370.00

2006	Number of RR Retirement Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	863	\$13,142,403	12.92%	\$15,229	-\$290,245	9.12%	-\$336.32
\$0-\$20,000	5,122	\$54,267,153	53.35%	\$10,595	-\$1,726,459	54.24%	-\$337.07
\$20,001-\$50,000	1,978	\$23,609,871	23.21%	\$11,936	-\$802,728	25.22%	-\$405.83
\$50,001-\$75,000	427	\$6,056,516	5.95%	\$14,184	-\$205,916	6.47%	-\$482.24
\$75,001-\$250,000	300	\$4,362,368	4.29%	\$14,541	-\$148,321	4.66%	-\$494.40
Greater than \$250,000	21	\$272,120	0.27%	\$12,958	-\$9,251	0.29%	-\$440.52

2007	Number of RR Retirement Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	911	\$12,990,232	12.26%	\$14,259	-\$299,074	8.97%	-\$328.29
\$0-\$20,000	5,215	\$56,233,610	53.09%	\$10,783	-\$1,788,514	53.62%	-\$342.96
\$20,001-\$50,000	1,946	\$24,213,518	22.86%	\$12,443	-\$823,259	24.68%	-\$423.05
\$50,001-\$75,000	512	\$7,707,934	7.28%	\$15,055	-\$262,071	7.86%	-\$511.86
\$75,001-\$250,000	324	\$4,631,589	4.37%	\$14,295	-\$157,473	4.72%	-\$486.03
Greater than \$250,000	16	\$144,482	0.14%	\$9,030	-\$4,910	0.15%	-\$306.88

# Military Service Deduction

Description: If a taxpayer's federal adjusted gross income includes active or reserve military pay received, the taxpayer may take a deduction of up to \$2,000. Taxpayers filing joint returns may deduct up to \$4,000 if both spouses qualify for the deduction. Certain retired military personnel or the surviving spouses of retired military personnel may also take this deduction.

Indiana Code Citation: IC 6-3-2-4

Enacted: PL 78 -1977

Notes: The original amount of the deduction established by PL 78-1977 was \$2,000 per qualified taxpayer. The deduction was increased to \$5,000 per qualified taxpayer by PL 144-2007.

## Totals

Tax Year	Number of Military Service Deductions Claimed	Amount Claimed	Average Deduction per Return	Dynamic State Reduction	Dynamic Average State Tax Reduction per Deduction
2005	36,621	\$72,565,962	\$1,982	-\$2,402,227	-\$65.60
2006	38,367	\$76,097,256	\$1,983	-\$2,528,389	-\$65.90
2007	39,246	\$78,254,082	\$1,994	-\$2,599,486	-\$66.24

## By Filing Type

Tax Year	Single, Joint or Separate	Number of Military Service Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
2005	Single	15,488	\$29,978,005	41.31%	\$1,936	-\$988,472	41.15%	-\$63.82
2005	Joint	20,276	\$40,926,895	56.40%	\$2,018	-\$1,359,217	56.58%	-\$67.04
2005	Separate	857	\$1,661,061	2.29%	\$1,938	-\$54,537	2.27%	-\$63.64
2006	Single	16,555	\$32,146,220	42.24%	\$1,942	-\$1,064,559	42.10%	-\$64.30
2006	Joint	20,946	\$42,253,670	55.53%	\$2,017	-\$1,408,024	55.69%	-\$67.22
2006	Separate	866	\$1,697,366	2.23%	\$1,960	-\$55,804	2.21%	-\$64.44
2007	Single	16,633	\$32,359,280	41.35%	\$1,945	-\$1,074,703	41.34%	-\$64.61
2007	Joint	21,723	\$44,144,565	56.41%	\$2,032	-\$1,466,494	56.41%	-\$67.51
2007	Separate	890	\$1,750,236	2.24%	\$1,967	-\$58,288	2.24%	-\$65.49

## By Income (Indiana AGI)

2005	Number of Military Service Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	599	\$1,138,192	1.57%	\$1,900	-\$3,306	0.14%	-\$5.52
\$0-\$20,000	14,452	\$28,228,808	38.90%	\$1,953	-\$930,162	38.72%	-\$64.36
\$20,001-\$50,000	12,392	\$24,696,165	34.03%	\$1,993	-\$839,667	34.95%	-\$67.76
\$50,001-\$75,000	4,887	\$9,748,769	13.43%	\$1,995	-\$331,457	13.80%	-\$67.82
\$75,001-\$250,000	4,194	\$8,563,457	11.80%	\$2,042	-\$291,155	12.12%	-\$69.42
Greater than \$250,000	97	\$190,570	0.26%	\$1,965	-\$6,479	0.27%	-\$66.79

2006	Number of Military Service Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	490	\$918,499	1.21%	\$1,874	-\$2,790	0.11%	-\$5.69
\$0-\$20,000	14,534	\$28,380,315	37.29%	\$1,953	-\$934,464	36.96%	-\$64.30
\$20,001-\$50,000	13,426	\$26,774,372	35.18%	\$1,994	-\$910,321	36.00%	-\$67.80
\$50,001-\$75,000	5,078	\$10,141,015	13.33%	\$1,997	-\$344,790	13.64%	-\$67.90
\$75,001-\$250,000	4,720	\$9,647,369	12.68%	\$2,044	-\$328,011	12.97%	-\$69.49
Greater than \$250,000	119	\$235,685	0.31%	\$1,981	-\$8,013	0.32%	-\$67.34

2007	Number of Military Service Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	523	\$1,035,586	1.32%	\$1,980	-\$3,864	0.15%	-\$7.39
\$0-\$20,000	14,153	\$27,746,772	35.46%	\$1,960	-\$913,586	35.14%	-\$64.55
\$20,001-\$50,000	13,770	\$27,592,760	35.26%	\$2,004	-\$938,153	36.09%	-\$68.13
\$50,001-\$75,000	5,384	\$10,825,887	13.83%	\$2,011	-\$368,082	14.16%	-\$68.37
\$75,001-\$250,000	5,269	\$10,752,039	13.74%	\$2,041	-\$365,569	14.06%	-\$69.38
Greater than \$250,000	147	\$301,038	0.38%	\$2,048	-\$10,233	0.39%	-\$69.61

## Non-Indiana Locality Earnings Deduction

### Totals

Tax Year	Number of Non-Indiana Locality Deductions Claimed	Amount Claimed	Average Deduction per Return	Dynamic State Reduction	Dynamic Average State Tax Reduction per Deduction
2005	50,494	\$104,793,027	\$2,075	-\$3,556,564	-\$70.44
2006	52,453	\$107,343,020	\$2,046	-\$3,644,503	-\$69.48
2007	53,555	\$110,727,982	\$2,068	-\$3,757,601	-\$70.16

Description: A taxpayer may deduct up to \$2,000 for income subject to local taxes in another state. Taxpayers filing joint returns may deduct up to \$4,000 if both spouses qualify for the deduction.

Indiana Code Citation: IC 6-3-1-3.5

Enacted: PL 77-1977

Notes: The amount of the deduction has not changed since enacted in 1977.

### By Filing Type

Tax Year	Single, Joint or Separate	Number of Non-Indiana Locality Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
2005	Single	19,923	\$35,927,652	34.28%	\$1,803	-\$1,217,609	34.24%	-\$61.12
2005	Joint	29,819	\$67,488,587	64.40%	\$2,263	-\$2,292,247	64.45%	-\$76.87
2005	Separate	752	\$1,376,788	1.31%	\$1,831	-\$46,707	1.31%	-\$62.11
2006	Single	21,109	\$37,294,507	34.74%	\$1,767	-\$1,265,024	34.71%	-\$59.93
2006	Joint	30,621	\$68,767,930	64.06%	\$2,246	-\$2,336,107	64.10%	-\$76.29
2006	Separate	723	\$1,280,582	1.19%	\$1,771	-\$43,369	1.19%	-\$59.98
2007	Single	21,825	\$39,221,658	35.42%	\$1,797	-\$1,329,513	35.38%	-\$60.92
2007	Joint	30,949	\$70,126,205	63.33%	\$2,266	-\$2,381,398	63.38%	-\$76.95
2007	Separate	781	\$1,380,119	1.25%	\$1,767	-\$46,688	1.24%	-\$59.78

### By Income (Indiana AGI)

2005	Number of Non-Indiana Locality Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	110	\$184,178	0.18%	\$1,674	-\$1,175	0.03%	-\$10.68
\$0-\$20,000	10,008	\$17,491,166	16.69%	\$1,748	-\$593,394	16.68%	-\$59.29
\$20,001-\$50,000	16,922	\$33,399,242	31.87%	\$1,974	-\$1,135,572	31.93%	-\$67.11
\$50,001-\$75,000	11,657	\$25,616,547	24.44%	\$2,198	-\$870,963	24.49%	-\$74.72
\$75,001-\$250,000	11,432	\$27,260,048	26.01%	\$2,385	-\$926,839	26.06%	-\$81.07
Greater than \$250,000	365	\$841,846	0.80%	\$2,306	-\$28,623	0.80%	-\$78.42

2006	Number of Non-Indiana Locality Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	119	\$169,112	0.16%	\$1,421	-\$1,521	0.04%	-\$12.78
\$0-\$20,000	10,483	\$17,489,850	16.29%	\$1,668	-\$593,736	16.29%	-\$56.64
\$20,001-\$50,000	16,952	\$32,927,988	30.68%	\$1,942	-\$1,119,545	30.72%	-\$66.04
\$50,001-\$75,000	11,699	\$25,414,161	23.68%	\$2,172	-\$864,076	23.71%	-\$73.86
\$75,001-\$250,000	12,747	\$30,323,558	28.25%	\$2,379	-\$1,031,002	28.29%	-\$80.88
Greater than \$250,000	453	\$1,018,350	0.95%	\$2,248	-\$34,623	0.95%	-\$76.43

2007	Number of Non-Indiana Locality Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	159	\$201,408	0.18%	\$1,267	-\$944	0.03%	-\$5.94
\$0-\$20,000	10,311	\$17,491,715	15.80%	\$1,696	-\$593,472	15.79%	-\$57.56
\$20,001-\$50,000	16,889	\$32,970,656	29.78%	\$1,952	-\$1,121,002	29.83%	-\$66.37
\$50,001-\$75,000	11,640	\$25,304,430	22.85%	\$2,174	-\$860,352	22.90%	-\$73.91
\$75,001-\$250,000	14,017	\$33,534,693	30.29%	\$2,392	-\$1,140,179	30.34%	-\$81.34
Greater than \$250,000	539	\$1,225,080	1.11%	\$2,273	-\$41,651	1.11%	-\$77.27

# Insulation Deduction

## Totals

Tax Year	Number of Insulation Deductions Claimed	Amount Claimed	Average Deduction per Return	Dynamic State Reduction	Dynamic Average State Tax Reduction per Deduction
2005	61,049	\$44,210,090	\$724	-\$1,487,988	-\$24.37
2006	70,687	\$49,809,956	\$705	-\$1,675,550	-\$23.70
2007	65,487	\$46,211,744	\$706	-\$1,554,316	-\$23.73

Description: A taxpayer may claim a deduction of up to \$1,000 for upgrading (not replacing) insulating items on their principal place of residence. Insulation includes weather stripping, double pane windows, storm doors, and storm windows.

Indiana Code Citation: IC 6-3-2-5

Enacted: PL 37 - 1978

Notes: The amount of the deduction has not changed since enacted in 1978.

## By Filing Type

Tax Year	Single, Joint or Separate	Number of Insulation Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
2005	Single	18,231	\$13,192,362	29.84%	\$724	-\$441,099	29.64%	-\$24.19
2005	Joint	42,301	\$30,661,122	69.35%	\$725	-\$1,034,919	69.55%	-\$24.47
2005	Separate	517	\$356,606	0.81%	\$690	-\$11,970	0.80%	-\$23.15
2006	Single	21,007	\$14,767,563	29.65%	\$703	-\$494,010	29.48%	-\$23.52
2006	Joint	49,010	\$34,611,903	69.49%	\$706	-\$1,167,194	69.66%	-\$23.82
2006	Separate	670	\$430,491	0.86%	\$643	-\$14,343	0.86%	-\$21.41
2007	Single	20,076	\$14,047,901	30.40%	\$700	-\$469,996	30.24%	-\$23.41
2007	Joint	44,785	\$31,751,269	68.71%	\$709	-\$1,070,528	68.87%	-\$23.90
2007	Separate	626	\$412,574	0.89%	\$659	-\$13,791	0.89%	-\$22.03

## By Income (Indiana AGI)

2005	Number of Insulation Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	230	\$181,557	0.41%	\$789	-\$33	0.00%	-\$0.14
\$0-\$20,000	7,940	\$5,905,542	13.36%	\$744	-\$191,778	12.89%	-\$24.15
\$20,001-\$50,000	21,328	\$15,213,454	34.41%	\$713	-\$517,255	34.76%	-\$24.25
\$50,001-\$75,000	15,645	\$11,070,837	25.04%	\$708	-\$376,408	25.30%	-\$24.06
\$75,001-\$250,000	15,541	\$11,526,339	26.07%	\$742	-\$391,892	26.34%	-\$25.22
Greater than \$250,000	365	\$312,362	0.71%	\$856	-\$10,621	0.71%	-\$29.10

2006	Number of Insulation Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	332	\$242,310	0.49%	\$730	-\$9	0.00%	-\$0.03
\$0-\$20,000	8,741	\$6,304,673	12.66%	\$721	-\$204,653	12.21%	-\$23.41
\$20,001-\$50,000	23,509	\$16,244,736	32.61%	\$691	-\$552,273	32.96%	-\$23.49
\$50,001-\$75,000	17,472	\$12,005,985	24.10%	\$687	-\$408,198	24.36%	-\$23.36
\$75,001-\$250,000	19,938	\$14,412,371	28.93%	\$723	-\$490,021	29.25%	-\$24.58
Greater than \$250,000	695	\$599,881	1.20%	\$863	-\$20,396	1.22%	-\$29.35

2007	Number of Insulation Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	302	\$221,580	0.48%	\$734	-\$45	0.00%	-\$0.15
\$0-\$20,000	7,780	\$5,619,533	12.16%	\$722	-\$181,683	11.69%	-\$23.35
\$20,001-\$50,000	21,102	\$14,536,805	31.46%	\$689	-\$494,238	31.80%	-\$23.42
\$50,001-\$75,000	15,691	\$10,767,483	23.30%	\$686	-\$366,096	23.55%	-\$23.33
\$75,001-\$250,000	19,869	\$14,419,808	31.20%	\$726	-\$490,272	31.54%	-\$24.68
Greater than \$250,000	743	\$646,535	1.40%	\$870	-\$21,980	1.41%	-\$29.58

## Nontaxable Portion of Unemployment Compensation

### Totals

Tax Year	Number of Unemployment Deductions Claimed	Amount Claimed	Average Deduction per Return	Dynamic State Reduction	Dynamic Average State Tax Reduction per Deduction
2005	46,186	\$131,977,891	\$2,858	-\$3,973,617	-\$86.04
2006	46,322	\$131,462,588	\$2,838	-\$3,990,737	-\$86.15
2007	47,658	\$140,771,521	\$2,954	-\$4,261,654	-\$89.42

Description: A taxpayer may be eligible for this deduction if the taxpayer reported unemployment compensation on their federal income tax return.

Indiana Code Citation: IC 6-3-2-10

Enacted: PL 2 - 1987

Notes: The calculation used to determine the deduction amount changed under PL 182-2009(ss)

### By Filing Type

Tax Year	Single, Joint or Separate	Number of Unemployment Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
2005	Single	33,904	\$91,012,253	68.96%	\$2,684	-\$2,753,735	69.30%	-\$81.22
2005	Joint	11,859	\$39,724,770	30.10%	\$3,350	-\$1,181,926	29.74%	-\$99.66
2005	Separate	423	\$1,240,869	0.94%	\$2,933	-\$37,956	0.96%	-\$89.73
2006	Single	34,553	\$92,996,654	70.74%	\$2,691	-\$2,835,201	71.04%	-\$82.05
2006	Joint	11,367	\$37,173,132	28.28%	\$3,270	-\$1,115,963	27.96%	-\$98.18
2006	Separate	402	\$1,292,802	0.98%	\$3,216	-\$39,571	0.99%	-\$98.44
2007	Single	35,729	\$99,799,648	70.89%	\$2,793	-\$3,043,467	71.42%	-\$85.18
2007	Joint	11,456	\$39,407,624	27.99%	\$3,440	-\$1,169,878	27.45%	-\$102.12
2007	Separate	473	\$1,564,249	1.11%	\$3,307	-\$48,307	1.13%	-\$102.13

### By Income (Indiana AGI)

2005	Number of Unemployment Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	1,935	\$9,699,683	7.35%	\$5,013	-\$111,575	2.81%	-\$57.66
\$0-\$20,000	38,691	\$110,285,203	83.56%	\$2,850	-\$3,454,325	86.93%	-\$89.28
\$20,001-\$50,000	5,167	\$10,931,423	8.28%	\$2,116	-\$371,626	9.35%	-\$71.92
\$50,001-\$75,000	269	\$744,899	0.56%	\$2,769	-\$25,327	0.64%	-\$94.15
Greater than \$75,000	124	316,683	0.24%	2,554	-\$10,763	0.27%	-\$86.80

2006	Number of Unemployment Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	1,856	\$8,759,513	6.66%	\$4,720	-\$96,600	2.42%	-\$52.05
\$0-\$20,000	38,634	\$109,758,042	83.49%	\$2,841	-\$3,454,158	86.55%	-\$89.41
\$20,001-\$50,000	5,316	\$11,457,941	8.72%	\$2,155	-\$389,421	9.76%	-\$73.25
\$50,001-\$75,000	329	\$914,830	0.70%	\$2,781	-\$31,099	0.78%	-\$94.53
Greater than \$75,000	187	\$572,263	0.44%	\$3,060	-\$19,457	0.49%	-\$104.05

2007	Number of Unemployment Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	1,981	\$9,645,015	6.85%	\$4,869	-\$105,594	2.48%	-\$53.30
\$0-\$20,000	39,791	\$117,756,263	83.65%	\$2,959	-\$3,701,471	86.86%	-\$93.02
\$20,001-\$50,000	5,499	\$12,058,191	8.57%	\$2,193	-\$409,977	9.62%	-\$74.55
\$50,001-\$75,000	264	\$905,379	0.64%	\$3,429	-\$30,783	0.72%	-\$116.60
Greater than \$75,000	123	\$406,673	0.29%	\$3,306	-\$13,823	0.32%	-\$112.38

Note : Selected income categories were combined to meet confidentiality requirements under State and Federal law.

# Airport Development Zone Employee Deduction

Description: Certain areas within Indiana have been designated as airport development zones. A taxpayer must live in an airport development zone and work for a qualified employer in that zone in order to be eligible for this deduction. The amount of the deduction is the lesser of one-half (½) of the earned income shown on Form IT-40 QEC (provided by an employer) or \$7,500.

Indiana Code Citation: IC 6-3-2-8; IC 8-22-3.5-8

Enacted: PL 23 - 1983

Notes: The amount of the deduction has not changed since enacted in 1983.

## Totals

Tax Year	Number of Airport Zone Deductions Claimed	Amount Claimed	Average Deduction per Return	Dynamic State Reduction	Dynamic Average State Tax Reduction per Deduction
2005	35	\$243,554	\$6,959	-\$8,260	-\$236.00
2006	43	\$295,241	\$6,866	-\$9,906	-\$230.37
2007	38	\$240,050	\$6,317	-\$7,735	-\$203.55

## By Filing Type

Tax Year	Single, Joint or Separate	Number of Airport Zone Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
2005	Single	26	\$174,854	71.79%	\$6,725	-\$5,933	71.83%	-\$228.19
2005	Joint and Separate	9	\$68,700	28.21%	\$7,633	-\$2,327	28.17%	-\$258.56
2006	Single	35	\$236,416	80.08%	\$6,755	-\$7,915	79.93%	-\$226.14
2006	Joint and Separate	8	\$58,825	19.92%	\$7,353	-\$1,988	20.07%	-\$248.50
2007	Single	33	\$208,598	86.90%	\$6,321	-\$6,673	86.30%	-\$202.21
2007	Joint and Separate	5	\$31,452	13.10%	\$6,290	-\$1,059	13.70%	-\$211.80

## By Income (Indiana AGI)

2005	Number of Airport Zone Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
<\$0-\$20,000	21	\$143,893	59.08%	\$6,852	-\$4,877	59.05%	-\$232.24
\$20,001-\$50,000	9	\$60,961	25.03%	\$6,773	-\$2,070	25.06%	-\$230.00
\$50,001-\$250,000	5	\$38,700	15.89%	\$7,740	-\$1,312	15.89%	-\$262.40
Greater than \$250,000	0	\$0	0.00%	\$0	\$0	0.00%	\$0.00

2006	Number of Airport Zone Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	0	\$0	0.00%	\$0	\$0	0.00%	\$0.00
\$0-\$20,000	28	\$184,805	62.59%	\$6,600	-\$6,164	62.22%	-\$220.14
\$20,001-\$50,000	12	\$87,936	29.78%	\$7,328	-\$2,983	30.11%	-\$248.58
\$50,001-\$250,000	3	\$22,500	7.62%	\$7,500	-\$760	7.67%	-\$253.33
Greater than \$250,000	0	\$0	0.00%	\$0	\$0	0.00%	\$0.00

2007	Number of Airport Zone Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0-\$20,000	28	\$167,550	69.80%	\$5,984	-\$5,271	68.15%	-\$188.25
\$20,001-\$250,000	10	\$72,500	30.20%	\$7,250	-\$2,463	31.85%	-\$246.30
Greater than \$250,000	0	\$0	0.00%	\$0	\$0	0.00%	\$0.00

Note: Selected filing types and income categories were combined to meet confidentiality requirements under State and Federal law.

## Civil Service Annuity Deduction

Description: If a taxpayer's federal adjusted gross income includes federal civil service annuity payments, a deduction may be taken if the taxpayer is at least 62 years of age by December 31st of the tax year. The deduction is equal to the remainder of:

- (1) the lesser of annuity payments received or two thousand dollars (\$2,000); minus
  - (2) the total amount of social security benefits and railroad retirement benefits received by the individual during the taxable year.
- Taxpayers filing joint returns may supplement \$4,000 in the calculation of Step (1) if both spouses qualify for the deduction.

Indiana Code Citation: IC 6-3-2-3.7

Enacted: PL 79 - 1977

Notes: The calculation used to determine the deduction amount has not changed since enacted in 1977.

### Totals

Tax Year	Number of Civil Service Deductions Claimed	Amount Claimed	Average Deduction per Return	Dynamic State Reduction	Dynamic Average State Tax Reduction per Deduction
2005	3,613	\$6,206,803	\$1,718	-\$209,611	-\$58.02
2006	3,753	\$6,457,648	\$1,721	-\$217,407	-\$57.93
2007	3,994	\$6,772,086	\$1,696	-\$227,830	-\$57.04

### By Filing Type

Tax Year	Single, Joint or Separate	Number of Civil Service Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
2005	Single	1,356	\$2,257,193	36.37%	\$1,665	-\$75,897	36.21%	-\$55.97
2005	Joint	2,232	\$3,911,327	63.02%	\$1,752	-\$132,413	63.17%	-\$59.32
2005	Separate	25	\$38,284	0.62%	\$1,531	-\$1,302	0.62%	-\$52.08
2006	Single	1,396	\$2,340,530	37.20%	\$1,677	-\$78,519	36.12%	-\$56.25
2006	Joint	2,333	\$4,082,266	62.16%	\$1,750	-\$137,768	63.37%	-\$59.05
2006	Separate	24	\$34,852	0.64%	\$1,452	-\$1,116	0.51%	-\$46.50
2007	Single	1,482	\$2,455,654	36.26%	\$1,657	-\$82,242	36.10%	-\$55.49
2007	Joint	2,482	\$4,273,863	63.11%	\$1,722	-\$144,139	63.27%	-\$58.07
2007	Separate	30	\$42,569	0.63%	\$1,419	-\$1,448	0.64%	-\$48.27

### By Income (Indiana AGI)

2005	Number of Civil Service Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	17	\$29,172	0.47%	\$1,716	-\$49	0.02%	-\$2.88
\$0-\$20,000	691	\$1,144,860	18.45%	\$1,657	-\$38,452	18.34%	-\$55.65
\$20,001-\$50,000	1,916	\$3,209,835	51.71%	\$1,675	-\$109,131	52.06%	-\$56.96
\$50,001-\$75,000	606	\$1,119,500	18.04%	\$1,847	-\$38,062	18.16%	-\$62.81
\$75,001-\$250,000	375	\$689,982	11.12%	\$1,840	-\$23,456	11.19%	-\$62.55
Greater than \$250,000	8	\$13,455	0.22%	\$1,682	-\$457	0.22%	-\$57.13

2006	Number of Civil Service Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	24	\$46,249	0.72%	\$1,927	-\$259	0.12%	-\$10.79
\$0-\$20,000	591	\$990,013	15.33%	\$1,675	-\$32,833	15.10%	-\$55.55
\$20,001-\$50,000	1,884	\$3,130,703	48.48%	\$1,662	-\$106,437	48.96%	-\$56.50
\$50,001-\$75,000	721	\$1,302,798	20.17%	\$1,807	-\$44,290	20.37%	-\$61.43
\$75,001-\$250,000	522	\$967,466	14.98%	\$1,853	-\$32,895	15.13%	-\$63.02
Greater than \$250,000	11	\$20,420	0.32%	\$1,856	-\$694	0.32%	-\$63.09

2007	Number of Civil Service Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	33	\$57,515	0.85%	\$1,743	-\$468	0.21%	-\$14.18
\$0-\$20,000	552	\$893,651	13.20%	\$1,619	-\$29,453	12.93%	-\$53.36
\$20,001-\$50,000	1,881	\$3,079,598	45.47%	\$1,637	-\$104,705	45.96%	-\$55.66
\$50,001-\$75,000	817	\$1,448,319	21.39%	\$1,773	-\$49,244	21.61%	-\$60.27
\$75,001-\$250,000	689	\$1,248,575	18.44%	\$1,812	-\$42,450	18.63%	-\$61.61
Greater than \$250,000	22	\$44,428	0.66%	\$2,019	-\$1,509	0.66%	-\$68.59

# Disability Retirement Deduction

Description: A taxpayer must meet certain disability qualifications to claim this deduction. This deduction is limited to a maximum of \$5,200 per qualifying individual.

## Totals

Tax Year	Number of Disability Retirement Deductions Claimed	Amount Claimed	Average Deduction per Return	Dynamic State Reduction	Dynamic Average State Tax Reduction per Deduction
2005	2,763	\$12,140,647	\$4,394	-\$359,149	-\$129.99
2006	2,607	\$11,573,604	\$4,439	-\$345,562	-\$132.55
2007	2,141	\$9,697,428	\$4,529	-\$290,064	-\$135.48

Indiana Code Citation: IC 6-3-2-9

Enacted: PL 76 - 1985

Notes: The maximum amount an individual can claim for this deduction has not changed since enacted in 1985.

## By Filing Type

Tax Year	Single, Joint or Separate	Number of Disability Retirement Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
2005	Single	1,535	\$6,745,956	55.57%	\$4,395	-\$201,264	56.04%	-\$131.12
2005	Joint	1,206	\$5,291,311	43.58%	\$4,387	-\$154,469	43.01%	-\$128.08
2005	Separate	22	\$103,380	0.85%	\$4,699	-\$3,416	0.95%	-\$155.27
2006	Single	1,463	\$6,411,492	55.40%	\$4,382	-\$192,517	55.71%	-\$131.59
2006	Joint	1,110	\$5,015,237	43.33%	\$4,518	-\$148,566	42.99%	-\$133.84
2006	Separate	34	\$146,874	1.27%	\$4,320	-\$4,474	1.29%	-\$131.59
2007	Single	1,248	\$5,528,821	57.01%	\$4,430	-\$166,658	57.46%	-\$133.54
2007	Joint	867	\$4,060,959	41.88%	\$4,684	-\$120,007	41.37%	-\$138.42
2007	Separate	26	\$107,647	1.11%	\$4,140	-\$3,397	1.17%	-\$130.65

## By Income (Indiana AGI)

2005	Number of Disability Retirement Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	268	\$1,224,385	10.09%	\$4,569	-\$15,445	4.30%	-\$57.63
\$0-\$20,000	2,328	\$10,201,736	84.03%	\$4,382	-\$319,416	88.94%	-\$137.21
\$20,001-\$50,000	128	\$528,346	4.35%	\$4,128	-\$17,961	5.00%	-\$140.32
\$50,001-\$75,000	27	\$123,077	1.01%	\$4,558	-\$4,184	1.16%	-\$154.96
\$75,001-\$250,000	12	\$63,103	0.52%	\$5,259	-\$2,142	0.60%	-\$178.50
Greater than \$250,000	0	\$0	0.00%	\$0	\$0	0.00%	\$0.00

2006	Number of Disability Retirement Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	244	\$1,151,495	9.95%	\$4,719	-\$13,917	4.03%	-\$57.04
\$0-\$20,000	2,189	\$9,598,740	82.94%	\$4,385	-\$303,662	87.87%	-\$138.72
\$20,001-\$50,000	127	\$571,438	4.94%	\$4,500	-\$19,422	5.62%	-\$152.93
\$50,001-\$75,000	36	\$195,905	1.69%	\$5,442	-\$6,655	1.93%	-\$184.86
\$75,001-\$250,000	11	\$56,025	0.48%	\$5,093	-\$1,906	0.55%	-\$173.27
Greater than \$250,000	0	\$0	0.00%	\$0	\$0	0.00%	\$0.00

2007	Number of Disability Retirement Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	212	\$1,030,419	10.63%	\$4,860	-\$12,649	4.36%	-\$59.67
\$0-\$20,000	1,745	\$7,807,939	80.52%	\$4,474	-\$248,206	85.57%	-\$142.24
\$20,001-\$50,000	122	\$546,568	5.64%	\$4,480	-\$18,582	6.41%	-\$152.31
\$50,001-\$75,000	37	\$160,568	1.66%	\$4,340	-\$5,460	1.88%	-\$147.57
\$75,001-\$250,000	25	\$151,934	1.57%	\$6,077	-\$5,165	1.78%	-\$206.60
Greater than \$250,000	0	\$0	0.00%	\$0	\$0	0.00%	\$0.00

# Enterprise Zone Employee Deduction

## Totals

Tax Year	Number of Enterprise Zone Deductions Claimed	Amount Claimed	Average Deduction per Return	Dynamic State Reduction	Dynamic Average State Tax Reduction per Deduction
2005	4,108	\$27,000,299	\$6,573	-\$909,170	-\$221.32
2006	3,718	\$24,684,197	\$6,639	-\$830,331	-\$223.33
2007	3,982	\$26,126,162	\$6,561	-\$878,469	-\$220.61

Description: Certain areas within Indiana have been designated as enterprise zones. A taxpayer must live in an enterprise zone and work for a qualified employer in that zone in order to be eligible for this deduction. The amount of the deduction is the lesser of one-half (½) of the earned income shown on Form IT-40 QEC (provided by an employer) or \$7,500.

Indiana Code Citation: IC 6-3-2-8

Enacted: PL 23 - 1983

Notes: The amount of the deduction has not changed since enacted in 1983.

## By Filing Type

Tax Year	Single, Joint or Separate	Number of Enterprise Zone Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
2005	Single	2,308	\$13,681,501	50.67%	\$5,928	-\$458,770	50.46%	-\$198.77
2005	Joint	1,738	\$12,909,707	47.81%	\$7,428	-\$436,777	48.04%	-\$251.31
2005	Separate	62	\$409,091	1.52%	\$6,598	-\$13,623	1.50%	-\$219.73
2006	Single	2,098	\$12,568,399	50.92%	\$5,991	-\$420,113	50.60%	-\$200.24
2006	Joint	1,564	\$11,742,841	47.57%	\$7,508	-\$397,545	47.88%	-\$254.18
2006	Separate	56	\$372,957	1.51%	\$6,660	-\$12,671	1.53%	-\$226.27
2007	Single	2,329	\$13,724,611	52.53%	\$5,893	-\$458,560	52.20%	-\$196.89
2007	Joint	1,590	\$11,971,070	45.82%	\$7,529	-\$405,271	46.13%	-\$254.89
2007	Separate	63	\$430,481	1.65%	\$6,833	-\$14,637	1.67%	-\$232.33

## By Income (Indiana AGI)

2005	Number of Enterprise Zone Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	23	\$50,703	0.19%	\$2,204	-\$239	0.03%	-\$10.39
\$0-\$20,000	1,912	\$10,658,476	39.48%	\$5,575	-\$355,039	39.05%	-\$185.69
\$20,001-\$50,000	1,512	\$11,144,162	41.27%	\$7,370	-\$378,899	41.68%	-\$250.59
\$50,001-\$75,000	436	\$3,318,120	12.29%	\$7,610	-\$112,816	12.41%	-\$258.75
\$75,001-\$250,000	218	\$1,770,384	6.56%	\$8,121	-\$60,190	6.62%	-\$276.10
Greater than \$250,000	7	\$58,454	0.22%	\$8,351	-\$1,987	0.22%	-\$283.86

2006	Number of Enterprise Zone Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	17	\$52,978	0.21%	\$3,116	-\$580	0.07%	-\$34.12
\$0-\$20,000	1,705	\$9,558,288	38.72%	\$5,606	-\$317,285	38.21%	-\$186.09
\$20,001-\$50,000	1,385	\$10,360,598	41.97%	\$7,481	-\$352,253	42.42%	-\$254.33
\$50,001-\$75,000	392	\$2,957,615	11.98%	\$7,545	-\$100,553	12.11%	-\$256.51
\$75,001-\$250,000	212	\$1,668,717	6.76%	\$7,871	-\$56,737	6.83%	-\$267.63
Greater than \$250,000	7	\$86,000	0.35%	\$12,286	-\$2,923	0.35%	-\$417.57

2007	Number of Enterprise Zone Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	29	\$72,123	0.28%	\$2,487	-\$264	0.03%	-\$9.10
\$0-\$20,000	1,840	\$10,210,041	39.08%	\$5,549	-\$339,510	38.65%	-\$184.52
\$20,001-\$50,000	1,426	\$10,434,250	39.94%	\$7,317	-\$354,763	40.38%	-\$248.78
\$50,001-\$75,000	457	\$3,577,121	13.69%	\$7,827	-\$121,623	13.84%	-\$266.13
\$75,001-\$250,000	214	\$1,705,345	6.53%	\$7,969	-\$57,981	6.60%	-\$270.94
Greater than \$250,000	16	\$127,282	0.49%	\$7,955	-\$4,326	0.49%	-\$270.38

# Human Services Deduction

## Totals

Tax Year	Number of Human Services Deductions Claimed	Amount Claimed	Average Deduction per Return	Dynamic State Reduction	Dynamic Average State Tax Reduction per Deduction
2005	768	\$9,378,435	\$12,212	-\$260,038	-\$338.59
2006	892	\$10,741,054	\$12,042	-\$277,261	-\$310.83
2007	975	\$13,632,758	\$13,982	-\$339,377	-\$348.08

Description: A taxpayer who is a Medicaid recipient living in a hospital, skilled nursing facility, intermediate care facility, or another qualified home or facility may be eligible for this deduction.

Indiana Code Citation: IC 6-3-1-3.5(a)(14)

Enacted: PL 88 - 1989

Notes: The amount of the deduction has not changed since enacted in 1989.

## By Filing Type

Tax Year	Single, Joint or Separate	Number of Human Services Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
2005	Single	656	\$7,701,363	82.12%	\$11,740	-\$219,050	84.24%	-\$333.92
2005	Joint	106	\$1,586,396	16.92%	\$14,966	-\$39,546	15.21%	-\$373.08
2005	Separate	6	\$90,677	0.97%	\$15,113	-\$1,442	0.55%	-\$240.33
2006	Single	765	\$9,096,238	84.69%	\$11,891	-\$228,059	82.26%	-\$298.12
2006	Joint	123	\$1,548,814	14.42%	\$12,592	-\$47,244	17.04%	-\$384.10
2006	Separate	4	\$96,002	0.89%	\$24,001	-\$1,955	0.71%	-\$488.75
2007	Single	828	\$11,397,289	83.60%	\$13,765	-\$275,348	81.13%	-\$332.55
2007	Joint	143	\$2,174,361	15.95%	\$15,205	-\$62,539	18.43%	-\$437.34
2007	Separate	4	\$61,107	0.45%	\$15,277	-\$1,489	0.44%	-\$372.25

## By Income (Indiana AGI)

2005	Number of Human Services Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	80	\$2,377,984	25.36%	\$29,725	-\$33,381	12.84%	-\$417.26
\$0-\$20,000	668	\$6,687,437	71.31%	\$10,011	-\$216,020	83.07%	-\$323.38
\$20,001-\$50,000	14	\$202,295	2.16%	\$14,450	-\$6,875	2.64%	-\$491.07
\$50,001-\$250,000	6	\$110,720	1.18%	\$18,453	-\$3,761	1.45%	-\$626.83
Greater than \$250,000	0	\$0	0.00%	\$0	\$0	0.00%	\$0.00

2006	Number of Human Services Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	137	\$3,566,381	33.20%	\$26,032	-\$50,709	18.29%	-\$370.14
\$0-\$20,000	707	\$6,804,877	63.35%	\$9,625	-\$213,991	77.18%	-\$302.67
\$20,001-\$50,000	33	\$225,945	2.10%	\$6,847	-\$7,675	2.77%	-\$232.58
\$50,001-\$75,000	8	\$65,647	0.61%	\$8,206	-\$2,226	0.80%	-\$278.25
\$75,000-\$250,000	7	\$78,204	0.73%	\$11,172	-\$2,660	0.96%	-\$380.00
Greater than \$250,000	0	\$0	0.00%	\$0	\$0	0.00%	\$0.00

2007	Number of Human Services Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	191	\$5,441,032	39.91%	\$28,487	-\$79,047	23.29%	-\$413.86
\$0-\$20,000	731	\$7,543,020	55.33%	\$10,319	-\$238,276	70.21%	-\$325.96
\$20,001-\$50,000	36	\$349,956	2.57%	\$9,721	-\$11,898	3.51%	-\$330.50
\$50,001-\$75,000	10	\$164,119	1.20%	\$16,412	-\$5,581	1.64%	-\$558.10
\$75,000-\$250,000	7	\$134,631	0.99%	\$19,233	-\$4,576	1.35%	-\$653.71
Greater than \$250,000	0	\$0	0.00%	\$0	\$0	0.00%	\$0.00

Note: Selected income categories were combined to meet confidentiality requirements under State and Federal law.

# Indiana Lottery Winnings Deduction

## Totals

Tax Year	Number of Indiana Lottery Deductions Claimed	Amount Claimed	Average Deduction per Return	Dynamic State Reduction	Dynamic Average State Tax Reduction per Deduction
2005	3,968	\$34,234,601	\$8,628	-\$1,116,813	-\$281.45
2006	3,793	\$32,539,583	\$8,579	-\$1,075,471	-\$283.54
2007	4,379	\$30,716,189	\$7,014	-\$1,012,436	-\$231.20

Description: The first \$1,200 of prize money received from a winning lottery ticket is exempt from the adjusted gross income tax.

Indiana Code Citation: IC 6-3-2-14.1; IC 6-3-2-14.5; IC 4-30-4-7

Enacted: PL 269-2003; PL 192-2002(ss); PL 341-1989(ss)

Notes: Prior to July 1, 2002, all prize money received from a winning lottery ticket purchased under IC 4-30 was exempt from the adjusted gross income tax. PL 192-2002(ss) limits the maximum amount of prize money a taxpayer can exempt to the first \$1,200 of prize money received from a winning a lottery ticket.

## By Filing Type

Tax Year	Single, Joint or Separate	Number of Indiana Lottery Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
2005	Single	1,547	\$15,918,476	46.50%	\$10,290	-\$518,349	46.41%	-\$335.07
2005	Joint	2,370	\$17,333,222	50.63%	\$7,314	-\$565,205	50.61%	-\$238.48
2005	Separate	51	\$982,903	2.87%	\$19,273	-\$33,259	2.98%	-\$652.14
2006	Single	1,468	\$14,656,852	45.04%	\$9,984	-\$472,655	43.95%	-\$321.97
2006	Joint	2,276	\$17,026,948	52.33%	\$7,481	-\$573,827	53.36%	-\$252.12
2006	Separate	49	\$855,782	2.63%	\$17,465	-\$28,987	2.70%	-\$591.57
2007	Single	1,769	\$13,749,246	44.76%	\$7,772	-\$439,316	43.39%	-\$248.34
2007	Joint	2,541	\$16,169,845	52.64%	\$6,364	-\$546,268	53.96%	-\$214.98
2007	Separate	69	\$797,098	2.60%	\$11,552	-\$26,852	2.65%	-\$389.16

## By Income (Indiana AGI)

2005	Number of Indiana Lottery Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	61	\$5,042,871	14.73%	\$82,670	-\$127,162	11.39%	-\$2,084.62
\$0-\$20,000	857	\$8,220,055	24.01%	\$9,592	-\$276,619	24.77%	-\$322.78
\$20,001-\$50,000	1,332	\$11,277,129	32.94%	\$8,466	-\$383,420	34.33%	-\$287.85
\$50,001-\$75,000	770	\$4,818,879	14.08%	\$6,258	-\$163,842	14.67%	-\$212.78
\$75,001-\$250,000	905	\$4,318,809	12.62%	\$4,772	-\$146,837	13.15%	-\$162.25
Greater than \$250,000	43	\$556,858	1.63%	\$12,950	-\$18,933	1.70%	-\$440.30

2006	Number of Indiana Lottery Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	48	\$4,127,955	12.69%	\$85,999	-\$112,048	10.42%	-\$2,334.33
\$0-\$20,000	805	\$6,491,358	19.95%	\$8,064	-\$218,147	20.28%	-\$270.99
\$20,001-\$50,000	1,259	\$9,647,954	29.65%	\$7,663	-\$328,024	30.50%	-\$260.54
\$50,001-\$75,000	684	\$4,553,871	13.99%	\$6,658	-\$154,827	14.40%	-\$226.36
\$75,001-\$250,000	923	\$7,572,082	23.27%	\$8,204	-\$257,452	23.94%	-\$278.93
Greater than \$250,000	74	\$146,362	0.45%	\$1,978	-\$4,976	0.46%	-\$67.24

2007	Number of Indiana Lottery Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	66	\$3,868,369	12.59%	\$58,612	-\$102,455	10.12%	-\$1,552.35
\$0-\$20,000	853	\$5,509,299	17.94%	\$6,459	-\$184,473	18.22%	-\$216.26
\$20,001-\$50,000	1,438	\$7,489,690	24.38%	\$5,208	-\$254,649	25.15%	-\$177.09
\$50,001-\$75,000	831	\$3,688,330	12.01%	\$4,438	-\$125,404	12.39%	-\$150.91
\$75,001-\$250,000	1,126	\$9,965,036	32.44%	\$8,850	-\$338,810	33.46%	-\$300.90
Greater than \$250,000	65	\$195,464	0.64%	\$3,007	-\$6,644	0.66%	-\$102.22

# Indiana Net Operating Loss Deduction

## Totals

Tax Year	Number of Net Operating Loss Deductions Claimed	Amount Claimed	Average Deduction per Return	Dynamic State Reduction	Dynamic Average State Tax Reduction per Deduction
2005	5,906	\$283,776,440	\$48,049	-\$5,967,951	-\$1,010.49
2006	6,725	\$382,104,942	\$56,819	-\$7,709,624	-\$1,146.41
2007	6,900	\$403,708,073	\$58,508	-\$7,349,177	-\$1,065.10

Description: A taxpayer may take a deduction for the Indiana portion of the total federal net operating loss deduction that is carried forward or carried back from previous years.

Indiana Code Citation: IC 6-3-2-2.5

Enacted: PL 91-1987

Notes: The amount of the deduction has not changed since enacted in 1987.

## By Filing Type

Tax Year	Single, Joint or Separate	Number of Net Operating Loss Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
2005	Single	2,271	\$66,422,081	23.41%	\$29,248	-\$1,339,911	22.45%	-\$590.01
2005	Joint	3,503	\$199,978,685	70.47%	\$57,088	-\$4,533,842	75.97%	-\$1,294.27
2005	Separate	132	\$17,375,674	6.12%	\$131,634	-\$94,199	1.58%	-\$713.63
2006	Single	2,680	\$86,472,363	22.63%	\$32,266	-\$1,821,085	23.62%	-\$679.51
2006	Joint	3,889	\$275,130,136	72.00%	\$70,746	-\$5,701,118	73.95%	-\$1,465.96
2006	Separate	156	\$20,502,444	5.37%	\$131,426	-\$187,421	2.43%	-\$1,201.42
2007	Single	2,746	\$91,281,661	22.61%	\$33,242	-\$1,773,060	24.13%	-\$645.69
2007	Joint	3,974	\$282,477,048	69.97%	\$71,081	-\$5,043,469	68.63%	-\$1,269.12
2007	Separate	180	\$29,949,363	7.42%	\$166,385	-\$532,647	7.25%	-\$2,959.15

## By Income (Indiana AGI)

2005	Number of Net Operating Loss Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	1,241	\$128,345,095	45.23%	\$103,421	-\$737,211	12.35%	-\$594.05
\$0-\$20,000	3,074	\$96,352,458	33.95%	\$31,344	-\$3,222,063	53.99%	-\$1,048.17
\$20,001-\$50,000	785	\$14,763,104	5.20%	\$18,807	-\$501,943	8.41%	-\$639.42
\$50,001-\$75,000	271	\$5,919,220	2.09%	\$21,842	-\$201,254	3.37%	-\$742.63
\$75,001-\$250,000	437	\$12,278,748	4.33%	\$28,098	-\$417,474	7.00%	-\$955.32
Greater than \$250,000	98	\$26,117,815	9.20%	\$266,508	-\$888,006	14.88%	-\$9,061.29

2006	Number of Net Operating Loss Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	1,284	\$189,980,685	49.72%	\$147,960	-\$1,233,555	16.00%	-\$960.71
\$0-\$20,000	3,677	\$117,797,640	30.83%	\$32,036	-\$3,948,977	51.22%	-\$1,073.97
\$20,001-\$50,000	849	\$12,006,528	3.14%	\$14,142	-\$408,215	5.29%	-\$480.82
\$50,001-\$75,000	306	\$6,718,825	1.76%	\$21,957	-\$228,435	2.96%	-\$746.52
\$75,001-\$250,000	468	\$20,680,210	5.41%	\$44,188	-\$703,128	9.12%	-\$1,502.41
Greater than \$250,000	141	\$34,921,054	9.14%	\$247,667	-\$1,187,315	15.40%	-\$8,420.67

2007	Number of Net Operating Loss Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	1,452	\$218,584,476	54.14%	\$150,540	-\$1,117,520	15.21%	-\$769.64
\$0-\$20,000	3,719	\$90,366,469	22.38%	\$24,299	-\$3,009,916	40.96%	-\$809.33
\$20,001-\$50,000	887	\$15,094,985	3.74%	\$17,018	-\$513,228	6.98%	-\$578.61
\$50,001-\$75,000	315	\$7,710,918	1.91%	\$24,479	-\$262,172	3.57%	-\$832.29
\$75,001-\$250,000	370	\$19,889,035	4.93%	\$53,754	-\$676,226	9.20%	-\$1,827.64
Greater than \$250,000	157	\$52,062,190	12.90%	\$331,606	-\$1,770,112	24.09%	-\$11,274.60

# Indiana Partnership Long-Term Care Policy Premiums Deduction

## Totals

Tax Year	Number of Long-Term Care Deductions Claimed	Amount Claimed	Average Deduction per Return	Dynamic State Reduction	Dynamic Average State Tax Reduction per Deduction
2005	9,843	\$22,742,828	\$2,311	-\$758,595	-\$77.07
2006	10,699	\$26,283,002	\$2,457	-\$873,280	-\$81.62
2007	11,580	\$28,866,394	\$2,493	-\$961,165	-\$83.00

Description: A deduction is available for the amount of premiums paid during the tax year for Indiana Partnership long term care insurance.

Indiana Code Citation: IC 6-3-1-3.5(a)(16)

Enacted: PL 238-1999

Notes: The amount of the deduction has not changed since enacted in 1999.

## By Filing Type

Tax Year	Single, Joint or Separate	Number of Long-Term Care Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
2005	Single	2,867	\$5,461,121	24.01%	\$1,905	-\$180,135	23.75%	-\$62.83
2005	Joint	6,910	\$17,176,544	75.53%	\$2,486	-\$575,113	75.81%	-\$83.23
2005	Separate	66	\$105,163	0.46%	\$1,593	-\$3,347	0.44%	-\$50.71
2006	Single	3,120	\$6,672,002	25.39%	\$2,138	-\$215,089	24.63%	-\$68.94
2006	Joint	7,514	\$19,484,201	74.13%	\$2,593	-\$654,181	74.91%	-\$87.06
2006	Separate	65	\$126,799	0.48%	\$1,951	-\$4,007	0.46%	-\$61.65
2007	Single	3,473	\$7,247,548	25.11%	\$2,087	-\$238,312	24.79%	-\$68.62
2007	Joint	8,036	\$21,496,249	74.47%	\$2,675	-\$718,842	74.79%	-\$89.45
2007	Separate	71	\$122,597	0.42%	\$1,727	-\$4,010	0.42%	-\$56.48

## By Income (Indiana AGI)

2005	Number of Long-Term Care Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	105	\$283,424	1.25%	\$2,699	-\$1,349	0.18%	-\$12.85
\$0-\$20,000	1,946	\$4,543,329	19.98%	\$2,335	-\$148,106	19.52%	-\$76.11
\$20,001-\$50,000	3,376	\$7,807,751	34.33%	\$2,313	-\$265,460	34.99%	-\$78.63
\$50,001-\$75,000	1,742	\$3,911,372	17.20%	\$2,245	-\$132,986	17.53%	-\$76.34
\$75,001-\$250,000	2,430	\$5,496,609	24.17%	\$2,262	-\$186,882	24.64%	-\$76.91
Greater than \$250,000	244	\$700,343	3.08%	\$2,870	-\$23,812	3.14%	-\$97.59

2006	Number of Long-Term Care Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	92	\$545,699	2.08%	\$5,932	-\$3,352	0.38%	-\$36.43
\$0-\$20,000	1,929	\$4,730,276	18.00%	\$2,452	-\$155,702	17.83%	-\$80.72
\$20,001-\$50,000	3,623	\$8,827,281	33.59%	\$2,436	-\$300,121	34.37%	-\$82.84
\$50,001-\$75,000	1,906	\$4,456,059	16.95%	\$2,338	-\$151,501	17.35%	-\$79.49
\$75,001-\$250,000	2,840	\$6,781,572	25.80%	\$2,388	-\$230,575	26.40%	-\$81.19
Greater than \$250,000	309	\$942,115	3.58%	\$3,049	-\$32,032	3.67%	-\$103.66

2007	Number of Long-Term Care Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	121	\$614,979	2.13%	\$5,082	-\$6,122	0.64%	-\$50.60
\$0-\$20,000	1,781	\$4,439,055	15.38%	\$2,492	-\$145,425	15.13%	-\$81.65
\$20,001-\$50,000	3,837	\$9,336,116	32.34%	\$2,433	-\$317,427	33.03%	-\$82.73
\$50,001-\$75,000	2,199	\$5,224,798	18.10%	\$2,376	-\$177,644	18.48%	-\$80.78
\$75,001-\$250,000	3,279	\$8,176,420	28.33%	\$2,494	-\$277,997	28.92%	-\$84.78
Greater than \$250,000	363	\$1,075,025	3.72%	\$2,962	-\$36,549	3.80%	-\$100.69

# Law Enforcement Reward Deduction

Description: A taxpayer may claim a deduction no greater than \$1,000 for certain income related to receiving a law enforcement reward. The income must have been reported as "other income" on the taxpayer's federal income tax form.

Indiana Code Citation: IC 6-3-2-17

Enacted: PL 78-1990

Notes: The amount of the deduction has not changed since enacted in 1990.

## Totals

Tax Year	Number of Reward Deductions Claimed	Amount Claimed	Average Deduction per Return	Dynamic State Reduction	Dynamic Average State Tax Reduction per Deduction
2005	67	\$33,300	\$497	-\$1,052	-\$15.70
2006	21	\$10,634	\$506	-\$340	-\$16.19
2007	26	\$14,295	\$550	-\$471	-\$18.12

## By Filing Type

Tax Year	Single, Joint or Separate	Number of Reward Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
2005	Single	47	\$19,797	59.45%	\$421	-\$602	57.28%	-\$12.81
2005	Joint and Separate	20	\$13,503	40.55%	\$675	-\$449	42.72%	-\$22.45
2006	Single	10	\$5,227	49.15%	\$523	-\$165	48.96%	-\$16.50
2006	Joint	8	\$3,397	31.94%	\$425	-\$105	31.16%	-\$13.13
2006	Separate	3	\$2,010	18.90%	\$670	-\$67	19.88%	-\$22.33
2007	Single	13	\$6,600	46.17%	\$508	-\$217	46.37%	-\$16.69
2007	Joint and Separate	13	\$7,695	53.83%	\$592	-\$251	53.63%	-\$19.31

## By Income (Indiana AGI)

2005	Number of Reward Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0-\$20,000	18	\$10,650	31.98%	\$592	-\$287	27.31%	-\$15.94
\$20,001-\$50,000	32	\$11,884	35.69%	\$371	-\$402	38.25%	-\$12.56
\$50,001-\$75,000	13	\$7,937	23.83%	\$611	-\$269	25.59%	-\$20.69
\$75,001-\$250,000	4	\$2,829	8.50%	\$707	-\$93	8.85%	-\$23.25
Greater than \$250,000	0	\$0	0.00%	\$0	\$0	0.00%	\$0.00

2006	Number of Reward Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State and Local Tax Reduction per Deduction
< \$0	0	\$0	0.00%	\$0	\$0	0.00%	\$0.00
\$0-\$20,000	5	\$3,060	28.78%	\$612	-\$94	27.81%	-\$18.80
\$20,001-\$50,000	7	\$3,162	29.73%	\$452	-\$100	29.59%	-\$14.29
\$50,001-\$75,000	3	\$1,235	11.61%	\$412	-\$36	10.65%	-\$12.00
Greater than \$75,000	6	\$3,177	29.88%	\$530	-\$108	31.95%	-\$18.00

2007	Number of Reward Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State and Local Tax Reduction per Deduction
< \$0	0	\$0	0.00%	\$0	\$0	0.00%	\$0.00
\$0-\$20,000	4	\$1,613	11.28%	\$403	-\$41	8.76%	-\$10.25
\$20,001-\$50,000	13	\$9,300	65.06%	\$715	-\$315	67.31%	-\$24.23
\$50,001-\$75,000	4	\$1,162	8.13%	\$291	-\$40	8.55%	-\$10.00
Greater than \$75,000	5	\$2,220	15.53%	\$444	-\$72	15.38%	-\$14.40

Note : Selected filing types and income categories were combined to meet confidentiality requirements under State and Federal law.

# Medical Savings Account Deduction

Description: A taxpayer may be eligible for a deduction if the taxpayer's employer deposited funds in certain medical care savings accounts on behalf of the taxpayer. The amount of the deduction is equal to the amount of money deposited by an employer in the medical care savings accounts.

Indiana Code Citation: IC 6-3-2-18

Enacted: PL 92- 1995

Notes: The amount of the deduction has not changed since enacted in 1995.

## Totals

Tax Year	Number of Medical Savings Deductions Claimed	Amount Claimed	Average Deduction per Return	Dynamic State Reduction	Dynamic Average State Tax Reduction per Deduction
2005	695	\$769,703	\$1,107	-\$25,139	-\$36.17
2006	977	\$1,268,832	\$1,299	-\$42,127	-\$43.12
2007	1,453	\$2,046,740	\$1,409	-\$68,465	-\$47.12

## By Filing Type

Tax Year	Single, Joint or Separate	Number of Medical Savings Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
2005	Single	254	\$255,956	33.25%	\$1,008	-\$7,829	31.14%	-\$30.82
2005	Joint	420	\$496,336	64.48%	\$1,182	-\$16,843	67.00%	-\$40.10
2005	Separate	21	\$17,411	2.26%	\$829	-\$467	1.86%	-\$22.24

2006	Single	377	\$398,676	31.42%	\$1,057	-\$12,616	29.95%	-\$33.46
2006	Joint	579	\$841,974	66.36%	\$1,454	-\$28,550	67.78%	-\$49.31
2006	Separate	21	\$28,182	2.22%	\$1,342	-\$957	2.27%	-\$45.57

2007	Single	580	\$650,102	31.76%	\$1,121	-\$21,001	30.68%	-\$36.21
2007	Joint	842	\$1,357,207	66.31%	\$1,612	-\$46,120	67.37%	-\$54.77
2007	Separate	31	\$39,431	1.93%	\$1,272	-\$1,341	1.96%	-\$43.26

## By Income (Indiana AGI)

2005	Number of Medical Savings Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	5	\$43,836	5.70%	\$8,767	-\$554	2.20%	-\$110.80
\$0-\$20,000	52	\$44,973	5.84%	\$865	-\$1,440	5.73%	-\$27.69
\$20,001-\$50,000	263	\$235,700	30.62%	\$896	-\$8,011	31.87%	-\$30.46
\$50,001-\$75,000	157	\$146,232	19.00%	\$931	-\$4,971	19.78%	-\$31.66
\$75,001-\$250,000	208	\$280,128	36.39%	\$1,347	-\$9,521	37.88%	-\$45.77
Greater than \$250,000	10	\$18,835	2.45%	\$1,884	-\$640	2.55%	-\$64.00

2006	Number of Medical Savings Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	11	\$40,151	3.16%	\$3,650	-\$467	1.11%	-\$42.45
\$0-\$20,000	81	\$94,001	7.41%	\$1,161	-\$3,093	7.34%	-\$38.19
\$20,001-\$50,000	360	\$406,944	32.07%	\$1,130	-\$13,829	32.83%	-\$38.41
\$50,001-\$75,000	220	\$261,186	20.58%	\$1,187	-\$8,875	21.07%	-\$40.34
\$75,001-\$250,000	288	\$413,237	32.57%	\$1,435	-\$14,051	33.35%	-\$48.79
Greater than \$250,000	17	\$53,312	4.20%	\$3,136	-\$1,812	4.30%	-\$106.59

2007	Number of Medical Savings Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	14	\$34,703	1.70%	\$2,479	-\$140	0.20%	-\$10.00
\$0-\$20,000	141	\$197,123	9.63%	\$1,398	-\$6,619	9.67%	-\$46.94
\$20,001-\$50,000	554	\$639,232	31.23%	\$1,154	-\$21,733	31.74%	-\$39.23
\$50,001-\$75,000	331	\$499,460	24.40%	\$1,509	-\$16,983	24.81%	-\$51.31
\$75,001-\$250,000	397	\$629,731	30.77%	\$1,586	-\$21,409	31.27%	-\$53.93
Greater than \$250,000	16	\$46,491	2.27%	\$2,906	-\$1,579	2.31%	-\$98.69

## Recovery of Deductions

Description: Generally, Indiana does not allow taxpayers to claim itemized deductions from the federal income tax form. However, if a taxpayer reported recovered itemized deductions as "other income" on the federal form, that amount may be claimed as a deduction.

Indiana Code Citation: IC 6-3-1-3.5(a)(8)

Enacted: PL 4 - 1977

Notes: The amount of the deduction has not changed since enacted in 1977.

### Totals

Tax Year	Number of Recovery of Deductions Claimed	Amount Claimed	Average Deduction per Return	Dynamic State Reduction	Dynamic Average State Tax Reduction per Deduction
2005	1,091	\$4,148,012	\$3,802	-\$128,674	-\$117.94
2006	1,086	\$2,720,362	\$2,505	-\$88,669	-\$81.65
2007	1,633	\$3,871,879	\$2,371	-\$128,035	-\$78.40

### By Filing Type

Tax Year	Single, Joint or Separate	Number of Recovery of Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
2005	Single	395	\$919,505	22.17%	\$2,328	-\$27,519	21.39%	-\$69.67
2005	Joint	683	\$3,205,878	77.29%	\$4,694	-\$100,391	78.02%	-\$146.99
2005	Separate	13	\$22,629	0.55%	\$1,741	-\$764	0.59%	-\$58.77
2006	Single	459	\$1,250,015	45.95%	\$2,723	-\$40,663	45.86%	-\$88.59
2006	Joint	615	\$1,464,528	53.84%	\$2,381	-\$47,816	53.93%	-\$77.75
2006	Separate	12	\$5,820	0.21%	\$485	-\$186	0.21%	-\$15.50
2007	Single	573	\$827,719	21.38%	\$1,445	-\$26,056	20.35%	-\$45.47
2007	Joint	1,044	\$3,018,073	77.95%	\$2,891	-\$101,090	78.96%	-\$96.83
2007	Separate	16	\$26,087	0.67%	\$1,630	-\$887	0.69%	-\$55.44

### By Income (Indiana AGI)

2005	Number of Recovery of Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	43	\$885,655	21.35%	\$20,597	-\$18,324	14.24%	-\$426.14
\$0-\$20,000	222	\$566,132	13.65%	\$2,550	-\$18,685	14.52%	-\$84.17
\$20,001-\$50,000	285	\$571,756	13.78%	\$2,006	-\$19,437	15.11%	-\$68.20
\$50,001-\$75,000	190	\$613,203	14.78%	\$3,227	-\$20,849	16.20%	-\$109.73
\$75,001-\$250,000	274	\$714,596	17.23%	\$2,608	-\$24,294	18.88%	-\$88.66
Greater than \$250,000	77	\$796,671	19.21%	\$10,346	-\$27,087	21.05%	-\$351.78

2006	Number of Recovery of Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	40	\$160,591	5.90%	\$4,015	-\$2,236	2.52%	-\$55.90
\$0-\$20,000	250	\$510,370	18.76%	\$2,041	-\$16,766	18.91%	-\$67.06
\$20,001-\$50,000	337	\$552,469	20.31%	\$1,639	-\$18,777	21.18%	-\$55.72
\$50,001-\$75,000	171	\$333,659	12.27%	\$1,951	-\$11,340	12.79%	-\$66.32
\$75,001-\$250,000	243	\$606,545	22.30%	\$2,496	-\$20,624	23.26%	-\$84.87
Greater than \$250,000	45	\$556,728	20.47%	\$12,372	-\$18,928	21.35%	-\$420.62

2007	Number of Recovery of Deductions Claimed	Amount Claimed	% Distribution of Deductions claimed	Average Deduction Amount per Return	Dynamic State Tax Reduction	% Distribution of Dynamic State Tax Reductions	Dynamic Average State Tax Reduction per Deduction
< \$0	35	\$142,615	3.68%	\$4,075	-\$1,846	1.44%	-\$52.74
\$0-\$20,000	318	\$519,848	13.43%	\$1,635	-\$17,070	13.33%	-\$53.68
\$20,001-\$50,000	464	\$666,597	17.22%	\$1,437	-\$22,663	17.70%	-\$48.84
\$50,001-\$75,000	272	\$468,250	12.09%	\$1,722	-\$15,921	12.44%	-\$58.53
\$75,001-\$250,000	469	\$1,431,153	36.96%	\$3,051	-\$48,658	38.00%	-\$103.75
Greater than \$250,000	75	\$643,416	16.62%	\$8,579	-\$21,874	17.08%	-\$291.65