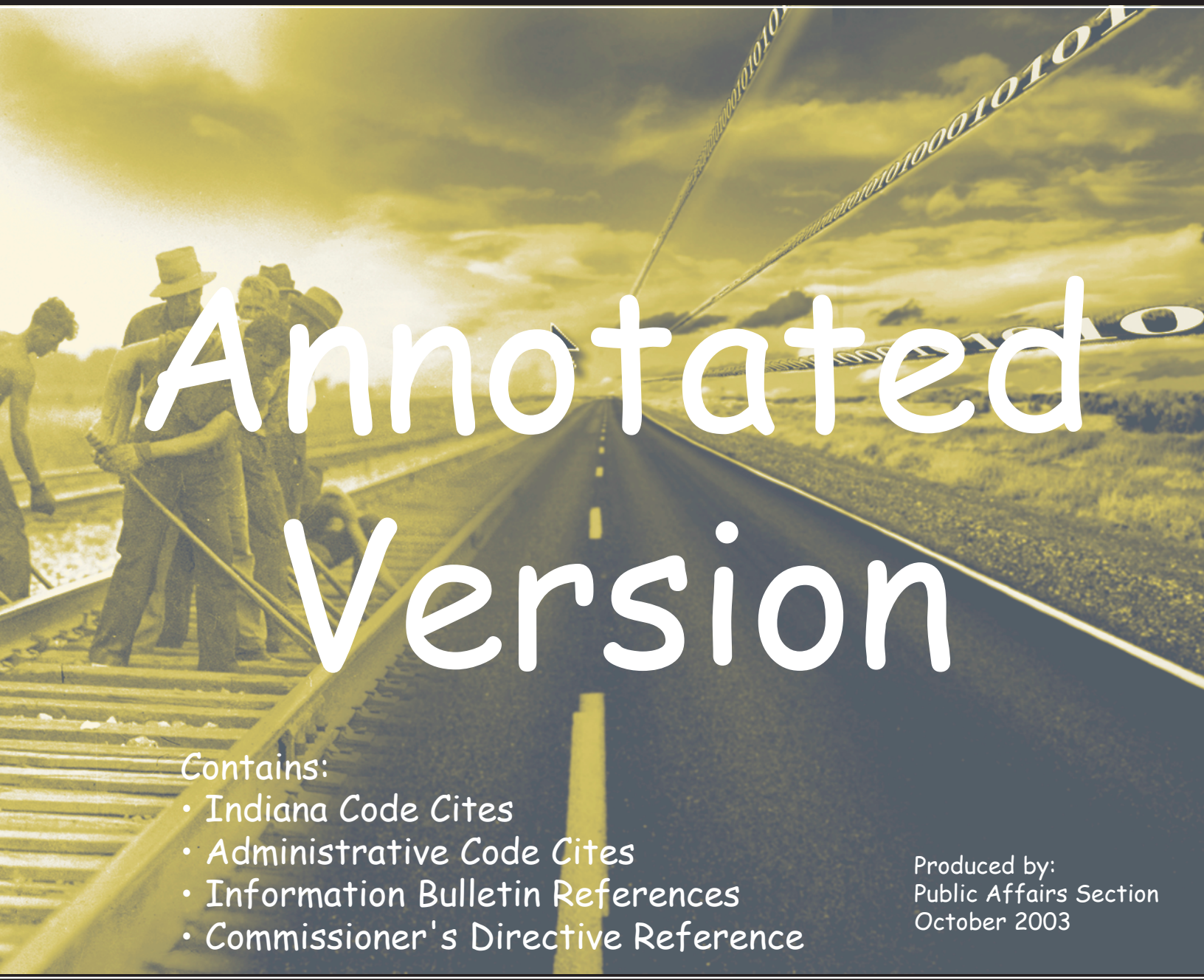
2003 IT-40 Full-Year Resident

Indiana

Individual Income Tax Booklet for Year 2003



Annotated Version

Contains:

- Indiana Code Cites
- Administrative Code Cites
- Information Bulletin References
- Commissioner's Directive Reference

Produced by:
Public Affairs Section
October 2003

www.IN.gov

accessIndiana
linking hoosiers to government

About the Cover -

When Hoosier photographer Frank M. Hohenberger (1876-1963) captured images of laborers constructing a railroad—a railroad that promised to connect Indiana to lands beyond—he could not have envisioned a day when data would travel the world in an instant.

We've come a long way since the days of Hohenberger, from railroads to interstates to the information superhighway. Advances in communications, transportation and technology paved the way for Hoosier citizens and businesses, which found themselves at the crossroads of America and on the verge of a new global economy.

Keeping step with technology in this fast-paced world of instant communication is a challenge that the Indiana General Assembly recognized and met with the formation of the Intelenet Commission in 1986. From Intelenet, a family of technology initiatives was born, with the goal of helping bridge the digital divide among public-sector customers and citizens across the state. A key initiative, the Indiana Telecommu
voice, and video secur
used for research, co
examples of how the sta
and government includ

- Internet access for K
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because of their net
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Vehicles.
- Electronic alert systems for state emergencies, missing children, and homeland security are quickly updated and posted online for public viewing.
- *accessIndiana* (www.IN.gov) helps taxpayers receive state tax refunds from the Department of Revenue in as little as 10 days through I-File, and much more!

From empowering fourth-grade students in Frankfort to use the Internet from both school and home, to designing and hosting Web sites for the city of Columbus and Lawrence County, to ensuring that Hoosiers receive state-of-the-art "eGovernment" services via *accessIndiana*, Intelenet is extending a helping hand to Hoosiers across the state of Indiana.

Web Site locations referenced in this booklet

Indiana Code
www.in.gov/legislative/ic/code/title6/

Income Tax Information Bulletins
www.in.gov/dor/publications/bulletin/income/index.html

Commissioner's Directives
www.in.gov/dor/publications/comdir/index.html

Indiana Administrative Code
www.in.gov/legislative/iac/title45.html

STATE OF INDIANA — INDIANAPOLIS, IN 46241-9524

Dear Taxpayer:

Hoosiers continue to embrace electronic filing. For the second year in a row, the Indiana Department of Revenue saw more electronically filed returns than traditional paper returns. Epay options of eCheck and credit card allow for acknowledged, confirmed payments to the Department. The new Hoosier Works MasterCard option is also available for taxpayers who are anticipating a refund and are preregistered with Family and Social Services. Coupled with direct deposit, filing electronically still remains the fastest, most accurate and most efficient way to get your Indiana state refund!

Please check the Department's website (www.in.gov/dor) for new methods of filing your taxes and for new business registrations.

Thank you for considering the various electronic options.

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ment of Revenue

ethods from which to choose,

❷ They're easy to use
❹ Some are even ***FREE!***

gram -

and both your
mpleted!

I-File Internet Filing Program -

File ***FREE*** directly through the Internet, or print out a 2-D Barcode for mailing. Then get your refund in a *flash*! (The I-File Program excludes first-time filers.) **www.in.gov/dor/**

Federal/State Electronic Filing Program -

Your professional tax practitioner can file both your federal and state returns by using the E-File Program, or may be able to print a 2-D Barcode for you.

Federal/State On-Line Filing Program -

Purchase the program; file E-File from the convenience of your home computer, or possibly print out a 2-D Barcode.

2-D Barcode Filing Program -

The last three programs can produce a 2-D Barcode for you. You still mail a paper return, but it will process in a fraction of the time.
www.in.gov/dor/

Choose the *Direct Deposit* option offered and eliminate that mailing time.

SF# 265
8/03

Which Indiana Tax Form Should I File?

Indiana has four different individual income tax returns. See which one is right for you.

Indiana Full-Year Residents

Use Form IT-40 if:
you (and your spouse if filing jointly) were full-year Indiana residents and you do not qualify to file Form IT-40EZ.

Form IT-40EZ if:
you (and your spouse if filing jointly) were full-year Indiana residents and all of the following conditions are met:

- ✔ you filed a federal Form 1040EZ;
- ✔ the deductions you claimed are limited to the renter's deduction and/or unemployment compensation deduction; and
- ✔ you have only Indiana state and county tax withholding credits.

All Other Individuals

Use Form IT-40PNR if:
you (and/or your spouse if filing jointly) were Indiana part-year or full-year nonresidents and you do not qualify to file Form IT-40RNR.

Use Form IT-40RNR if:
you (and your spouse if filing jointly) were full-year residents of a reciprocal state and your only type of income from Indiana was from wage, tip, salary or other compensation*. Reciprocal states are Kentucky, Michigan, Ohio, Pennsylvania and Wisconsin.

*If you have any other kind of Indiana-source income, you'll have to file Form IT-40PNR.

Note: If you have income that is being taxed by both Indiana and another state, you may have to file a tax return with the other state. A listing of other state's tax forms can be found at this site on the Internet: **www.taxadmin.org/fta/forms.ssi**.

Military Personnel

See the instructions on page 9 to see which form to file. Also, military personnel stationed in a **combat zone** should see the instructions on page 9 for extensions of time to file procedures.

2003 Changes

IC 6-3.1-21

NEW **Indiana's Earned Income Credit Changes for 2003**
Most Hoosiers who claim the earned income credit on their federal income tax return, Forms 1040, 1040A or 1040EZ, are now eligible to claim Indiana's earned income credit. Also, the way to figure Indiana's earned income credit has changed. See instructions on page 23, and Schedule IN-EIC, for more information.

NEW **Indiana Advance Earned Income Credit Payments**
If your employer advanced to you Indiana earned income credit payments, you will have to report them. See line 19 instructions on page 20 for more information. **IC 6-3.1-21-8**

NEW **Renter's Deduction Increase** **IC 6-3-2-6**
The ceiling for the renter's deduction has increased from $2,000 to $2,500. See instructions on page 10 for more information.

NEW **Bonus Depreciation Add-Back**
A new line 5, "Other", has been added to reflect disallowed bonus depreciation. See instructions on page 10 for more information. **IC 6-3-1-3.5 (a)(19)**

NEW **More IN-ePay Options**
Estimated tax payments and an extension of time to file payment may now be made using IN-ePay. See instructions on pages 36 & 37 for more information.

NEW **More Indiana Counties Adopt County Tax**
Clark, Porter and Vigo counties have adopted county income taxes. See county tax instructions on page 17 for more information.

NEW **Hoosier Works Direct Deposit**
You may choose to directly deposit your refund in your Hoosier Works MC account. See line 37 instructions on page 31 for more information.

IC 6-3.1-4-6

NEW **Research Expense Credit Extended**
The research expense credit has been extended through 2013. See instructions on page 27 for more information about this credit.

NEW **Community Revitalization Enhancement District Credit update** **IC 6-3.1-19**
Pass-through entities from S corporations and partnerships are now eligible to claim this credit. See instructions for Schedule 2: Indiana Credits, line 3 and 11, on pages 25 and 28 for more information.

Need Tax Forms or Information Bulletins?

Use Your Personal Computer

Visit our web site on the Internet and download the forms you need. Our address is: **www.in.gov/dor/**

Or, visit a district office or call the Forms Order Request Line at (317) 615-2581 and request the Package IN-X CD-ROM. (Note: Your operating system must be Windows 95 or a later version.)

Use Your Fax Machine

Indiana TaxFax: If you have access to a fax machine that has a telephone attached to it, call our fax-on-demand system at (317) 233-2329 from that telephone. The system allows you to receive state tax forms and information bulletins through the same fax machine on your call. It is available 24 hours a day, 7 days a week.

Use Your Telephone

To obtain forms by phone, call the *Forms Order Request Line* (317) 615-2581. Be prepared to have the following information ready to leave on the voice mail system: name of form or form number needed, number of copies needed, contact person's name, daytime phone number, and a complete mailing address (including city, state and zip code.) For hearing impaired taxpayers, call our Telephone Device for the Deaf (TDD) Number, (317) 232-4952 during regular business hours to receive assistance or request information about your tax refund.

Use Your Local Library or Post Office

Tax forms may be available in your neighborhood at your local library or post office. They are also available at Departmental district offices listed on page 38. These offices are open Monday through Friday between 8:15 a.m. and 4:30 p.m.

Use Large Print Forms

The Department has large print IT-40 booklets available for sight impaired Hoosier taxpayers. The large print booklet should allow you to complete your own tax return. If you want a large print IT-40 booklet, you may call (317) 232-2348 or write to Indiana Department of Revenue, P. O. Box 2305, Indianapolis, Indiana 46206-2305.

Visit us at: www.in.gov/dor/

Need Help With Your Return?

Use Local Assistance

Visit any of the district offices listed on page 38 or take advantage of the **Volunteer Income Tax Assistance (VITA) program or the Tax Counseling for the Elderly (TCE) program.** These programs provide free tax return preparation help to low income, elderly, and taxpayers with special needs . Volunteers will help fill out federal and state forms for those who qualify. You can find the nearest VITA/TCE location by calling the Internal Revenue Service at 1-800-829-1040. If you need assistance with your income tax return be sure to take your W-2s, 1099s, or WH-18s and, if going to a district office, a copy of your completed federal tax return.

Use the Automated Information Line

You may call the Automated Information Line from a touch-tone telephone to access 1) status of refunds; 2) prerecorded tax topics; and 3) tax liability balances. The number is (317) 233-4018. This touch-tone phone service is available beginning at 8:00 a.m. on Mondays through 10:00 p.m. on Saturdays. If you have a rotary phone, call (317) 232-2240 from 8:15 a.m. to 11:15 a.m. and 12:30 p.m. to 4:30 p.m., Monday through Friday, and a Department representative will help you.

The prerecorded tax topics include information on Collection Procedures, Business Registration Requirements and How to Register a Business, Payment Plan Procedures, Estimated Tax/IT-2210 Penalty, Use Tax Information, County Tax, and 2003 Tax Highlights.

To receive information on the daily balance due of a tax liability you will need a copy of your tax notice. This is because you will need to enter the tax identification number or social security number shown on the notice. Call (317) 233-4018 and follow the instructions.

Internet

If you need help deciding which form to file, or to get information bulletins or policy directives on specific topics, visit our web site at: **www.in.gov/dor/**

Call Us

To receive help with basic tax questions, call us at (317) 232-2240 Monday-Friday between the hours of 8:15 a.m. to 11:15 a.m. and 12:30 p.m. to 4:30 p.m.

Ready To File Your Return?

Use the Electronic Filing Program

More than 1,645,000 Indiana taxpayers filed their 2002 Indiana individual returns electronically.

Over 997,000 of those taxpayers used the Electronic Filing Program to file their state and federal individual income tax returns. This program provides Indiana taxpayers the opportunity to file their federal and state tax returns electronically *and receive their Indiana refunds in about half the time it takes to process paper,* and even less if you use **direct deposit,** which deposits your refund directly into your bank account. Even if there is an amount due on either return, Indiana taxpayers can still file electronically and feel comfortable knowing that the returns were received by the IRS and the Indiana Department of Revenue.

Contact your tax preparer to see if they provide this service. Or, if you complete your own returns, many preparers, banks, and credit unions throughout Indiana will transmit your returns electronically for you.

Visit the Department's web site at:

www.in.gov/dor/

Our site contains options for filing taxes, **a Spanish version IT-40 booklet with forms,** downloadable blank forms and instructions, information bulletins, Commissioner's Directives, on-line helpdesk, e-mail links, and a calendar with filing due dates.

Where's Your Refund?

The Automated Information Line allows you to check the status of your refund. **Important:** You will need a copy of your completed tax return because you will need to know the first social security number shown on your return and the exact amount of your refund in whole dollars.

When you call (317) 233-4018 you will receive the latest information available on the status of your refund. This touch-tone phone service is available beginning at 8 a.m. Monday through 10 p.m. Saturday. *Please wait approximately 12 weeks from the date you filed your return before calling to check on the status of your refund*. If you have a rotary phone, you may call (317) 232-2240 from 8:15 a.m. to 11:15 a.m. and 12:30 p.m. to 4:30 p.m., Monday through Friday, and a Department representative will help you.

Remember your Sales and Use Tax obligation. See instructions on page 20.

A refund **directly deposited** to your bank account may be listed on your bank statement as a credit, deposit, etc. If you have received information from the Department that your refund has been issued, and you are not sure if it has been deposited in your bank account, call the ACH Section of your bank or financial institution for clarification.

Note: A refund directly deposited to your Hoosier MasterCard Account will appear on your account monthly statement.

Moving?

If you move to a new address after you file your tax return and do not have a forwarding address on file with the post office, the Department needs to know where to send your refund check and a tax booklet for next year. You can call the Department at (317) 232-2240, visit a Departmental district office near you to tell us your new address, or change your address over the Internet at:

www.in.gov/dor/assistance/chg_address.html

Unresolved Problems? IC 6-8.1-11-3

Use the Taxpayer Advocate

As prescribed by the Taxpayer Bill of Rights, the Department of Revenue has an appointed Taxpayer Advocate whose purpose is to facilitate the resolution of difficult taxpayer complaints and problems. If you have a complex tax problem that you have not been able to resolve through normal channels, or a tax assessment places an undue hardship on you, you may receive assistance from the Office of the Taxpayer Advocate. Submit supporting information and documents to: Indiana Department of Revenue, Office of the Taxpayer Advocate, P.O. Box 6155, Indianapolis, IN 46206-6155.

Public Hearing IC 6-8.1-14

Mark June 1, 2004 on your calendar now!

In accordance with the Indiana Taxpayer Bill of Rights, the Department will conduct an annual public hearing on Tuesday, June 1, 2004. Please come and share your ideas on how the Department of Revenue can better administer Indiana tax laws. The hearing will be held at 9:00 a.m. in Conference Room 1 of the Conference Center, Indiana Government Center South, 402 West Washington Street, Indianapolis, Indiana. If you can't attend, please submit your concerns in writing to: Indiana Department of Revenue, Commissioner's Office, 100 North Senate Avenue, Indianapolis, Indiana 46204.

Before You Begin

Important: • **Complete your federal tax return first.**
• **Please use ink.**

Name and Social Security Number

The first IT-40 in this booklet may have your name(s) and address already filled in. If this information is accurate, the Department encourages you to use it. However, if any information is incorrect, don't use that form; instead, print the corrected information on the second IT-40 in the booklet and file it. If you didn't receive a preaddressed booklet please print your letters and numbers neatly in ink.

P.O. Box

Enter your box number instead of your street address **only** if your post office does not deliver mail to your home.

Filling in the Boxes

If you are handwriting letters and numbers in the boxes, please print your letters and numbers neatly.

Using a Typewriter

If you wish to use a typewriter to complete this form, you must make entries in the appropriate areas on the form.

Example

	21,720	00
	3,000	00

Important: If a line does not apply to you, leave it blank. **Do not** use dashes or other symbols to indicate that you have no entry for that line.

Married Filing Separately

IC 6-3-4-2(e)

If you file your federal income tax return as married filing separately, you also must file married filing separately with Indiana. If you are, fill in the two social security number boxes on the top of the form **and check the box directly to the right of those boxes.** Enter the name of the person filing the return on the top line, but **do not** enter your spouse's name on the second name line.

Social Security Numbers

If your name and address is preprinted at the top of the first form in this booklet, you must enter your social security number(s) in the area to the right of your name and address.

School District Number

Enter the 4-digit school district number for where the primary taxpayer lived on January 1, 2003. *Primary taxpayer* is the first name listed at the top of the tax return. If the primary taxpayer did not live in Indiana on January 1, 2003, enter the code number "9999".

The list of school district numbers can be found on pages 34 and 35.

It is important that you enter the correct school district number. This information is used for statistical tracking purposes in order to determine possible school funding needs and changes.

Note: If the school district number is not entered, the processing of your return will be delayed.

County Information

Enter the 2-digit code numbers for the county(s) where you and your spouse, if filing joint, lived and worked on January 1, 2003. You can find these code numbers on the chart on page 7. See the instructions beginning on page 17 for more information, including the definitions of the county where you live and work, details for military personnel, retired individuals, homemakers, unemployed, out-of-state filers, etc.

Foreign or Military Addresses

The US Post Office requires that the full foreign country name appear in all addresses. Standard two-character abbreviations for provinces and territories should be entered in the "State" area on the tax return.

Overseas military addresses must contain the APO, FPO designation in the "city field" along with a two-character "state" abbreviation of AE, AP, or AA and the zip code. Place these three or two letter designations in the city name area.

Refund Check Address

Your refund check will be issued in the name(s), address and social security number(s) shown on the front of your tax return. It is very important that this information is correct and legible. Any wrong information will cause problems and delay your refund.

IC 6-8.1-6-4.5

Please round off your amounts to the nearest dollar.
To do this, drop amounts of less than 50¢.
- Example: $432.49 rounds down to $432.00.

Increase amounts of 50¢ or more to the next higher dollar.
- Example: $432.50 rounds up to $433.00.

Losses or Negative Entries

If you are reporting a loss or a negative amount on lines 1, 5, 6 and/or 8, put brackets around the number. Example: (1.00).

Attaching Schedules

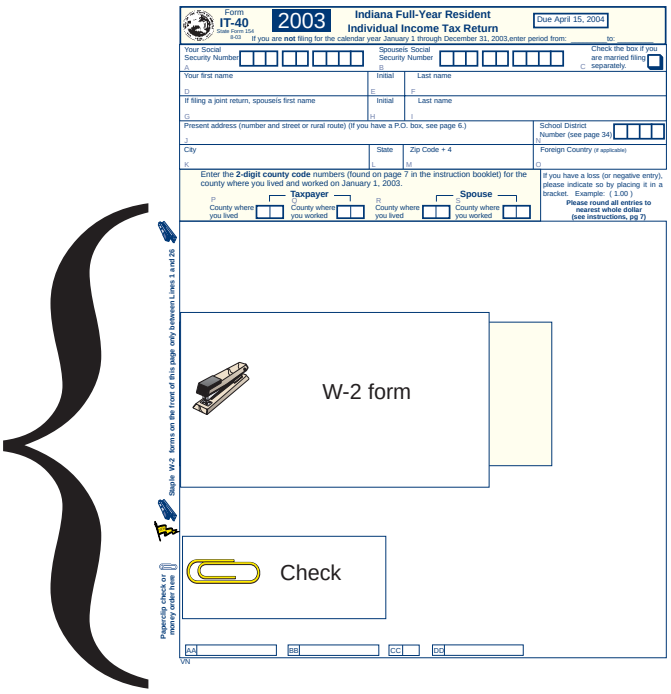
When assembling your tax return, schedules should be attached to the back of Form IT-40 in an "attachment sequence order". This number is located in the upper right-hand corner of the schedule. For example, attach Schedules 1 & 2 (attachment sequence No. 01) first and then Schedule CT-40 (attachment sequence No. 02) second. Attach by placing one staple in the upper left-hand corner.

If you have a schedule that is blank (has no entry), do not attach it unless you have completed information on the back of it.

Attaching W-2s and Enclosing Checks and Forms

Staple your W-2s, 1099s, or WH-18s to the form in the space to the left of lines **1 through 28** on the front of Form IT-40. To help us process your form please make sure these attachments don't cover the county box information above line 1 or the boxes at the bottom of the form under line 28.

Do not staple your check or money order to the form as this will delay processing your return. Paperclip the payment to the bottom left-hand side of the front of the return. If you don't have a paperclip, just include it loose in the envelope.



Indiana County 2-Digit Code Number Chart

Use the chart below to find the 2-digit county code number to fill in at the top of Form IT-40. You will need to find the code number for the county(s) where you lived and worked on January 1, 2003. If you worked at home, were retired or were unemployed on January 1, 2003, enter the county number where you lived in both boxes. **Important:** If you worked outside Indiana on January 1, 2003, enter code **# 00 unless** you worked in any of the following states: Illinois, Kentucky, Michigan, Ohio, Pennsylvania or Wisconsin. See the 2-digit code numbers for those states in the box following Whitley County below.

2-Digit County Code Number

#	County Name	#	County Name	#	County Name	#	County Name
01	Adams	21	Fayette	41	Johnson	61	Parke
02	Allen	22	Floyd	42	Knox	62	Perry
03	Bartholomew	23	Fountain	43	Kosciusko	63	Pike
04	Benton	24	Franklin	44	LaGrange	64	Porter
05	Blackford	25	Fulton	45	Lake	65	Posey
06	Boone	26	Gibson	46	LaPorte	66	Pulaski
07	Brown	27	Grant	47	Lawrence	67	Putnam
08	Carroll	28	Greene	48	Madison	68	Randolph
09	Cass	29	Hamilton	49	Marion	69	Ripley
10	Clark	30	Hancock	50	Marshall	70	Rush
11	Clay	31	Harrison	51	Martin	71	St. Joseph
12	Clinton	32	Hendricks	52	Miami	72	Scott
13	Crawford	33	Henry	53	Monroe	73	Shelby
14	Daviess	34	Howard	54	Montgomery	74	Spencer
15	Dearborn	35	Huntington	55	Morgan	75	Starke
16	Decatur	36	Jackson	56	Newton	76	Steuben
17	DeKalb	37	Jasper	57	Noble	77	Sullivan
18	Delaware	38	Jay	58	Ohio	78	Switzerland
19	Dubois	39	Jefferson	59	Orange	79	Tippecanoe
20	Elkhart	40	Jennings	60	Owen	80	Tipton

#	County Name
81	Union
82	Vanderburgh
83	Vermillion
84	Vigo
85	Wabash
86	Warren
87	Warrick
88	Washington
89	Wayne
90	Wells
91	White
92	Whitley
00	**Out-of-State code** except the following:
94	**Illinois**
95	**Kentucky**
96	**Michigan**
97	**Ohio**
98	**Pennsylvania**
99	**Wisconsin**

IC 6-3-1-13 Info. Bull #39
45 IAC 3.1-1-23, 24

Who Should File/Filing Status

IC 6-3-4-1

You may need to file an Indiana income tax return if:
• you lived in Indiana and received income, **or**
• you lived outside Indiana and had any income from Indiana.

IC 6-3-4-2 (d) (e)

Note: If you and your spouse file a joint federal return, you **must** file a joint return for Indiana. If you and your spouse file separate federal returns, you **must** file separate returns for Indiana.

There are four types of returns available. The type you need to file is generally based on your residency status. Read the following to decide if you are a full-year resident, part-year resident, or nonresident of Indiana, and which type of return you should file.

IC 6-3-1-12 45 IAC 3.1-1-21
45 IAC 3.1-1-22

Full-Year Residents

Full-year residents must file either Form IT-40, Indiana Full-Year Resident Individual Income Tax Return, **or** Form IT-40EZ for Full-Year Indiana Resident Filers with No Dependents. If you filed a 2003 federal Form 1040EZ, were a full-year resident of Indiana, claim only the renter's deduction and/or unemployment compensation deduction, and have only Indiana state and county tax withholding credits, file the simplified Form IT-40EZ. If you have any other deductions or credits you must file Form IT-40.

You are a full-year Indiana resident if you maintain your legal residence in Indiana from January 1 through December 31. You do not have to be physically present in Indiana the entire year to be considered a full-year resident. Residents, including military personnel, who leave Indiana for a temporary stay are considered residents during their absence.

Retired persons spending the winter months in another state may still be full-year residents if:

1) they maintain their legal residence in Indiana and intend to return to Indiana during part of the taxable year;

2) they retain their Indiana driver's license; or

3) they retain their Indiana voting rights.

Indiana allows $1,000 for each exemption claimed on your federal return, plus an additional $1,500 for certain dependent children (see instructions on page 16 for more information). If you did not have to file a federal return, you should complete a "sample" federal return to see how many exemptions you are eligible to claim.

If you were a full-year resident of Indiana and your gross income (the total of all your income before deductions) was greater than your exemptions, you must file Indiana Form IT-40 or IT-40EZ.

If your gross income is less than your total exemptions, you may file a return to get a refund of any Indiana state and/or county tax withheld by your employer; however, you're not required to file under these circumstances.

Part-Year Residents and Full-Year Nonresidents

If you were a part-year resident and received income while you lived in Indiana, you must file Indiana Form IT-40PNR, Part-Year Resident or Nonresident Individual Income Tax Return.

If you were a legal resident of another state (exception: see next paragraph) and had income from Indiana (except certain interest, dividends, or retirement income), you must file Form IT-40PNR.

Full-Year Residents of Kentucky, Michigan, Ohio, Pennsylvania or Wisconsin

If you were a full-year resident of Kentucky, Michigan, Ohio, Pennsylvania or Wisconsin, and your *only* income from Indiana was from wages, salaries, tips or commissions, then you need to file Form IT-40RNR, Indiana Reciprocal Nonresident Individual Income Tax Return.

Info Bull #28

Deceased Taxpayers

IC 6-3-4-2(a); Info. Bull. #1

If an individual died during 2003, or died after December 31, 2003, but before filing his/her tax return, the executor, administrator, or surviving spouse must file a tax return for the individual if:

a) the deceased was under the age of 65 and had gross income over $1,000;

b) the deceased was age 65 or older and had gross income over $2,000; or

c) the deceased was a nonresident and had gross income from Indiana.

You must attach a copy of the death certificate to the tax return if the individual died *during* 2003. Make sure to enter the month and day of death for the taxpayer or spouse in the appropriate box located on the back of the IT-40. For example, a date of death of January 9, 2003, would be entered as 01/09/2003. **Note:** The date of death should not be entered here if the individual died *after* December 31, 2003, but *before* filing the tax return. The date of death information will be shown on the individual's 2003 tax return, and a copy of the death certificate should be attached to that return.

Signing the decedent's tax return

If a joint return is filed by the surviving spouse, the surviving spouse should sign his/her own name and after the signature write: **"Taxpayer and Surviving Spouse."**

If filing a return for a deceased individual, an executor or administrator appointed for the deceased's estate must file and sign the return (even if this isn't the final return), indicating their relationship after their signature (e.g. administrator).

If an executor or administrator has not been appointed, the person filing the return should sign and give their relationship to the deceased (e.g. "John Doe, nephew").

If you (the surviving spouse, administrator, or executor) have received a **refund** and cannot cash the refund check, contact the Department to get a widow's or distributee's affidavit. After completing the affidavit and returning it to the Department, a new refund check will be issued to the surviving spouse, executor, or administrator of the estate.

Only one tax return should be filed on behalf of the person who died.

Info Bull #27
45 IAC 3.1-1-23 (5)

Military Personnel

If you were an Indiana resident when you entered the military service, you remain an Indiana resident even if you are stationed outside of Indiana. You must report all your income to Indiana on Form IT-40, Indiana Full-Year Resident Individual Income Tax Return.

If you changed your legal residence (military home of record) during 2003, you are a part-year resident and should file Form IT-40PNR, Part-Year Resident or Nonresident Individual Income Tax Return. You also must attach a copy of Military Form DD2058 to the tax return. As an Indiana part-year resident you will be taxed on the income you earned while you were a resident of Indiana, plus any other income from Indiana sources.

If your legal residence is a state other than Indiana, you should file IT-40PNR, Part-Year Resident or Nonresident Individual Income Tax Return, because you would be considered a nonresident of Indiana. Your military income may have to be reported on the tax return you may need to file for your state of residence.

If you are a full-year Indiana resident in the military, your spouse is a legal resident of another state and you filed a joint federal return, you will need to file Form IT-40PNR.

Refer to the instructions on page 18 for an explanation of county of residence for military personnel.

When To File

IC 6-3-4-3 Due Dates
IC 6-8.1-6-2 (Sat, Sun)

The due date for filing your tax return is April 15, 2004. However, you may file as early as January 2, 2004. Your tax return must be postmarked by April 15th to be considered timely filed.

Fiscal year tax returns are due by the fifteenth (15) day of the fourth (4th) month after the close of the fiscal year. You must complete the *Fiscal Year* date at the top of the form.

Penalties For Late Payments

If you don't file your tax return and pay the amount of tax owed by the due date, Indiana law requires you to pay penalty and interest on the late payment. See the instructions for penalty and interest on page 32.

IC 6-8.1-10-1 Int;
IC 6-8.1-10-2.1 Pen
Info Bull #64; Departmental Notice # 3

Extensions

IC 6-8.1-6-1 Info Bull #18

If you can't file by the due date and you don't owe any tax amount with your tax return, you are not required to file for an extension of time to file. However, if you are expecting a refund, you might need an extension of time to file if you are claiming the Unified Tax Credit for the Elderly. See the instructions for the Unified Tax Credit for the Elderly on page 22.

If you can't meet the filing deadline and expect to owe tax with your return, you should apply for an automatic extension. The extension allows additional time to complete and file your income tax return; however, **the extension does not provide additional time to pay** the amount of tax owed. To make the extension valid, you must pay at least 90% of the tax expected to be due by April 15, 2004.

There are two ways to get an extension for filing your Indiana tax return. One way is to file Indiana's extension Form IT-9 by April 15, 2004. This extends the filing date to June 15, 2004. *Remember, you must pay at least 90% of the tax due for the extension to be valid.* Form IT-9 is located on page 36.

Indiana also recognizes valid federal extension dates plus 30 days. So, if you file for a federal extension, simply attach a copy of the federal Form 4868 to your Indiana return when filing. Again, 90% of the tax due must still be paid by April 15, 2004.

Military personnel on duty outside of the U.S. and Puerto Rico on the filing due date will be allowed an automatic sixty (60) day extension of time to file. A statement must be attached to the return verifying that you were outside of the U.S. or Puerto Rico on April 15, 2004.

Info. Bull #27

Military personnel in a presidentially declared **combat zone** have an automatic extension of 180 days after they leave the combat zone. Also, if they are hospitalized outside the United States as a result of such service, the 180 day extension period begins after being released from the hospital. The spouse of such serviceman must use the same method of filing for both federal and Indiana (e.g. single or joint). When filing the return, write "Combat Zone" across the top of the form (above your social security number). Mail this return to the following address: Indiana Department of Revenue, P.O. Box 2305, Indianapolis, IN 46206-2305.

Note: Valid extensions are only for filing purposes. Interest will be due on any tax that remains unpaid during the extension period.

Income and Indiana Additions: Line-by-Line Instructions

IC 6-3-1-3.5 (a)
IC 6-3-1-11
IN AGI Defined

Line 1 - Federal Adjusted Gross Income
Enter the amount you reported as your federal **"adjusted gross income"** from your federal Forms 1040 (line 34), 1040A (line 21), or 1040EZ (line 4). *This is your income before the standard or itemized deductions or exemptions allowed on the federal income tax return.*

If you were not required to file a federal return, report the amount you would have shown on your federal return if you had been required to file.

If the amount is a loss, or (negative entry), place it in a bracket.

IC 6-3-1-3.5 (a) (2)

Line 2 - Tax Add-Back
If you **did not complete Federal Schedules C, C-EZ, E, or F,** which includes sole proprietorship income, farm income, rental, partnership, S corporation, and trust and estate income or loss, **then do not complete this line.**

If you did complete one or more of these federal schedules, and if you claimed deductions for taxes based on or measured by income and levied at any state level by any state of the United States on those schedules, then you must add these taxes back to your Indiana income. Enter the total amount of these taxes on this line.

Do not add back any property taxes on this line.

Note: Income, losses and/or expenses from various other schedules and forms may flow through to federal Schedules C, E and F. For example, partnership income from federal Schedule K-1 (Form 1065) may be included on federal Schedule E, while expenses from federal Form 8829 may be included on federal Schedule C. Make sure to check those various other forms and schedules to see if they also include deductions for any taxes based on or measured by income and levied at any state level from which your pro rata share must be added back here.

Line 3 - Net Operating Loss Add-Back
If you reported a net operating loss deduction (on the "Other Income" line of your federal Form 1040) that was carried forward from a prior year(s), you must complete this line. Write the amount of the net operating loss deduction as a **positive** figure. (You will claim an Indiana net operating loss deduction on Schedule 1, line 14.)

Note: If your federal adjusted gross income this year is a loss, and you haven't included a net operating loss as a deduction on the "Other Income" line on your 2003 federal Form 1040, then leave this line blank.

IC 6-3-1-3.5 (a) (7)

Line 4 - Lump Sum Distribution
If you completed federal Form 4972, you must complete this line because the income reported on that form is also taxable for Indiana purposes. The amount you should show on this line includes the capital gains reported on Part II plus the ordinary income reported on Part III of federal Form 4972. Enter as a positive amount.

IC 6-3-1-3.5 (a)(19)
Comm. Dir. #19

Line 5 - Other - Bonus Depreciation
You must make an exception (when figuring Indiana adjusted gross income) for the bonus depreciation deduction for property placed in service after September 11, 2001. Bonus depreciation is that part of any depreciation allowed in figuring your federal adjusted gross income that is attributable to the additional first year special depreciation deduction allowance for qualified property allowed under Section 168(k) of the Internal Revenue Code (IRC).

Figure the net income (or loss) which would have been included in federal adjusted gross income had the additional first year special deduction allowed under IRC Section 168(k) not been used. Enter the difference, which may be a positive or negative amount, on line 5.

Get Commissioner's Directive #19 for additional information.

Indiana Deductions
Schedule 1

IC 6-3-2-6 Info Bull #38

Line 1 - Renter's Deduction
You may be able to take the renter's deduction if:
a) you paid rent on your principal place of residence, **and**
b) the place you rented was subject to Indiana property tax.

Your "principal place of residence" is the place where you have your true, fixed, permanent home and where you intend to return after being absent.

- If you rented a manufactured home or paid rent for your manufactured home lot, you may claim the renter's deduction if the above requirements are met.

- Rent paid for summer homes or vacation homes is *not* deductible.

You cannot claim the renter's deduction if the rental property was exempt from Indiana property tax. Examples of this type of property are:

a) government owned housing;
b) property owned by a nonprofit organization;
c) student housing;
d) property owned by a cooperative association; and
e) property located outside of Indiana.

How do I report my deduction? First, complete the information area by entering:

- the address where rented if it's different from the address on the front of the return (write SAME if it is not different);
- the landlords name and address;
- the total amount of rent paid; and
- the number of months you lived there.

If you moved during the year or had more than one landlord, you must list the same information for each place that you rented. Attach additional pages if necessary.

How much rent can I take off? You can deduct up to $2,500 or the amount of rent paid, whichever is less.

Example: Emily paid $4,800 in rent on her principal residence. She will claim a $2,500 renter's deduction.

Example: Bill paid $400 in rent at his first apartment, moved to another location and paid $2,300 for the remainder of the year. His deduction will be limited to $2,500 even though he paid $2,700 altogether.

Important: You must maintain copies of your rental receipts, landlord identifying information, and lease agreements as the Department can require you to provide this information.

For more information about this deduction, contact the Department to get Income Tax Information Bulletin #38.

Line 2 - Homeowner's Residential Property Tax Deduction

IC 6-3-1-3.5(a)(17)

You may be eligible to take a deduction of up to $2,500 of the Indiana property taxes (residential real estate taxes) paid during 2003 on your principal place of residence.

Your "principal place of residence" is the place where you have your true, fixed home and where you intend to return after being absent.

Note: Property tax paid for summer homes or vacation homes is *not* deductible.

Important: You cannot claim this deduction if you are claiming the Lake County Residential Income Tax Credit on line 26.

How do I claim my deduction? First, complete the information area on Schedule 1, line 2.

a. Enter the address of your principal residence where the Indiana property tax was paid if it's different from the address on the front of the return (write SAME if it is not different). If you had more than one principal residence during the year, and you paid Indiana property tax on that residence, list the additional residence(s) on a separate piece of paper.

Example: Sue and Mack married in December 2003. They sold both of their homes during the year and bought a new one. Since Sue paid property tax on her home during 2003, and Mack paid property tax on his home during 2003, they will be eligible to claim a property tax deduction on the combined taxes paid on both homes if they are filing a joint return (see the limitation on **d** below).

b. Enter the number of months you lived there. If you claim more than one residence, indicate the number of months lived at the other residence(s) on a separate sheet of paper.

c. Enter the amount of Indiana property tax paid. If you claim more than one residence, enter the combined amount of Indiana property tax paid on all principal residences.

d. Enter the lesser of $2,500 or the amount of Indiana property tax paid.

No double deduction. If any portion of property taxes paid on your principal residence was deducted as an expense on federal Schedule C, C-EZ, E or F, then that amount cannot also be deducted on this line. See the following example.

Example: Jean used one room of her home for her business. She deducted $200 Indiana property tax as an expense on her federal Schedule C. She paid a total of $1,200 Indiana property tax on her home. Jean's deduction will be $1,000 ($1,200 minus the $200 deduction on federal Schedule C).

How do I find out how much Indiana property tax I paid on my principal residence? Indiana counties annually send statements to homeowners showing how much property tax is due on their property. Add together the 2003 spring and fall installments if you paid both of them.

Sometimes mortgage companies pay the Indiana property tax from an escrow account. If your mortgage company pays it, they should send you a Form 1098 (or its equivalent) showing the amount of property tax paid.

If you can't locate the information, contact your local county treasurer's office or your mortgage company.

Important: You must maintain copies of proof that you paid your Indiana property tax as the Department can require you to provide this information. This could include the Form 1098, the property tax statement from your local assessor's office, cancelled checks, etc.

Line 3 - State Tax Refund Reported on Federal Return

If, on federal Form 1040, you entered a state tax refund amount on the line marked "Taxable refunds, credits, or offsets of state or local income taxes," then enter that amount here.

IC 6-3-1-3.5 (a) (8)

IC 6-3-1-3.5 (a) (1) Info Bull #19 & 79

Line 4 - Interest on U.S. Government Obligations Deduction

If the amount on line 1 of Form IT-40 includes interest income, you may be able to take a deduction. If any part of your interest income included on line 1 is from a direct obligation of the U.S. Government, you can deduct these amounts.

Examples of U.S. Government obligations include U.S. Savings Bonds, U.S. Treasury Bills and U.S. Government Certificates. This interest is usually reported on federal Schedule B.

The portion of interest income reported from a trust, estate, partnership or S corporation that is from U.S. Government obligations is also deducted on this line.

Note: When certain U.S. savings bonds are redeemed to pay expenses for higher education, the interest may be excluded from federal adjusted gross income. Therefore, do not enter any interest from U.S. savings bonds that is shown on your federal Schedule B, line 3 (because it has already been excluded from income.)

For more information about this deduction, contact the Department to get Income Tax Information Bulletin #19.

IC 6-3-1-3.5 (a) (9) (12)

Lines 5 and 6 - Taxable Social Security and/or Tier 1 & 2 Railroad Retirement Benefits Deduction

The income on line 1 of Form IT-40 may include social security and/or tier 1 railroad retirement benefits, issued by the United States Railroad Retirement Board, that are taxable for federal purposes. These amounts are usually shown on the line indicated as "social security benefits" on federal Form 1040 (line 20b) or Form 1040A (line 14b). Indiana does not tax these types of income. Therefore, enter on line 5 any amount reported as being taxable from the right-hand column on your federal income tax return.

The income on line 1 of Form IT-40 may include tier 2 railroad retirement benefits issued by the United States Railroad Retirement Board. Indiana does not tax tier 2 railroad retirement benefits; therefore, enter on line 6 any tier 2 benefits that are included as taxable pensions and annuities from the right-hand column on federal Form 1040 (line 16b) or Form 1040A (line 14b).

Note: Do not enter any other types of pension or retirement income on these lines. Enter only the amount of social security, tier 1 and/or tier 2 railroad retirement benefits, issued by the United States Railroad Retirement Board, that are taxed on your federal income tax return.

IC 6-3-2-4
Info Bull #6 & 27

Line 7 - Military Service Deduction

If the income on line 1 of Form IT-40 includes active or reserve military pay received by you, you will be eligible to take a deduction (regardless of your age).

Also, if you are retired from the military or are the surviving spouse of a person who was in the military, and you included military retirement income, you may be able to take this deduction if:

a) you were at least 60 years of age by December 31, 2003;

b) you were receiving military retirement or survivor's benefits in 2003; and

c) the total benefits received as retirement income were reported on your federal return.

This deduction is equal to the actual amount of military income received (i.e. military pay, retirement pay, and/or survivor's benefits) or $2,000, whichever is *less*. If both you and your spouse received military income, you may each claim the deduction for a maximum of $4,000.

Note: Military income earned while in a **combat zone** may be exempt (not taxed) on your federal income tax return. If that income is exempt on your federal income tax return, then it will also be exempt (not taxed) for Indiana income tax purposes. Since Indiana isn't taxing this income, your combat zone income is not eligible for a deduction.

Example: Jim was stationed in a combat zone from February 1, 2003, through the end of the year. His W-2 form shows regular wage income of $950 (earned during January), and $9,000 income earned while being stationed in a combat zone. Only $950 of his income is taxed on his federal return; likewise, Indiana will only tax $950. Since Indiana is taxing $950 of Jim's military income, he will be eligible to claim a $950 military deduction (the lesser of the income being taxed ($950) or $2,000).

Important: If you are claiming this deduction you **must** attach your military W-2 forms, retirement pay statement and/or survivor's benefit statement to the tax return.

Note: If you received both military pay and retirement pay or survivor's benefits during the tax year, the total deduction cannot be greater than $2,000 per qualifying person. For example, if you earned $3,000 in military pay the first half of the year and $1,500 in retirement pay the second half of the year, you can deduct only $2,000 of your income.

For more information about this deduction, contact the Department to get Income Tax Information Bulletin's #6 and #27.

Line 8 - Non-Indiana Locality Earnings Deduction

If you received income subject to both Indiana state income tax and a local tax in another state, you may be allowed to deduct up to $2,000.

IC 6-3-1-3.5 (a) (6)

Example: You earned $8,000 in Smith City, Kentucky. Your employer withheld a Smith City (local) tax from your wages. Since your wages were taxed by a non-Indiana locality (Smith City), you are eligible to take a $2,000 deduction.

You may deduct the amount of your income taxed by a non-Indiana locality **or** $2,000, whichever is *less*. If you and your spouse both qualify, you may each claim the deduction for a maximum of $4,000 (limited to no more than $2,000 per person).

You must attach proof the tax was paid to a locality outside Indiana to be allowed this deduction. A W-2 form is sufficient proof as long as the W-2 form shows an amount and the non-Indiana locality where the tax was paid. The name of the locality is usually found in box 20, Locality Name, of the W-2 form. A copy of a non-Indiana locality tax return will also serve as proof of tax paid.

IC 6-3-2-5 Info Bull #43

Line 9 - Insulation Deduction

If you installed new insulation, weather stripping, double pane windows, storm doors or storm windows in your Indiana home during 2003, you may be able to take the insulation deduction. To take the insulation deduction the following requirements must be met:

a) the insulating items must have been installed in your principal place of residence located in Indiana;

b) the part of your home where the insulating items were installed must have been built *before* January 1, 2000;

c) the insulating items must be an *upgrade* and not a replacement **or** like-kind item (e.g., replacing a double pane window with a new double pane window won't qualify, but replacing a double pane window with a triple pane window will qualify); and

d) the deduction must be taken in the year the insulating items were installed.

You are allowed to deduct the actual cost of the qualifying items and labor up to a maximum of $1,000. (You cannot include the cost of labor that you did yourself.)

When claiming the deduction attach a separate sheet stating:

- the item purchased;
- the purchase price;
- the place of purchase;
- the date of purchase;
- the date of installation; and
- the amount paid for labor.

For more information about this deduction, contact the Department to get Income Tax Information Bulletin #43.

Line 10 - Disability Retirement Deduction

IC 6-3-2-9
Info Bull #70

To take this deduction you must have:

a) been permanently and totally disabled at the time of retirement;

b) retired on disability before December 31, 2003; and

c) received disability retirement income during 2003.

If you meet these qualifications, you must complete Schedule IT-2440 and have it signed by your doctor to claim this deduction. For more information about this deduction, contact the Department to get Income Tax Information Bulletin #70 and Schedule IT-2440. This schedule **must** be attached to your tax return when claiming this deduction.

This deduction is limited to a maximum of $5,200 per qualifying individual.

Note: Social security disability income does not qualify for this deduction because Indiana does not tax this income.

IC 6-3-2-3.7
Info Bull #6

Line 11 - Civil Service Annuity Deduction

If the income on line 1 of Form IT-40 includes federal civil service annuity payments, you may be able to take a deduction *if* you were at least 62 years of age by December 31, 2003.

To figure your deduction take the amount of annuity payments received or $2,000, whichever is less, and subtract all social security and tier 1 and tier 2 railroad retirement benefits received.

For example, if your civil service annuity for 2003 was $6,000, and you received social security benefits of $1,200, your deduction would be figured in the following manner:

Lesser of the amount of the annuity ($6,000) or $2,000	$2,000
Social security benefits	- 1,200
Allowable deduction	$ 800

If you and your spouse both received civil service annuities, you may each take this deduction for a maximum of $4,000 (no more than $2,000 per qualifying person), providing you both meet the age requirement.

This deduction is available only to the annuitant and is not available to the annuitant's beneficiary. For more information about this deduction, contact the Department to get Income Tax Information Bulletin #6.

Want your refund quickly? File electronically and use direct deposit.

IC 6-3-2-10 Info Bull #60

Line 12 - Nontaxable Portion of Unemployment Compensation

If you reported unemployment compensation on your federal income tax return, then this amount is also included on line 1 of Form IT-40. Indiana can differ from the federal government in determining the taxable portion.

You should use the worksheet at the bottom of this page to determine your Indiana taxable unemployment income. If, after completing the worksheet, there is a difference between state and federal taxable unemployment compensation, enter the amount from line 7 of the worksheet as a deduction.

IC 6-3-2-14.5
IC 4-30-18-2

Line 13 - Indiana State Lottery Winnings

Some winnings issued by the Hoosier Lottery Commission may be taxed by Indiana.

If you win any prize money from the Indiana Hoosier Lottery Commission, either by winning an instant game, from appearing on the *Hoosier Millionaire* show, or an on-line game such as Hoosier Lotto, Powerball, Lucky 5, Daily 3 & 4, Max 5, etc., you must report those winnings* as income on your federal income tax return. **IC 6-3-2-14.1**

*Exception: Annuity payments received for drawings held before July 1, 2002, are exempt from Indiana tax.

Complete the worksheet at the bottom of page 15 to figure your deduction.

Note: Winnings from other state lotteries, Indiana pari-mutuel horse races or out-of-state tracks, Indiana or out-of-state riverboats, and other gambling winnings, are fully taxable in Indiana and should not be deducted from your taxable income.

Line 14 - Indiana Net Operating Loss Deduction

You may take a deduction for the Indiana portion of the total federal net operating loss deduction you added back on line 3 of Form IT-40. (This will be a net operating loss deduction from an earlier year(s) carried forward to 2003.) The amount you deduct will be stated as a positive figure. Attach the following copies to your state tax return: **IC 6-3-2-2.5**

a) federal Forms 1045 and 1045 Schedule A; or
b) a detailed breakdown showing the federal loss calculation; **and**
c) a completed Indiana Schedule IT-40NOL.

Important: The deduction will be denied if these schedules are not attached to your tax return.

IC 6-3-2-8
Info Bull #66

Line 15 - Enterprise Zone Employees

Certain areas within Indiana have been designated as enterprise zones. Enterprise zones are established to encourage investment and job growth in distressed urban areas.

Enterprise zones have been established in portions of the following cities/locations:

Anderson	Gary	Michigan City
Bedford	Grissom Aeroplex	Mitchell
Bloomington	Hammond	New Albany
Connersville	Indiana Army Ammo	Portage
East Chicago	Indianapolis	Richmond
Elkhart	Jeffersonville	Salem
Evansville	Kokomo	South Bend
Fort Harrison	Lafayette	Terre Haute
Fort Wayne	LaPorte	Vincennes
Frankfort	Marion	

If you lived in an enterprise zone and worked for a qualified employer in that zone you may be able to take this deduction. Your employer will provide you with Form IT-40QEC if you're eligible to claim this deduction.

Unemployment Compensation Worksheet

Note: If you were married but filing separately, and you lived with your spouse at any time during 2003, enter -0- on line 3 of the worksheet. However, if you were married but filing separately, and lived apart from your spouse the entire year, enter $12,000 on line 3.

1. Unemployment compensation included on IT-40, line 1	1		
2. Federal **"adjusted gross income"** from Form 1040, Form 1040A, or Form 1040EZ	2		
3. Enter $12,000 if single, or $18,000 if married filing a joint return	3		
4. Subtract line 3 from line 2. If zero or less, enter -0-	4		
5. Enter one-half (1/2) of the amount on line 4	5		
6. Taxable unemployment compensation for Indiana purposes: enter the amount from either line 1 or line 5, whichever is smaller	6		
7. Subtract line 6 from line 1. Carry this amount to Schedule 1, line 12	7		

The amount of the deduction is one-half ($^1/_2$) of the earned income shown on that form or $7,500, whichever is less. **Form IT-40QEC must be attached to the Form IT-40.** For additional information about this deduction, contact the Department for Income Tax Information Bulletin #66.

IC 6-3-1-3.5 (a) (8)

Line 16 - Recovery of Deductions

If you did not complete the "other income" line on your federal Form 1040, then **do not** complete this line.

Generally, Indiana **does not** allow you to claim itemized deductions from federal Schedule A. However, if you reported *recovered* itemized deductions as "other income" on your 2003 federal Form 1040 (line 21), use that amount as a deduction on this line. (A *recovery* is a return of an amount you deducted in an earlier year. The most common recoveries are refunds (see Schedule 1, line 3), reimbursements, and rebates of deductions previously itemized on federal Schedule A.)

Line 17 - Human Services Tax Deduction

You might be able to take the human services tax deduction if you lived in Indiana, and:

IC 6-3-1-3.5 (a) (14)
Info Bull #80

a) received Medicaid payments;
b) were not living at home; and
c) were receiving care in a hospital, skilled nursing facility, or an intermediate care facility.

To determine your deduction, request Income Tax Information Bulletin #80.

IC 6-3-1-3.5 (a)(16)

Line 18 - Indiana Partnership Long Term Care Policy Premiums Deduction

A deduction is available for the amount of premiums paid during 2003 for Indiana Partnership long term care insurance.

Important: The Indiana Partnership policy will have the following box of information on the outline of coverage, the application, or on the front page of the policy:

> This policy qualifies under the Indiana Long Term Care program for Medicaid Asset Protection. This policy may provide benefits in excess of the asset protection provided in the Indiana Long Term Care program.

If the information shown in the box above is **not** located in a box on your policy, you do not have a qualifying policy, and are not eligible to take this deduction.

The deduction is the amount of premiums paid during the year on the policy for the taxpayer and/or spouse.

No double deduction. Certain self-employed individuals will claim these premiums as a deduction on the front page of federal Form 1040. The Indiana deduction will be the actual amount of these premiums paid minus any amount of these already reported on federal Form 1040.

Example: Sam paid $645 in Indiana Partnership long term care premiums. He deducted $400 of those premiums on the front page of Form 1040. He'll be able to deduct the $245 difference ($645 - $400) on Indiana Schedule 1, line 18.

More information about the Indiana Long Term Care Program is available at the following web site: **www.in.gov/fssa/iltcp/**

Important: Keep a copy of the premium statements as the Department can require you to provide this information.

Line 19 - Other Deductions

The only deductions that can be claimed on this line are:

- Law Enforcement Reward Deduction;
- Airport Development Zone Deduction;
- Medical Savings Account Deduction.

List the type of deduction you are claiming and the amount being claimed.

Lottery Winnings Worksheet ✎

A Enter the amount of winnings from the Hoosier Lottery Commission reported on your federal Form 1040, line 21 ..... A $_____

B Locate those W-2G's (issued by the Hoosier Lottery Commission) showing state withholding in Box 14. Add the amounts from Box 1 of each of those W-2G's; enter total here. . B $ _____

C Exemption ..... C $ 1,200.00

D How many W-2G's did you locate in step B above (e.g. 1, 2, etc.)? ..... D X _____

E Multiply line C by line D; enter result here ..... E $ - _____

F Subtract line E from line B; enter result here ..... F $ - _____

G Subtract line F from line A. Enter here and on Schedule 1, line 13 ..... G $ _____

Law Enforcement Reward Deduction

IC 6-3-2-17

If you reported an amount you received as a reward as "other income" on line 21 of your federal Form 1040, you may be eligible for this deduction.

If you received a reward for providing information to a law enforcement official or agency; if the information assisted in the arrest, indictment, or the filing of charges against a person; and if you are not compensated for investigating crimes, the person convicted of the crime or the victim of the crime; then you can deduct the *lesser* of the amount received or $1,000.

IC 8-22-3.5-14 Info Bull #66

Airport Development Zone Deduction

Certain areas within Indiana have been designated as airport development zones. Currently, zones are established within the City of Gary. Areas within the City of Terre Haute and Allen County are also eligible to designate zones. If you lived in an airport development zone and worked for a qualified employer in that zone you may be able to take this deduction.

Your *employer* will provide you with Form IT-40QEC if you are eligible to claim this deduction. The amount of the deduction is one-half (½) of the earned income shown on that form or $7,500, whichever is less. Form IT-40QEC must be attached to the Form IT-40.

For additional information about this deduction, contact your employer to see if you're working in an established airport development zone.

Medical Savings Account Deduction

IC 6-3-2-18

You may be eligible for a deduction if your employer deposited funds in certain medical care savings accounts. If you received Form IN-MSA from the account provider you should deduct any medical withdrawals and exempt interest income reported in Box 2 and/or Box 7.

Note: You are not eligible to claim this deduction if you also claimed a medical savings account deduction on the front page of federal Form 1040.

Make sure you attach Form IN-MSA or your claimed deduction will be denied.

Moving? Change your new address online at:
www.in.gov/dor/assistance/chg_address.html

Indiana Exemptions: Lines 9 - 12

Important: Keep detailed information about the exemption(s) you are claiming, such as full name(s), age(s), social security number(s), etc., as the department can require you to provide this information.

IC 6-3-1-3.5 (a)(3) IC 6-3-1-3.5 (a)(4)(A)

Line 9 - Exemptions

You are allowed a $1,000 exemption on your Indiana tax return for each exemption you claim on your federal return. Enter the total number of federal exemptions claimed in the space provided.

Example - John and Lisa have a 12 year old daughter named Sarah. On John and Lisa's joint federal return they claim themselves and Sarah as exemptions for a total of 3. They'll enter 3 in the box on line 9 for a total of $3,000 exemptions.

If you do not have to file a federal return, you will need to complete a "sample" federal return to see how many federal exemptions you are allowed to claim.

Important: If no exemption is claimed on your federal return, you can still claim yourself (even if you are claimed on a parent's or guardian's return).

Line 10 - Additional Exemption for Dependent Child

An additional $1,500 exemption is allowed for certain dependent children. Carefully read the following *Dependent Child Definition* to see if you are eligible to claim this additional exemption.

IC 6-3-1-3.5 (a)(5)(A)

Dependent Child Definition: According to state statute, the dependent child must be a son, stepson, daughter, stepdaughter, and/or foster child (and/or your spouse's child if filing a joint return). He/she must be either under the age of 19 by December 31, 2003, or be a full-time student who is under the age of 24 by December 31, 2003.

If any dependent(s) you are eligible to claim on your federal return also meet the *Dependent Child Definition* above, enter that number in the box on line 10.

Example - John and Lisa claimed their 12 year old daughter Sarah as an exemption on their federal return. Since Sarah is their daughter, is under the age of 19, and was claimed as an exemption on her parent's federal tax return, John and Lisa will claim one exemption on line 10 for a total of $1,500.

Note: Not all dependent children eligible to be claimed as exemptions on the federal tax return will be eligible for this additional exemption. For instance, if you claimed a grandson or nephew as an exemption on your federal tax return, you should also claim an exemption for them on line 9. However, since he doesn't meet the *Dependent Child Definition* above, you won't be able to claim the additional exemption on line 10.

IC 6-3-1-3.5(a)(4)(B)
Info Bull #26

Line 11 - Age 65 or Older or Blind

If you and/or your spouse (if filing a joint return) are age 65 or older, you (or both of you) can take an additional $1,000 exemption. If you and/or your spouse (if filing a joint return) are legally blind, you (or both of you) can take an additional $1,000 exemption. Mark the boxes applying to you and/or your spouse. Enter the total number of boxes marked on this line x $1,000.

Line 12 - Additional Exemption for Age 65 or Older

An additional $500 exemption is available for you and/or your spouse if you are age 65 or older and the amount on line 1 (your federal adjusted gross income) is less than $40,000. Mark the boxes applying to you and/or your spouse. Enter the total number of boxes marked on this line x $500.

IC 6-3-1-3.5(a)(5)(B)
Info Bull #26

County Tax: Schedule CT-40 Instructions

IC 6-3.5-1.1-16 CAGIT IC 6-3.5-6-20 COIT
IC 6-3.5-7-17CEDIT 45 IAC 3.1-3-3 Info Bull # 32

If, on January 1, 2003, you and your spouse (if filing a joint return) lived and/or worked in an Indiana county that has a tax, you must complete Schedule CT-40 to figure your county tax.

A county has a tax if it has tax rates next to its name on the chart on page 21.

Note: If the county on the chart has the initials "NA" in the rate columns, it doesn't have a county tax. It is listed for the 2-digit county code number only.

When to attach the completed Schedule CT-40 to your state tax return: You must attach Schedule CT-40 to your return if, on January 1, 2003, you were:

- Single or married filing separately, you lived in a county that doesn't have a tax but worked in a county that does have a tax;
- Married filing joint and each lived in different counties; or
- Married filing joint, you both lived in a county that doesn't have a tax but one or both of you worked in a county that does have a tax.

Any other filing situation is not required to attach Schedule CT-40.

Note: It's OK to attach the Schedule CT-40 to your tax return even if it's not required. For instance, if you need to attach Schedules 1 and 2, and the completed CT-40 is on the back of it, you may go ahead and send it in.

45 IAC 3.1-3-6

County Where You Lived Defined

The county where you lived is the county where you maintained your home on January 1, 2003. If you had more than one home in Indiana on this date, then your county of residence as of January 1, 2003, was:

a) where you were registered to vote. If this did not apply, then your county of residence was:

b) where your personal automobile was registered. If this did not apply, then your county of residence was:

c) where you spent the majority of your time in Indiana during 2003.

If you moved to another Indiana county after January 1, 2003, the county where you lived for tax purposes will not change until next year.

- If, on January 1, 2003, you lived in a county that has a tax, then you will owe county tax on all of your Indiana adjusted gross income.
- If, on January 1, 2003, you lived in a county that doesn't have a tax, then county tax will be figured on your income from your principal employment if the county where you worked on January 1, 2003, has a tax (see definition below).

45 IAC 3.1-3-7

County Where You Worked Defined

The county where you worked (county of principal employment) is the county where your main place of business was located or where your main work activity was performed on January 1, 2003. If you began working in another county after January 1, 2003, the county where you worked for tax purposes *will not change until next year*.

If you had more than one job on January 1, 2003, your principal place of employment is the job where you worked the most hours and earned the most income.

Example 1 - Jessie worked in Marion County on January 1, 2003. She quit that job and began a new one in Johnson County on February 10, 2003. She will enter the Marion County 2-digit code (49) as the county where she worked even though she changed jobs during the year.

If, on January 1, 2003, your county of principal employment was *not* in Indiana, write county code **"00"** (out-of-state) in the *County Where You Worked* box.

Exception: If you worked in any of the following states on January 1, 2003, enter their 2-digit code number (instead of 00):

State	Use Code #
Illinois	94
Kentucky	95
Michigan	96
Ohio	97
Pennsylvania	98
Wisconsin	99

See the Index on page 39 for help in locating information by topic.

45 IAC 3.1-3-7

Principal Employment Income

You must figure your principal employment income only if, on January 1, 2003, you *lived* in a county not having a tax but *worked* in a county that *did* have a tax. Your principal employment income is income you earned from your main work activity (job) for the entire year. See instructions for Section 2, line 1 on page 19 for more information.

Info Bull #27

Military Personnel

If you were stationed in Indiana, your county of residence is the county where you lived on January 1 of the year you entered the military service. If, on January 1, 2003, you were stationed *outside* of Indiana and your family was with you, write county code **"00"** (out-of-state) in all the county boxes (you won't owe a county tax).

If, however, you maintained your home in an Indiana county and/or your spouse and a family were still living in an Indiana county on January 1, 2003, you are considered to be a resident of that county and will be subject to county tax.

Retired Persons, Homemakers or Unemployed

If you were retired, a homemaker, or were unemployed by January 1, 2003, put your county of residence 2-digit code number in *both* the Indiana County Where You Lived and Indiana County Where You Worked boxes. **Do not write the word "Retired," "Homemaker," or "Unemployed" over the boxes.**

Special Note to Married Taxpayers Filing a Joint Return

- If you lived in different counties on January 1, 2003, both of you need to figure your county tax separately on Section 1.
- If both of you lived in a county on January 1, 2003, that had no tax but worked in a county that did have a tax, you must figure your tax separately on Section 2.
- If only one of you is subject to county tax, then you may use all of the exemptions from Form IT-40, line 13, *except for your spouse's,* to figure your tax.

County Tax Schedule CT-40
Section 1: Line-by-line Instructions

Where Did You Live?

- Did you live in a county on January 1, 2003, that has a tax? If yes, complete Section 1 for yourself, and skip Section 2. If your answer is no, skip Section 1 and go to Section 2: Line-By-Line Instructions.

- Did your spouse live in a county on January 1, 2003, that has a tax? If yes, complete Section 1 for your spouse, and skip Section 2. If your answer is no, skip Section 1 and go to Section 2: Line-By-Line Instructions.

Line 1

- If you are filing a single return or are married filing separately, enter in Column A the state taxable income from line 14 of Form IT-40.

- If you are filing a joint return and you both lived in the same county on January 1, 2003, enter in Column A the state taxable income from line 14 of Form IT-40. Leave Column B blank.

Example 2 - On January 1, 2003, Jack and Diane lived in the same county that has a tax. They'll enter their Form IT-40, line 14 combined state taxable income in Column A.

- If you are filing a joint return and you and your spouse lived in different counties on January 1, 2003, enter each person's share of state taxable income from Form IT-40, line 14, in the appropriate columns.

Example 3 - Simon and Tina married in 2003 and are filing a joint return. On January 1, 2003, Simon lived in Greene County and Tina lived in Clay County. Their Form IT-40 line 14 income of $36,300 includes the following breakdown:

Simon: $ 20,000 wages
+ 150 (1/2 joint interest income)
- 1,000 exemption
$ 19,150 income for CT-40 Section 1, line 1 Column A

Tina: $ 18,000 wages
+ 150 (1/2 joint interest income)
- 1,000 exemption
$ 17,150 income for CT-40 Section 1, line 1 Column B

Example 4 - The circumstances are the same as *Example 3* except Tina lived in Sullivan County, which does not have a county tax. Simon would still enter his $19,150 share of the Form IT-40 line 14 amount on CT-40 Section 1, line 1 Column A. However, Column B will be left blank since Tina won't owe a county tax.

Line 2

If you claimed a non-Indiana locality earnings deduction on Schedule 1, line 8, enter that amount on this line in Column A. If you are completing Column B instead, and your spouse is the one taking this deduction, then enter it in Column B.

Line 4

Find your county on the County Income Tax Chart on page 21. Find the rate from the *Resident Rate* column and enter it here. For example, if your county is Elkhart, enter .01375.

IC 6-3.5-7-1 (c)

Line 6

Add the amounts from line 5, Columns A and B. If you were a Perry County resident and worked in the Kentucky counties of Breckinridge, Hancock or Meade, complete lines 7 and 8. Otherwise, enter the total here and on line 9.

Line 7
Enter here the amount of income taxed by any of the Kentucky counties listed on line 6.

Line 8
Multiply the amount on line 7 by .005 and enter the total here. If there is no amount on line 7, skip this line and go to line 9.

Line 9
Subtract the amount on line 8 from the amount on line 6. Enter that amount here or, if there were no entries on those lines, enter the amount from line 6. Also enter this amount on your IT-40, line 16.

County Tax Schedule CT-40
Section 2: Line-by-line Instructions

Complete Section 2 if, on January 1, 2003:

- you were a resident of a county not having a county tax, but
- you worked in a county that does have a county tax.

Line 1
Enter your principal employment income for the year. This includes income from wages, tips, salaries and commissions, net self-employment income from federal Schedule C/C-EZ and/or net farm income from federal Schedule F. **Do not** include passive source income like nonbusiness interest and dividends, pensions, capital gains, farm rental, etc. Also, do not include income from a part-time job if you have it at the same time you have a full-time job.

Example 5 - During 2003, Jake received income from the following sources:

- $15,000 from his full-time job (held for the entire year);
- $1,850 from his part-time job;
- $50 nonbusiness interest income; and
- $800 pension income.

The principal employment income he will enter on line 1 is $15,000.

If you had more than one job at different times during the year (not including part-time employment), add the income from those jobs and enter here.

Example 6 - During 2003, Sarah earned $7,000 from her job, which she worked from January 1 through April 30. She began her new job on May 14 and worked through year's end, earning $11,000. She should enter the $18,000 combined amount here.

If you worked two or more jobs at the same time, enter the portion you earned from your main job.

Example 7 - Daniel had two jobs at the same time. On Job #1 he worked 30 hours a week and earned $270 a week. On Job # 2 he worked 10 hours a week and earned $80 a week. Daniel should enter the amount he earned from Job #1 as his principal employment income.

Line 2
You may use certain deductions to lower the amount of income to be taxed. **These deductions must have been claimed on your federal tax return and/or on Indiana Schedule 1, and <u>must</u> have a direct relationship to the income being taxed on line 1.**

Example 8 - Ann's only income was $21,000 in wage income, which she reported on line 1. She claimed a $2,000 IRA deduction on her federal Form 1040. She should claim the $2,000 IRA deduction on this line.

Example 9 - Morgan lived and worked in an enterprise zone and is entering her $17,000 wage income from that zone on line 1. She claimed a $7,500 enterprise zone deduction on Indiana Schedule 1, line 15. She should claim that $7,500 deduction on line 2.

These deductions are limited to the following: payments made to IRA accounts or self-employed retirement plans; medical savings account deduction; moving expense deduction; * self employment tax deduction; Keogh, self-employed SEP and SIMPLE plans; active military pay deduction; enterprise zone deduction; and the educator expense adjustment.

* The moving expense deduction will be allowed only to the extent that the income earned from that move is being taxed on Section 2, line 1.

Example 10 - Tim and Jane file a joint tax return and live in a county that does not have a tax. Jane does not owe county tax, but Tim does because his business is in a county having a tax. She has a $21,000 wage income and a $1,400 moving expense. Tim has $23,000 net income from his photography shop and claimed a $700 self employed SEP deduction. He'll enter his $23,000 income on line 1 of Section 2 and the $700 SEP deduction on line 2 of Section 2. He's not eligible to take the moving expense deduction because the wage income that it is in relation to is not being taxed for county tax purposes.

Line 4 **45 IAC 3.1-3-3**
If you are filing a single or married filing separately tax return, enter your total exemptions from Form IT-40, line 13. If you are filing a joint tax return, enter your exemption(s) (personal, over 65 and/or blind) included on Form IT-40, line 13. Note: You cannot claim your spouse's exemption. Exemptions for dependents can be claimed by either spouse, as long as the total of line 4, Columns A and B is not greater than line 13 on the Form IT-40.

Example 11 - On January 1, 2003, Jack and Sue lived in a county that does not have a tax. Jack worked in a county that does have a tax. They claimed $4,500 in total exemptions ($1,000 each plus $1,000 plus $1,500 for their dependent child) on their tax return. Jack is allowed to use $3,500, or all of the total exemptions except for Sue's personal exemption.

Line 6
Find your county on the *County Income Tax Chart* on page 21. Find the rate from the *Nonresident Rate* column (the second column of rates over) and enter it here. For example, if your county is Elkhart, enter .005.

Line 8
Add the amounts from line 7, columns A and B. Enter the total here and on line 16 of the IT-40.

Note: If you have figured a tax in Section 1 and Section 2, add amounts from Section 1, line 9 and Section 2, line 8, and enter on form IT-40, line 16.

IT-40 line-by-line instructions continued ...

IC 6-2.5-3

Line 17 - Use Tax Due on Out-of-State Purchases
If, while a resident of Indiana, you made purchases outside Indiana by mail order, through radio or television advertising, *over the Internet*, or directly from an out-of-state company, those purchases may be subject to Indiana sales and use tax if sales tax was not paid at the time of purchase. This tax, called "use" tax, is figured at 6% (.06).

When you make purchases from a company in Indiana, that company is responsible for collecting the Indiana sales tax from you. When you make purchases from an out-of-state company, **YOU** are responsible for making sure the use tax is paid. Either the out-of-state company collects the tax from you or you must pay the tax directly to the State of Indiana.

To figure your tax you should complete the worksheet at the bottom of this page. If you did pay sales tax to the state where the item was originally purchased you are allowed a credit against your Indiana use tax for an amount up to 6% (.06).

IC 6-3-4-8 (j) (k)

Line 18 - Household Employment Taxes
If you paid cash wages during 2003 to an individual who is *not*: a) your spouse; b) your child under age 21; c) your parent; or d) an employee under age 18; *and* e) the individual worked in and around your home as a baby-sitter, nanny, health aide, private nurse, maid, caretaker, yard worker, or someone who does similar domestic duties, then they *may* be your employee.

For more information on *Who Is A Household Employee*, it is recommended that you get Federal Publication 926, *Household Employer's Tax Guide*, by calling the IRS at 1-800-829-1040.

If you paid cash wages over $1,400 to a household worker who is your employee, you may have needed to have withheld state and county income taxes. If you want to pay these taxes on your Indiana income tax return, contact the Department for Schedule IN-H.

NEW

Line 19 - Indiana Advance Earned Income Credit Payment (from W-2's)
Enter the total amount of Indiana advance earned income credit payments you received. This payment is shown on your W-2 form in the box directly beneath box 19 ('INADV' should be in the box directly beneath box 20).

IC 6-3.1-21-8 Info Bull #16

Indiana Credits instructions start on page 22

Sales/Use Tax Worksheet

List all purchases made during 2003 from out-of-state companies.

Description of personal property purchased from out-of state	Date of Purchase(s) **Column A**	Purchase Price of Property(s) **Column B**
Magazine subscriptions:		
Mail order purchases:		
Internet purchases:		
Other purchases:		

1. Total purchase price of property subject to the sales/use tax: enter total of Column B	1	
2. Sales/use tax: Multiply line 1 by .06 (6%)	2	
3. Sales tax previously paid on the above items (up to 6% per item)	3	
4. Total amount due: Subtract line 3 from line 2. Carry to Form IT-40, line 17. If the amount is negative, enter zero and put no entry on line 17 of the IT-40	4	

Form **IT-40** State Form 154 8-03

2003

Indiana Full-Year Resident Individual Income Tax Return

Due April 15, 2004

If you are **not** filing for the calendar year January 1 through December 31, 2003,enter period from: _____to: _____

Your Social Security Number A	Spouse's Social Security Number B	Check the box if you are married filing separately. C ☐
Your first name D	Initial E	Last name F
If filing a joint return, spouse's first name G	Initial H	Last name I

IC 6-3-4-1 **Who must file**
IC 6-3-4-2(d) **Joint federal must file joint state**
IC 6-3-4-2(e) **Separate federal must file separate state**

Present address (number and street or rural route) (If you have a P.O. box, see page 6.) J

School District Number (see page 34) N

K **CAGIT IC 6-3.5-1.1-16** **COIT IC 6-3.5-6-20** **CEDIT IC 6-3.5-7-17** O

Enter the **2-digit county code** numbers (found on page 7 in the instruction booklet) for the county where you lived and worked on January 1, 2003.

Taxpayer P County where you lived ☐☐ Q County where you worked ☐☐

Spouse R County where you lived ☐☐ S County where you worked ☐☐

If you have a loss (or negative entry), please indicate so by placing it in a bracket. Example: (1.00)

Please round all entries to nearest whole dollar (see instructions, pg 7)

1. Enter your federal adjusted gross income from your federal return (see page 10)	1	IC 6-3-1-3.5	
2. Tax Add-Back: certain taxes deducted from federal Schedule C, C-EZ, E, and/or F	2	IC 6-3-1-3.5 (a)(2)	
3. Net operating loss carryforward from federal Form 1040, 'Other income' line	3		
4. Income taxed on federal Form 4972 (attach Form 4972: see page 10)	4	IC 6-3-1-3.5 (a)(7)	
5. Other (see instructions on page 10)	5	IC 6-3-1-3.5 (a)(19)	
6. Add lines 1 through 5 ..... **Total Indiana Income** ▶	6		
7. Indiana deductions: Enter amount from Schedule 1, line 20 and attach Schedule 1	7		
8. Line 6 minus line 7 ..... **Indiana Adjusted Gross Income** ▶	8		
9. Number of exemptions claimed on your federal return ☐ x $1,000. (If no federal return was filed, enter $1,000 per qualifying person: see page 16.)	9	IC 6-3-1-3.5 (a)(3) IC 6-3-1-3.5 (a)(4)(A)	00
10. Additional exemption for certain dependent children (see page 16.) Enter number ☐ x $1,500	10	IC 6-3-1-3.5 (a)(5)(A)	00
11. Check box(es) below for additional exemptions if, by December 31, 2003: You were: ☐ 65 or older ☐ or blind. Spouse was: ☐ 65 or older ☐ or blind. Total the number of boxes checked ☐ x $1,000	11	IC 6-3-1-3.5 (a)(4)(B)	00
12. Check box(es) below for additional exemptions if, by December 31, 2003: You were: ☐ 65 or older and line 1 above is less than $40,000. Spouse was: ☐ 65 or older and line 1 above is less than $40,000. Total the number of boxes checked ☐ x $500	12	IC 6-3-1-3.5(a)(5)(B)	00
13. Add lines 9, 10, 11 and 12 ..... **Total Exemptions** ▶	13		00
14. Line 8 minus line 13 (if answer is less than zero, leave blank) ..... **State Taxable Income** ▶	14		
15. State adjusted gross income tax: Multiply line 14 by 3.4% (.034)	15	IC 6-3-2-1	
16. County income tax. See instructions on page 17	16		
17. Use tax due on out-of-state purchases (see page 20)	17	IC 6-2.5-3	
18. Household employment taxes: Attach Schedule IN-H (see page 20)	18	IC 6-3-4-8(j)(k)	
19. Indiana advance earned income credit payments from W-2(s) (see page 20)	19	IC 6-3.1-21-8	
20. Add lines 15 through 19. Enter here and on line 29 on the back ..... **Total Tax** ▶	20		
21. Indiana state tax withheld: (From box 17 of your W-2s, box A of WH-18s or from 1099s)	21	IC 6-3-4-8(h)	
22. Indiana county tax withheld: (From box 19 of your W-2s, box B of WH-18s or from 1099s)	22	IC 6-3-4-8(h)	
23. 2003 Estimated tax paid: Include any extension payment made on Form IT-9	23	IC 6-3-4-4.1(a)(b)	
24. Unified tax credit for the elderly: see instructions on page 22	24	IC 6-3-3-9	
25. Earned income credit: Attach Schedule IN-EIC and enter amount from Section A, line A2	25	IC 6-3.1-21	
26. Lake County residential income tax credit (see page 23)	26	IC 6-3.1-20	
27. Indiana credits: Enter the total from Schedule 2, line 12 and attach Schedule 2	27		
28. Add lines 21 through 27. Enter here and on line 30 on the back ..... **Total Credits** ▶	28		

AA ☐ BB ☐ CC ☐ DD ☐

Turn the page ☞

VN

Staple W-2 forms on the front of this page only between Lines 1 and 28

Paperclip check or money order here

NEW

29. Enter the Total Tax from line 20 on the front of this form ..... ▶ 29

30. Enter the Total Credits from line 28 on the front of this form ..... ▶ 30

31. If line 30 is more than line 29, subtract line 29 from line 30 (if smaller, skip to line 38) 31

32. Amount of line 31 to be donated to the Indiana Nongame Wildlife Fund ..... (see instructions on page 30) ..... 32 **IC 6-8.1-9-4**

33. Subtract line 32 from line 31 ..... SUBTOTAL 33

34. Amount ..... 34 **IC 6-3-4-4.1 (a)(b)**

35. Penalty ..... 35 **IC 6-3-4-4.1 (c)**

Statute of Limitations on:		
	Withholding Credits	**IC 6-3-4-8 (h) (2 years)**
	Unified Tax Credit for Elderly	**IC 6-3-3-9 (f) (June 30)**
	All other overpayments	**IC 6-8.1-9-1 (3 years)**

36. **Refund:** Line 33 minus lines 34 and 35 (if less than zero see instructions on page 31)..... YOUR REFUND ▶ 36

Direct Deposit

NEW **Hoosier Works MC**

37a. Routing Number

b. Account Number

c. Type of Account ☐ Checking ☐ Savings ☐ Hoosier Works MC

If you want to **DIRECT DEPOSIT** your refund, see instructions on page 31.

38. If line 29 is more than line 30, subtract line 30 from line 29. **Add to this any amounts from lines 34 and 35, and enter total here** (see instructions on page 32) ..... SUBTOTAL 38

39. Penalty if filed after due date (see instructions on page 32) ..... 39 **IC 6-8.1-10-2.1 (10%)**

40. Interest if filed after due date (see instructions on page 32) ..... 40 **IC 6-8.1-10-1**

41. **Amount Due:** Add lines 38, 39 and 40 ..... AMOUNT YOU OWE ▶ 41

▶ No payment is due if you owe less than $1.00. **Do Not Send Cash.** Please make your check or money order payable to: **Indiana Department of Revenue.** Credit card payers must see page 32 for instructions.

IC 6-8.1-8-1

Out-of-State Income Information

• Enter any salary, wage, tip &/or commission received from Illinois, Kentucky, Michigan, Ohio, Pennsylvania and/or Wisconsin:

Taxpayer $ T

Spouse $ U

V **Taxpayer** - Check box if you filed federal Schedule C or C-EZ for 2003. ☐

W **Spouse** - Check box if you filed federal Schedule C or C-EZ for 2003. ☐

X • If two-thirds of your gross income was made from farming or fishing, please check here. ☐

Important: If you checked the box, you must attach Schedule IT-2210 or IT-2210A.

If any individual listed at the top of the IT-40 died *during* 2003, enter date of death below.

Taxpayer's date of death EE m m d d 2003

Spouse's date of death FF m m d d 2003

IC 6-8.1-6-4

Authorization

Under penalty of perjury, I have examined this return and all attachments and to the best of my knowledge and belief, it is true, complete and correct. I understand that if this is a joint return, any refund will be made payable to us jointly and each of us is liable for all taxes due under this return. Also, my request for direct deposit of my refund includes my authorization to the Indiana Department of Revenue (Department) to furnish my financial institution with my routing number, account number, account type, and social security number to ensure my refund is properly deposited. I give permission to the Department to contact the Social Security Administration in order to confirm the social security number(s) used on this return are correct.

TT **Are you filing a federal income tax return for 2003? Yes** ☐ **No** ☐

GG **I authorize the Department to discuss my return with my tax preparer. Yes** ☐ **No** ☐

Your Daytime Telephone Number HH

Spouse's Daytime Telephone Number II

Your Signature Date

Spouse's Signatue Date

JJ

E-mail address where we can reach you (see page 33)

Paid Preparer's name MM

KK ☐ Federal I.D. Number, ☐ PTIN **OR** ☐ Social Security Number LL

Address NN

Preparer's daytime telephone number RR

City OO

State PP **Zip Code + 4** QQ

Preparer's Signature Date

Please mail to: Indiana Department of Revenue, P.O. Box 40, Indianapolis, IN 46206-0040. Keep a copy for your records.

Schedules 1 & 2
Form IT-40, State Form 47908
8-03

Schedule 1: Indiana Deductions

(Schedule 2 begins after line 20 below)

Attachment Sequence No. **01**

Enter your first name, middle initial and last name and spouse's full name if filing a joint return

A Your Social Security Number

Instructions for Schedule 1 begin on page 10.

Please round all entries to nearest whole dollar (see instructions, pg 7)

1. Renter's deduction: Address where rented if different from the one on the front page

B _____ Landlord's name and address

C _____ Amount of rent paid $ D _____

Number of months rented E _____ Enter the lesser of $2,500 or amount of rent paid ..... | 1 | IC 6-3-2-6 |

2. Residential Homeowner's Property Tax deduction: Address where property tax was paid if different from front page F _____

Number of months lived there G _____ Amount of property tax paid $ H _____

Enter the lesser of $2,500 or the actual amount of property tax paid ..... | 2 | IC 6-3-1-3.5(a)(17) |

3. State tax refund reported on federal return (see page 12) ..... | 3 | IC 6-3-1-3.5(a)(8) |
4. Interest on U.S. Government Obligations (see page 12) ..... | 4 | IC 6-3-1-3.5(a)(1) |
5. Taxable Social Security benefits (see page 12) ..... | 5 | IC 6-3-1-3.5(a)(12) |
6. Taxable Railroad Retirement benefits (see page 12) ..... | 6 | IC 6-3-1-3.5(a)(9)(12) |
7. Military Service deduction: $2,000 maximum for qualifying individual (see page 12) ..... | 7 | IC 6-3-2-4 |
8. Non-Indiana Locality Earnings deduction:$2,000 maximum per qualifying person(see page 12) | 8 | IC 6-3-1-3.5(a)(6) |
9. Insulation deduction: $1,000 maximum: attach verification (see page 13)..... | 9 | IC 6-3-2-5 |
10. Disability Retirement deduction:$5,200 maximum per qualifying person (see page 13) Attach Schedule IT-2440 ..... | 10 | IC 6-3-2-9 |
11. Civil Service Annuity deduction: $2,000 maximum per qualifying person (see page 13) ..... | 11 | IC 6-3-2-3.7 |
12. Nontaxable portion of Unemployment Compensation (see page 14) ..... | 12 | IC 6-3-2-10 |
13. Indiana Lottery Winnings (see worksheet on page 14) ..... | 13 | IC 6-3-2-14.5; IC 4-30-18-2 |
14. Indiana Net Operating Loss deduction: attach Schedule IT-40NOL (see page 14)..... | 14 | IC 6-3-2-2.5 |
15. Enterprise Zone Employee deduction: attach Schedule IT-40QEC (see page 15) ..... | 15 | IC 6-3-2-8 |
16. Recovery of deductions (see page 15) ..... | 16 | IC 6-3-1-3.5(a)(8) |
17. Human Services deduction (see page 15) ..... | 17 | IC 6-3-1-3.5(a)(14) |
18. Indiana partnership long term care policy premiums deduction (see page 15) ..... | 18 | IC 6-3-1-3.5(a)(16) |
19. Other deductions: list source(s) and amounts (see page 15)_____
20. Add lines 1 through 19 and enter total on line 7 of Form IT-40 ..... **Total**

Law Enforcement Reward Ded. IC 6-3-2-17
Airport Development Zone Ded. IC 8-22-3.5-5

Schedule 2: Indiana Credits

1. Credit for Local Taxes Paid Outside Indiana (see page 24) ..... **IC 6-3.5-1.1-6 (CAGIT) IC 6-3.5-6-23 (COIT)**
2. County Credit for the Elderly**:** attach federal Schedule R (see pa

IC 6-3.5-1.1-7 (CAGIT) IC 6-3.5-6-24 (COIT) IC 6-3.5-7-9 (CEDIT)

3. Other Local Credits: List source(s) and amounts (see page 25) _____

Important: Lines 1 plus 2 & 3 cannot be greater than the county tax due on IT-40 line 16 (see page 26) | 3 | IC 6-3.1-19 |

4. College Credit**:** Attach Schedule CC-40 (see page 26) ..... | 4 | IC 6-3-3-5 |
5. Credit for Taxes Paid to Other States**:** attach other state's return (see page 26) ..... | 5 | IC 6-3-3-3 |
6. Research Expense Credit**:** attach Form IT-20REC (see page 27) ..... | 6 | IC 6-3.1-4 |
7. Neighborhood Assistance Credit**:** attach Schedule NC-20 (see page 27) ..... | 7 | IC 6-3.1-9 |
8. Enterprise Zone Credits (attach appropriate schedule: see page 27) ..... **IC 6-3.1-7; IC 6-3-3-10; IC 6-3.1-10**
9. Teacher Summer Employment Credit**:** attach Schedule TSE (see page 27)..... | 9 | IC 6-3.1-2 |
10. Twenty-First Century Scholars Program Credit (see page 28) ..... | 10 | IC 6-3-3-5.1 |
11. Other Credits**:** List source(s)

Important: Lines 4 through 1

gross income tax due on IT-4

12. Add lines 1 through 11 and e

Maternity Home Credit IC 6-3.1-14
Historic Rehab. Credit IC 6-3.1-16
Riverboat Bldg. Credit IC 6-3.1-17
Industrial Recovery Cr. IC 6-3.1-11
Individual Dev. Acct. Credit IC 6-3.1-18
Voluntary Remediation Credit IC 6-3.1-23
Military Base Recovery Credit IC 6-3.1-11.5
Community Revitalization Enhancement Credit IC 6-3.1-19
Capital Investment Credit IC 6-3.1-13.5
Rerefined Lubricated Oil Facility Credit IC 6-3.1-22.2
Prison Investment Credit IC 6-3.1-6
Residential Historic Rehabilitation Credit IC 6-3.1-22

Schedule CT-40
Form IT-40, State Form 47907
8-03

County Tax Schedule for Indiana Residents

See instructions on page 17 to see if this schedule needs to be attached to your IT-40

Attachment Sequence No. **02**

Enter your first name, middle initial and last name and spouse's full name if filing a joint return

A Your Social Security Number

County of residence and work activity defined:	CAGIT IC 6-3.5-1.1-16	COIT IC 6-3.5-6-20	CEDIT IC 6-3.5-7-17

SE **that had adopted a county income tax.**

P **Your** county of **residence** as of January 1, 2003. (Enter 2-digit county code # from the chart on page 21.)

R **Spouse's** county of **residence** as of January 1, 2003. (Enter 2-digit county code # from the chart on page 21.)

	CAGIT IC 6-3.5-1.1-1	COIT IC 6-3.5-6-1	CEDIT IC 6-3.5-7-1
1. **Enter the amount from IT-40, line 14.** Note: If both you and your spouse lived in the same county on January 1, enter the entire amount from Form IT-40, line 14 on line 1A only. See instructions on page 18	1A		1B
2. If you claimed a non-Indiana locality earnings deduction on Schedule 1, line 8, enter the amount here. If not, leave blank	2A		2B
3. Add lines 1 and 2 ▶	3A		3B
4. Enter the resident rate from the county tax chart on page 21 for the county code number shown above	4A		4B
5. Multiply line 3 by the rate on line 4	5A		5B
6. Add lines 5A and 5B. Enter the total here. **Note: Perry County Residents: If you live in Perry County and worked in the Kentucky counties of Breckinridge, Hancock or Meade, you must complete lines 7 and 8.** Otherwise, enter the total here and on line 9 below (see page 18) ▶			6 IC 6-3.5-7-1(c)
7. Enter the amount of income that was taxed by any of the Kentucky counties listed on line 6 above			7
8. Multiply line 7 by .005 and enter total here			8
9. Line 6 minus line 8. Enter the total here and on line 16 of Form IT-40 ▶			9

SECTION 2: To be completed by those taxpayers who, on January 1, 2003, were *residents* of a county that *had not* adopted a county income tax, but *worked* in an Indiana county that *had* adopted a county income tax.

Q **Your** county of **principal employment** as of January 1, 2003. (Enter 2-digit county code # from the chart on page 21.)

S **Spouse's** county of **principal employment** as of January 1, 2003. (Enter 2-digit county code # from the chart on page 21.)

	CAGIT IC 6-3.5-1.1-1	COIT IC 6-3.5-6-1	CEDIT IC 6-3.5-7-1
1. Enter your principal employment income by entering the total income from your W-2s, net self-employment income (from Federal Schedule C or C-EZ) and/or farm income (from Federal Schedule F). If you worked two or more jobs *at the same time,* enter the portion you earned from your main job. See page 19 for further Section 2 instructions	1A		1B
2. Enter any amounts for payments made to self-employed retirement plans, IRA's, etc. See page 19 for the complete list of allowable deductions and further instructions	2A		2B
3. Subtract line 2 from line 1 ▶	3A		3B
4. Enter some or all of the exemptions from line 13 of Form IT-40 (see instructions on page 19)	4A		4B
5. Subtract line 4 from line 3 ▶	5A		5B
6. Enter the nonresident rate from the county tax rate chart on page 21 for the county number shown above under the Section 2 heading	6A		6B
7. Multiply the income on line 5 by the rate on line 6	7A		7B
8. Enter total of 7A plus 7B. Add to any Section 1, line 9 amount, and carry to line 16 of Form IT-40 ▶			8

2003 Indiana County Income Tax Rates and County Codes

*These rates have changed from last year's chart.

County Code #	County Name	Resident Rate	Nonresident Rate
01	Adams	.01062*	.00612*
02	Allen	.01	.0055
03	Bartholomew	.01	.0025
04	Benton	.0125	.005
05	Blackford	.0125	.005
06	Boone	.01	.0025
07	Brown	.0125	.005
08	Carroll	.011	.0035
09	Cass	.01375*	.00625*
10	Clark	.00625*	.00375*
11	Clay	.01125*	.0025
12	Clinton	.0125	.005
13	Crawford	.01	.005
14	Daviess	.0125*	.0025
15	Dearborn	.006	.0015
16	Decatur	.0125	.005
17	DeKalb	.0125	.005
18	Delaware	.008	.0035
19	Dubois	.01	.0055
20	Elkhart	.01375*	.005
21	Fayette	.01185*	.00435*
22	Floyd	.00725*	.006*
23	Fountain	.01	.0025
24	Franklin	.0125	.005
25	Fulton	.013025*	.005525*
26	Gibson	.005	.005
27	Grant	.01125*	.00375*
28	Greene	.01	.0025
29	Hamilton	.01	.0025
30	Hancock	.0115	.004
31	Harrison	.01	.005
32	Hendricks	.0125	.005
33	Henry	.01	.0025
34	Howard	.009	.00375
35	Huntington	.0125	.005
36	Jackson	.0135	.005
37	Jasper	.01	.0025
38	Jay	.0125	.005
39	Jefferson	NA	NA
40	Jennings	.0125	.005
41	Johnson	.01	.0025
42	Knox	.00625*	.004375*
43	Kosciusko	.01	.00475
44	LaGrange	.0125	.005
45	Lake	NA	NA
46	LaPorte	.0095	.007
47	Lawrence	.01	.0025
48	Madison	.01	.0025
49	Marion	.007	.00175
50	Marshall	.01125*	.0025
51	Martin	.01	.004
52	Miami	.00945*	.00495*
53	Monroe	.01	.0025
54	Montgomery	.01	.0025
55	Morgan	.01035*	.00285*
56	Newton	.01	.0025
57	Noble	.0125	.005
58	Ohio	.01	.0025
59	Orange	.0125	.005
60	Owen	.0125	.005
61	Parke	.0125	.005
62	Perry	.01	.00625
63	Pike	.004	.004
64	Porter	.00125*	.00125*
65	Posey	NA	NA
66	Pulaski	.0164*	.0059*
67	Putnam	.0125	.005
68	Randolph	.015	.0075
69	Ripley	.0125	.005
70	Rush	.0125	.005
71	St. Joseph	.008	.0035
72	Scott	.0108*	.0033*
73	Shelby	.0125	.005
74	Spencer	.008*	.00575*
75	Starke	.01	.0075
76	Steuben	.0125	.005
77	Sullivan	NA	NA
78	Switzerland	.01	.0025
79	Tippecanoe	.01	.0055
80	Tipton	.0125	.005
81	Union	.015*	.005
82	Vanderburgh	.01	.0025
83	Vermillion	.001	.001
84	Vigo	.00625*	.005*
85	Wabash	.01375*	.00625*
86	Warren	.0125	.005
87	Warrick	.005	.005
88	Washington	.01375*	.00625*
89	Wayne	.015	.005
90	Wells	.0135*	.006*
91	White	.0125	.005
92	Whitley	.012	.0045

00 All Other States except the following:

94	Illinois
95	Kentucky
96	Michigan
97	Ohio
98	Pennsylvania
99	Wisconsin

New Counties to adopt a tax:

10	Clark
64	Porter
84	Vigo

Indiana Credits

Lines 21 and 22 - Indiana State and County Tax Withheld
The amount of state tax withheld is usually shown on box 17 and the amount of county tax withheld is usually shown on box 19 of the W-2s. You **must** attach your W-2s, WH-18s and/or Form 1099s to your tax return to verify the amount withheld.

If you had more than one job, a W-2 form for each job must be attached to the tax return so you can get credit for all Indiana state and county tax withheld.

If you had Indiana state tax and/or county tax withheld on any other federal forms, such as a W-2G or 1099R, you must attach them to the tax return to get credit for the amount withheld.

If you are filing a joint return, be sure to include your spouse's W-2s, WH-18s and/or Form 1099s if they show Indiana state and/or county withholding amounts.

Use of substitute W-2s might delay the processing of your return and/or refund.

Don't claim credit for taxes withheld for states other than Indiana or for localities outside Indiana.

IC 6-3-4-4.1(b) IC 6-8.1-6-1 ext., Info Bull #3 & 18

Line 23 - 2003 Estimated Tax Paid
If you made estimated tax payments for state and/or county tax, enter the total paid for 2003 on this line. Also include any payments made with Form IT-9 "Extension of Time to File" for tax year 2003.

Note: Do not include on this line any estimated tax paid for tax year 2004.

IC 6-3-3-9
Info Bull #26

Line 24 - Unified Tax Credit for the Elderly
You may be able to claim a credit if you or your spouse meet **all** the following requirements:

a) you and/or your spouse must have been age 65 or older by December 31, 2003;

b) if married and living together at any time during the year, you must file a joint return;

c) the amount on line 1 of Form IT-40 must be *less than $10,000*;

d) you must have been a resident of Indiana for six months or more during 2003; and

e) you must not have been in prison for 180 days or more in 2003.

Note: Disabled persons under age 65 do not qualify for this credit.

Important:
- If a spouse dies after January 1, 2003, the surviving spouse can claim this credit by filing a joint return. A copy of the death certificate must be attached to the tax return to verify the date of death.
- If a taxpayer dies and does not have a surviving spouse, then an estate executor or an administrator of the estate *cannot* claim the credit on behalf of the deceased taxpayer.

If you meet the requirements for claiming the Unified Tax Credit for the Elderly, but don't have any income to report on line 1 of Form IT-40, or the income reported on line 1 is less than the *Total Exemptions* on Form IT-40 line 13, you have the option to file Form SC-40 Unified Tax Credit for the Elderly. However, you must file the Form IT-40 if you are eligible for the Lake County residential income tax credit. See line 26 instructions on page 23 for more information. Important: file either the Form SC-40 or the Form IT-40 (not both).

Contact the Department to get Form SC-40. You can claim the credit on either Form IT-40 or Form SC-40, but *file only one of these forms, and only file once*.

The deadline for claiming this credit is June 30, 2004. The only exception to this rule is if you have a valid extension to file your tax return.

To figure your Unified Tax Credit for the Elderly:

Use Table A if:
You meet all the requirements noted above, **and**
- you are filing a joint return, lived with your spouse during 2003 and both of you were age 65 or older by December 31, 2003; **or**
- both you and your spouse met all the requirements, and your spouse died after January 1, 2003.

Table A
Joint Filers Both Age 65 or Older

If the income on Line 1 of Form IT-40 is:	**Your Allowable Credit*** is:
less than $1,000	$140
between $1,000 and $2,999	$90
between $3,000 and $9,999	$80

Use Table B if:
You meet all the requirements noted above, **and**
- you are age 65 or older and are single or widowed;
- you are filing a joint return and only one of you is age 65 or older; **or**
- you are married but did not live with your spouse during 2003, are age 65 or older and are married filing separately.

Table B
Only One Person Age 65 or Older

If the income on Line 1 of Form IT-40 is:	**Your Allowable Credit*** is:
less than $1,000	$100
between $1,000 and $2,999	$50
between $3,000 and $9,999	$40

*** Once you have located the allowable credit on Table A or Table B, enter that amount on line 24.**

Line 25 - Indiana's Earned Income Credit: Schedule IN-EIC

IC 6-3.1-21

Indiana's earned income credit has changed. It's now based on your federal earned income credit. If your federal earned income credit is $9.00 or more, you may be eligible for Indiana's earned income credit.

The earned income credit will lower the tax you owe and may give you a refund even if you don't owe any tax. The credit can be as much as $252.

To claim the credit you must complete and attach Schedule IN-EIC.

Line 26 - Lake County (Indiana) Residential Income Tax Credit

IC 6-3.1-20

You may be eligible to claim a Lake County (Indiana) residential income tax credit if you meet **all** of the following requirements:

1. **You paid property tax to Lake County (Indiana) during 2003 on your residence.** Your "residence" is your principal dwelling. You must either own or be buying the residence under contract, and must pay property tax to Lake County (Indiana) on that residence.

2. **Your earned income must be less than $18,600.** Earned income is the combination of your (and your spouse's, if filing a joint return) wages, salaries, tips, and other compensation, plus net earnings from self-employment (income on which you are required to pay self-employment tax on federal Schedule SE.) NOTE: Income from pensions, interest, dividends, social security, etc., are not classified as earned income.

   Example: Sue has $17,000 wage income, $300 interest income and $7,000 pension income. Even though her total income is $24,300, Sue will qualify for the credit because her earned income is less than $18,600 (it's $17,000).

   Important: You are *not required* to have earned income to be eligible for this credit.

   Example: Dale receives $17,000 pension income, $3,000 social security income, and $100 interest income. He meets the income eligibility requirement because his earned income is less than $18,600 (it is zero).

3. **You are not claiming the Residential Homeowner's Property Tax Deduction on Indiana Schedule 1, line 2.**

...to figure the tax, go to the top of the next column for the worksheet

How do I figure my credit?

Step 1 Did you pay property tax to Lake County (Indiana) on your residence during 2003? ❑ Yes ❑ No

If yes, continue to Step 2.
If no, **STOP**. You do not get this credit.

Step 2 Enter your earned income. This will include your (and your spouses, if filing a joint return) wage, salary, tip and other compensation, plus net earnings from self-employment ..... $ _____

Step 3
- If the amount in Step 2 is greater than $18,600, **STOP**. You do not get this credit.
- If the Step 2 amount is **less than** $18,000, skip to Worksheet A.
- If the Step 2 amount is between $18,000 and $18,600, skip to Worksheet B.

WORKSHEET A:

Complete if your earned income is **less than** $18,000.

A1 Enter the amount of Indiana property tax you paid during 2003 on your Lake Co. residence A1 $ _____

A2 Maximum credit ..... A2 $ **300.00**

A3 Enter the **smaller** of A1 or A2. This is your credit. Enter here and on IT-40, line 26 ..... A3 $ _____

WORKSHEET B: Earned Income Phaseout

Complete if your earned income is between $18,000 and $18,600.

B1 Allowable maximum earned income ..... B1$ **18,600.00**

B2 Enter your earned income from Step 2 above ..... B2 $ _____

B3 Subtract B2 from B1 (if answer is zero or a (negative amount,) **STOP**. You do not get this credit) ..... B3 $ _____

B4 Multiply the amount on B3 by .5 (50%) B4 $ _____

B5 Enter the amount of Indiana property tax you paid during 2003 on your Lake County residence ..... B5 $ _____

B6 Enter the **smaller** of B4 or B5. This is your credit. Enter here and on IT-40, line 26 ..... B6$ _____

Rate Conversion Chart

County	A Resident	B Nonresident
Adams	.006	.0015
Allen	.006	.0015
Benton	.01	.0025
Blackford	.01	.0025
Brown	.01	.0025
Carroll	.01	.0025
Cass	.01	.0025
Clark	.005*	.0025*
Clinton	.01	.0025
Crawford	.0075	.0025
Decatur	.01	.0025
DeKalb	.01	.0025
Delaware	.006	.0015
Dubois	.006	.0015
Elkhart	.01125*	.0025
Floyd	.00375*	.0025*
Franklin	.01	.0025
Fulton	.01	.0025
Gibson	(Cannot take credit)**	
Grant	.01*	.0025*
Hancock	.01	.0025
Harrison	.0075	.0025
Hendricks	.01	.0025
Howard	.007	.00175
Huntington	.01	.0025
Jackson	.011	.0025
Jay	.01	.0025
Jennings	.01	.0025
Knox	.0025*	.000625*
Kosciusko	.007	.00175
LaGrange	.01	.0025
LaPorte	.005	.0025
Martin	.008	.002
Miami	.006	.0015
Morgan	.01*	.0025*
Noble	.01	.0025
Orange	.01	.0025
Owen	.01	.0025
Parke	.01	.0025
Perry	.005	.00125
Pike	(Cannot take credit)**	
Pulaski	.013	.0025
Putnam	.01	.0025
Randolph	.01	.0025
Ripley	.01	.0025
Rush	.01	.0025
St. Joseph	.006	.0015
Scott	.01*	.0025*
Shelby	.01	.0025
Spencer	.003*	.00075*
Starke	.005	.0025
Steuben	.01	.0025
Tippecanoe	.006	.0015
Tipton	.01	.0025
Union	.0125*	.0025
Vermillion	(Cannot take credit)**	
Vigo	.00375*	.0025*
Wabash	.01	.0025
Warren	.01	.0025
Warrick	(Cannot take credit)**	
Washington	.01	.0025
Wayne	.0125	.0025
Wells	.01	.0025
White	.01	.0025
Whitley	.01	.0025

* These rates have changed since last year.

** Gibson, Pike, Vermillion, and Warrick counties have adopted CEDIT only, not CAGIT or COIT.

Important: Remember, you can claim either this credit **OR** the Residential Homeowner's Property Tax deduction (on Schedule 1, line 2), **but not both.**

Info Bull #59

Indiana Credits: Form IT-40, Schedule 2

Note: The following credits cannot be refunded; their purpose is to help reduce your state and/or county tax liabilities. See the limitation areas after the line 3 and line 11 instructions.

IC 6-3.5-1.1-6 CAGIT
IC 6-3.5-6-23 COIT
Info Bull #28 & 32

Line 1 - Credit for Local Taxes Paid Outside of Indiana

If you figured county tax on Form IT-40, line 16, **and** had to pay a local income tax outside Indiana, you may be able to take a credit. This credit applies only if the tax you paid outside Indiana was to another city, county, town, or other local government, and they did not refund the tax or give you a credit for Indiana county tax.

The credit can be used against the Indiana county tax figured if the tax is the County Adjusted Gross Income Tax (CAGIT) or County Option Income Tax (COIT). This credit **cannot** be claimed against the County Economic Development Income Tax (CEDIT).

The *County Income Tax Chart* found on page 21 of this booklet lists the counties with their combined tax rates, if applicable. For instance, the Martin County resident tax rate of .01 is made up of COIT (.008) plus CEDIT (.002) for a .01 combined county tax rate. If the county you paid tax to assesses CEDIT, the **Rate Conversion Chart** in the left-hand column will help you to determine the correct rate to use to figure this credit.

Step 1: Figuring your rate: If your January 1, 2003, county of residence is on the Rate Conversion Chart, use the rate in Column A to figure your credit. If that county isn't on the chart, use the resident rate you entered on Schedule CT-40, Section 1, line 4.

If your January 1, 2003, county of residence doesn't have a county tax but the January 1, 2003, county where you worked is on the Rate Conversion Chart, use the rate in Column B to figure your credit. If that county isn't on the chart, use the nonresident rate that you entered on Schedule CT-40, Section 2, line 6.

Step 2: Figuring your credit: Complete lines A, B and C.

A. Enter the amount of tax paid to the non-Indiana locality ..... A _____

B. Multiply the amount of income taxed by the non-Indiana locality by the rate from Step 1 ..... B _____

C. Enter the amount of Indiana county income tax shown on Form IT-40, line 16 ..... C _____

The amount of the Credit for Local Taxes Paid Outside of Indiana is the **lesser** of the amounts on A, B or C.

Important: You **must** attach a copy of your W-2s showing the non-Indiana locality amount withheld or a copy of the non-Indiana locality tax return.

Remember, you can use this credit only if you have **both**:

- a county tax amount on Form IT-40, line 16, **and**
- you had to pay a local income tax outside Indiana.

Line 2 - **IC 6-3.5-1.1-7 CAGIT IC 6-3.5-6-24 COIT IC 6-3.5-7-9 CEDIT Info Bull #26 & 32**

If you take the federal credit on federal Schedule R, and you owe county tax, you may be allowed a credit. Use the following steps to figure your credit.

A. Enter the Elderly Credit from federal Schedule R ..... A _____

B. Enter the factor from the *County Credit for the Elderly Chart* (see below)that corresponds to your county tax rate B _____

C. Multiply A times B and enter result here. C _____

D. Enter the amount of Indiana county tax shown on Form IT-40, line 16 ..... D _____

The amount of the County Credit for the Elderly is the **lesser** of the amounts on C or D. You must attach a copy of federal Schedule R.

Example: Jane is 67 years old. She is entitled to a credit of $550 on federal Schedule R. She lives in a county that has a county tax rate of .01. Her county tax due is $60. Jane's County Credit for the Elderly is $37 ($550 x .067 = $36.85 [rounded to $37]).

County Credit for the Elderly Chart

If your **County Tax Rate** is:	Then your **Factor** is:	If your **County Tax Rate** is:	Then your **Factor** is:
.001	.007	.007	.047
.00125	.008	.00725	.048
.0015	.01	.0075	.05
.00175	.012	.008	.053
.0025	.017	.009	.06
.00285	.019	.00945	.063
.0033	.022	.0095	.063
.0035	.023	.01	.067
.00375	.025	.01035	.069
.004	.027	.01062	.071
.00435	.029	.0108	.072
.004375	.029	.011	.073
.0045	.03	.01125	.075
.00475	.032	.0115	.077
.00495	.033	.01185	.079
.005	.033	.012	.08
.0055	.037	.0125	.083
.005525	.037	.013025	.087
.00575	.038	.0135	.09
.0059	.039	.01375	.092
.006	.04	.015	.10
.00612	.041	.0164	.109
.00625	.042		

Important: See the **Limitation** below.

Line 3 - Other Local Credits **IC 6-3.1-19**

Community Revitalization Enhancement District Credit
A state **and** local income tax liability credit is available for a qualified investment made within a community revitalization enhancement district. The expenditure must be made under a plan adopted by an advisory commission on industrial development and approved by the Indiana Department of Commerce before it is made. The credit is equal to 25% of the qualified investment made by the taxpayer during the taxable year.

Beginning January 1, 2003, pass-through entities (S corporations and partnerships) are eligible for the credit.

The credit is non-refundable and cannot be carried back. You may carryforward any excess credit to the next tax year.

Since any unused portion of the credit is to be carried forward to the next tax year, special calculations must be made to arrive at the amount to be used. This credit is allowed to offset both state and local tax due. To figure the amount of credit to be utilized this year, use the following steps.

Step 1 Enter the county tax from IT-40 line 16 ..... A _____

Step 2 Enter the total of lines 1 plus 2 from Schedule 2 ..... B _____

Step 3 Subtract line B from line A (if less than zero, enter zero) ..... C _____

Step 4 Enter the full amount of your Community Revitalization Enhancement District credit ..... D _____

The amount to be entered on line 3 of Schedule 2 is the smaller of the line C or line D amounts. Also, see the Community Revitalization Enhancement District credit instructions for line 11 on page 28.

Contact the Department of Commerce at (317) 232-8898 for additional information.

Limitation: There is one final limitation if you have entries on lines 1, 2 and/or 3 of Schedule 2. These credits, *when combined*, cannot be greater than the county tax shown on Form IT-40 line 16; if they are, adjust the amounts before you enter them. See the following example.

Example:

- The line 1 credit for local taxes paid outside of Indiana of $100 plus the line 2 county credit for the elderly of $20 equals $120.
- Your IT-40 line 16 county tax due is $115.
- Since your combined credits are $5 more than your county tax due, reduce your last entry (the $20 county credit for the elderly) by $5 to $15.
- Enter $15 on line 2, and attach an explanation showing your calculations.

Line 4 - College Credit

IC 6-3-3-5 Info Bull #14

If you donated money or property to an Indiana college or university, you may be able to take a credit. To claim this credit you must complete and attach Schedule CC-40. Contact the Department to get more information and Schedule CC-40.

Important: You must maintain documentation of your contributions as the Department can require you to provide this information.

Note: Tuition paid to a college or university is not a contribution, and does not qualify for this credit.

IC 6-3-3-3
Info Bull #28

Line 5 - Credit for Taxes Paid to Other States

If you received income from another state while you were an Indiana resident, you must report that income on your Indiana income tax return. You may be able to take a credit for taxes paid to another state. If you had income from another state and had to pay taxes to that state, read the following instructions carefully.

If you were an Indiana resident during part or all of 2003 and had income from any of the states listed in Group A below, you should first find out what the other state's rules are concerning the taxation of your income.

Group A

No Agreement (Credit taken on resident return)

Alabama	Maine	New York
Arkansas	Maryland	North Carolina
Colorado	Massachusetts	North Dakota
Connecticut	Minnesota	Oklahoma
Delaware	Mississippi	Rhode Island
Georgia	Missouri	South Carolina
Hawaii	Montana	Tennessee*
Idaho	Nebraska	Utah
Illinois	New Hampshire*	Vermont
Iowa	New Jersey	Virginia
Kansas	New Mexico	West Virginia
Louisiana		

Any foreign countries or U.S. possessions
*(Capital gain, interest, and dividends only)

Group A Worksheet

A. Enter the amount of tax paid to the other state. (This does not mean the tax withheld from your wages, but the actual tax figured on the other state's return) ..... A _____

B. Multiply the amount of income from the other state (that is subject to Indiana tax) by 3.4% (.034) ..... B _____

C. Enter the amount of Indiana state income tax shown on Form IT-40 line 15 ..... C _____

The *lesser* of the amounts on A, B or C is your allowable credit for taxes paid to other states. You **must** attach a copy of the income tax return (not just the W-2 forms) you filed with the other state to claim this credit. If the other state's return is not attached, the credit will not be allowed. Likewise, if you have foreign tax credit, complete the Group A Worksheet and attach federal Form 1116. If Form 1116 was not required, attach Forms 1099-INT and/or 1099-DIV (or a substitute statement) to verify the foreign tax and amount of income being taxed.

Group B

Reciprocal Agreement (Wages, Salaries, Tips, and Commissions Only)

Kentucky	Michigan	Ohio
Pennsylvania	Wisconsin	

IC 6-3-1-23

If you were an Indiana resident during 2003 and had income from one of the states listed in Group B, you are covered by a reciprocal agreement. However, this agreement only applies to income from wages, salaries, tips, and commissions. If you had other types of income from these states (such as business income, farm income, etc.), use the Group A Worksheet to figure your credit.

Normally, employers in these states will withhold Indiana state tax from your wages because of the reciprocal agreement. However, if the state tax they withheld is not for Indiana, you must file a claim for refund with that state. You still have to include this income on your Indiana return and pay the Indiana tax. You'll get the other state's taxes back by filing a refund claim with them.

Note: Winnings from Indiana riverboats **are not** eligible for the reciprocal agreement.

Caution: You may have to make estimated tax payments to Indiana. If the reciprocal state employer does not withhold Indiana withholding on your wage income, see page 30 for information on how to figure and pay estimated tax.

If you were a full-year resident of one of the reciprocal states and your income from Indiana was from wages, salaries, tips, and commissions, you should file Form IT-40RNR, Reciprocal Nonresident Income Tax Return. If you were a resident of one of the reciprocal states and had other types of income from Indiana, or were a part-year Indiana resident, you'll need to file Form IT-40PNR.

Group C **IC 6-3-3-3 (b)**

Reverse Credit (Credit taken on nonresident return)

Arizona	Oregon
California	Washington D.C.

If you were an Indiana resident during 2003 and had income from one of the states in Group C, you must pay Indiana tax on all your income. You will also need to file a nonresident return with the other state and claim a credit on their tax return for the Indiana tax paid. Note: For taxpayers residing in Washington, D.C., please contact the Department for Income Tax Information Bulletin 28. There is a special exception for this credit for Washington, D.C. residents that you must be aware of when calculating this credit.

...Credit for Taxes Paid to Other States continues on page 27

Group D
No State Income Tax (No credit allowed)

Alaska	Florida	Nevada	South Dakota
Texas	Washington	Wyoming	

If you were an Indiana resident during 2003 and had income from one of the states in Group D, you are not allowed to claim this credit. These states do not have an income tax. You must file an Indiana resident return and pay Indiana tax on all your income.

Line 6 - Research Expense Credit

IC 6-3.1-4

Indiana has a research expense credit that is very similar to the federal credit for research and experimental expenses paid in carrying on your trade or business in Indiana.

S corporations and partnerships may take this credit and pass through the unused portion to their shareholders and partners.

Form IT-20 REC must be completed and a copy attached to claim this credit. For more information about this credit, contact the Department.

Note: This credit has been extended through December 31, 2013.

Line 7 - Neighborhood Assistance Credit

IC 6-3.1-9
Info Bull #22

If you made a contribution or engaged in activities to upgrade areas in Indiana, you may be able to claim a credit for this assistance. This credit is administered by the Department of Commerce. Form NC-20 must be attached to claim this credit.

S corporations and partnerships may take this credit and pass through the unused portion to their shareholders and partners.

For more information about this credit, contact the Department and request Form NC-20 and Income Tax Information Bulletin #22.

Line 8 - Enterprise Zone Credits/Airport Development Zone Credits

Certain areas within Indiana have been designated as enterprise zones. Enterprise zones are established to encourage investment and job growth in distressed urban areas. Current enterprise zones are located in portions of the following cities/locations:

Anderson	Gary	Michigan City
Bedford	Grissom Aeroplex	Mitchell
Bloomington	Hammond	New Albany
Connersville	Indiana Army Ammo	Portage
East Chicago	Indianapolis	Richmond
Elkhart	Jeffersonville	Salem
Evansville	Kokomo	South Bend
Fort Harrison	Lafayette	Terre Haute
Fort Wayne	LaPorte	Vincennes
Frankfort	Marion	

IC 6-3-3-10 IC 6-3.1-7
IC 6-3.1-10
Info Bull #66

Currently, an airport development zone is established within the City of Gary. Areas within the City of Terre Haute and areas within Allen County are also eligible to designate airport development zones.

Sole Proprietors who operate and/or invest in a business located in a zone may be eligible for the following credits: Enterprise Zone/ Airport Development Zone Loan Interest Credit (Schedule LIC); Employment Expense Credit (Schedule EZ, Parts 1, 2, and 3) and Enterprise Zone/Airport Development Zone Investment Cost Credit. (Note: These forms are also to be used for the airport development zone credits even though the title on the forms indicates only enterprise zones.)

Businesses organized as partnerships, S corporations and fiduciaries are eligible to pass-through enterprise zone credits to their partners or shareholders. In addition, a partnership, a limited liability partnership, a limited liability company and an S corporation are entitled to the enterprise zone investment cost credit for a qualified investment made in a designated zone located in Vigo County, Indiana. If the entity has no adjusted gross income tax liability, then the partners and/or shareholders are entitled to claim their share of the credit on their individual income tax return.

Income Tax Information Bulletin #66, EZ Schedules, and Schedule LIC will provide additional information about these credits. You can get the information bulletin and forms by contacting the Department of Revenue. The Department of Commerce can provide additional information about the Enterprise Zone Investment Cost Credit. You may contact the Department of Commerce at: Indiana Department of Commerce, Community Development Division, One North Capitol, Suite 600, Indianapolis, IN 46204, phone number (317) 232-8911.

IC 6-3.1-2

Line 9 - Teacher Summer Employment Credit

If you hire math or science teachers during the summer vacation, you may be able to take a credit. The qualified positions must be certified by the Department of Education, and the certificate must be attached to your tax return before the credit can be approved.

Contact the Department of Education at (317) 232-6676 for more information about this credit.

Line 10 - Twenty-First Century Scholars Program Credit

A tax credit is allowed for contributions made to the Twenty-First Century Scholars Program Support Fund. The credit is equal to 50% of the contributions made during the tax year up to a maximum limit of $100 for a single return and $200 for a joint return.

IC 6-3-3-5.1

To claim this credit you must complete and attach Schedule TCSP-40. Contact the Department to get a Schedule TCSP-40.

Detailed information about the scholarship program, registration and administration may be obtained by calling the office of the Twenty-First Century Scholars Program at (317) 233-2100.

Note: This credit is not the same as the College Credit.

Line 11 - Other Credits

Following is a list of the other credits available to be taken on the Indiana individual income tax return.

Maternity Home Credit **IC 6-3.1-14**

An income tax credit is allowed for maternity home owners providing a temporary residence to at least one unrelated pregnant woman for at least 60 consecutive days during her pregnancy. The maternity home owner must annually file an application with the State Department of Health to be eligible to claim this credit. A copy of the approved application must be attached to your tax return before the credit can be taken. Contact the Maternal and Child Health Division at (317) 233-1253 to obtain an application and more information about this credit.

Historic Rehabilitation Tax Credit **IC 6-3.1-16 Info. Bull #87**

A Historic Rehabilitation Tax Credit is available for the rehabilitation or preservation of a historic building that is listed on the Indiana Register of Historic Sites and Structures, is at least 50 years old and is income-producing. The cost of rehabilitation or preservation must also exceed $10,000. A credit of 20% of the cost of the qualified rehabilitation or preservation expenses may be taken against your state income tax liability. Any unused balance of the credit may be carried forward for up to 15 years.

Those eligible to claim this credit include an individual, corporation, S corporation, partnership, limited liability company, limited liability partnership, nonprofit organization or joint venture.

To qualify for the credit, you must obtain certification from the Division of Historic Preservation and Archaeology, Indiana Department of Natural Resources. For additional information, you may call the Department of Natural Resources at (317) 232-1646.

Riverboat Building Credit **IC 6-3.1-17**

A tax credit has been established for any individual or company that builds or refurbishes a riverboat licensed to conduct legal gambling in Indiana. This credit is equal to 15% of the qualified investment and can be carried forward to subsequent tax years. The Department of Commerce must approve the costs of the qualified investment BEFORE the costs are incurred. Contact the Indiana Department of Commerce, Development Finance Division, One North Capitol, Suite 700, Indianapolis, IN 46204, or call (317) 232-5297 for more information about this credit.

Where To Mail Your Return

Please mail your completed return, plus all attachments, to:
Indiana Department of Revenue
P.O. Box 40
Indianapolis, IN 46206-0040

Industrial Recovery Tax Credit **IC 6-3.1-11**

This credit is based on a taxpayer's qualified investment in a vacant industrial facility located in a designated industrial recovery site. If the enterprise zone board approves the application and the plan for rehabilitation, you are entitled to a credit based on the "qualified investment". Request additional information regarding the procedures for obtaining the credit from the Indiana Department of Commerce, Community Development Division, One North Capitol, Suite 600, Indianapolis, IN 46204, or call (317) 232-8911.

Military Base Recovery Tax Credit **IC 6-3.1-11.5**

A taxpayer that is an owner or developer of a military base recovery site may be eligible for a credit if investing in the rehabilitation of real property located in a military base recovery site according to a plan approved by the Enterprise Zone Board. For more information about this contact the Department of Commerce at: Indiana Department of Commerce, Community Development Division, One North Capitol, Suite 600, Indianapolis, IN 46204, phone number (317) 232-8911.

Individual Development Account Credit **IC 6-3.1-18**

A credit is available for contributions made to a community development corporation participating in an Individual Development Account (IDA) program. The IDA program is designed to assist qualifying low-income residents to accumulate savings and build personal finance skills.

The organization must have an approved program number from the Indiana Department of Commerce before a contribution qualifies for pre-approval.

The credit is equal to 50% of the contribution, which must not be less than $100 and not more than $50,000.

S corporations and partnerships may take this credit and pass-through the unused portion to their shareholders and partners.

Applications for the credit are filed through the community development corporation by using Form IDA-10/20. An approved Form IDA 20 must be attached to your return if claiming this credit.

To request additional information about the definitions, procedures, and qualifications for obtaining this credit, contact: Indiana Department of Commerce, Community Development Division, One North Capitol, Suite 600, Indianapolis, IN 46204, or call (317) 232-8911.

Community Revitalization Enhancement District Credit

See the Schedule 2 line 3 instructions for details about this credit. This credit is available to offset **both** your state and local tax liabilities, and any unused remainder is available to be carried forward. **IC 6-3.1-19**

Schedule 2 Credits cont'd...

Use the following steps to figure your credit. ✎

Step 1 Enter the adjusted gross income tax from IT-40 line 15 ..... A _____

Step 2 Enter the total of the credits on lines 4 through 11 (not including this credit) from Schedule 2 ..... B _____

Step 3 Subtract line B from line A (if less than zero, enter zero) ..... C _____

Step 4 Enter the full amount of your Community Revitalization Enhancement District Credit ..... D _____

Step 5 Enter any amount from Schedule 2, line 3 ..... E _____

Step 6 Subtract E from D and enter the difference ..... F _____

The amount to be entered on line 11 of Schedule 2 is the smaller of line C or line F.

Beginning January 1, 2003, pass-through entities are eligible for this credit.

Note: If you have not used all of the Community Revitalization Enhancement District credit, the unused portion should be carried over to next year's tax return. The amount available for carryover purposes is line D minus the smaller of line C or line F, minus the Schedule 2 line 3 amount.

Keep a copy of this worksheet for your records.

For more information, contact the Indiana Department of Commerce, General Counsel, Community Development Division, One North Capitol, Suite 600, Indianapolis, IN 46204, or call (317) 232-8898.

Capital Investment Tax Credit

IC 6-3.1-13.5

A pass-through entity is eligible for a capital investment cost tax offset credit. This credit is based on certain qualified capital investments made in Shelby County.

For information regarding the definitions, procedures, and qualifications for obtaining this credit, contact: Indiana Department of Commerce, Development Finance Division, One North Capitol, Suite 700, Indpls., IN, 46204, or call (317) 232-5297.

IC 6-3.1-22.2 Info. Bull #91

Rerefined Lubricated Oil Facility Tax Credit

Effective January 1, 2001, through December 31, 2005, a pass-through entity may be eligible, as determined by the Indiana Department of Commerce, for a state tax offset credit against its income and sales and use tax liabilities. The credit is based on a percentage of the real and personal property taxes paid by an entity that processes rerefined lubrication oil.

For information regarding the definitions, procedures, and qualifications for obtaining this credit, contact: Indiana Department of Commerce, Development Finance Division, One North Capitol, Suite 700, Indpls., IN 46204, or call (317) 232-5297.

IC 6-3.1-22 Info. Bull #87A

Residential Historic Rehabilitation Credit

A credit is available for the repair and rehabilitation of historic residential property that is at least 50 years old and will be used as your primary residence. For more information about this credit, contact the Department and request Income Tax Information Bulletin #87A.

Prison Investment Credit Update

IC 6-3.1-6

A credit is allowed for amounts invested in Indiana prisons to create jobs for prisoners. The amount is limited to 50% of the investment in a qualified project approved by the Department of Corrections, plus 25% of the wages paid to inmates. Pass-through entities are eligible for the credit.

Voluntary Remediation Credit

IC 6-3.1-23

A voluntary remediation credit is available for qualified investments involving redevelopment of a brownfield and environmental remediation. The Indiana Department of Environmental Management and the Indiana Development Finance Authority must determine and certify that the costs incurred in a voluntary remediation are qualified investments. Upon approval, the credit may be used to offset adjusted gross income tax and sales/use tax.

Info Bull #59

Limitation: There is one final limitation if you have more than one entry on lines 4 through 11 of Schedule 2. These credits, *when combined*, cannot be greater than the state adjusted gross income tax shown on Form IT-40 line 15; if they are, adjust the amounts before you enter them. See the following example.

Example:

- The line 4 college credit of $200 plus the line 5 credit for taxes paid to other states of $300 equals a $500 total credit.
- Your IT-40 line 15 state adjusted gross income tax due is $360.
- Since your combined credits are $140 more than your state tax due, reduce your last entry (the $300 credit for taxes paid to other states) by the $140 difference to $160.
- Enter $160 on line 5, and attach an explanation showing your calculations.

Line 12 - Total Credits

Add the credits on lines 1 through 11 (keeping in mind the limitations), and enter the total here. Carry this amount to Form IT-40, line 27.

IT-40 Back Page Instructions

Line 31 - Overpayment **IC 6-8.1-9-2(a)**

If the line 30 total credits are more than the line 29 total tax, you have an overpayment. Enter the difference between those two amounts here.

A note about refund offsets...
Indiana law requires that money you owe to the state, its agencies, and certain federal agencies be deducted from your refund or credit before a refund is issued. This includes money owed for past due taxes, student loans, child support, food stamps or an IRS levy. If the Department applies your refund to any of these debts, you will receive a letter explaining the situation.

Line 32 - Contribution to Indiana Nongame and Wildlife Fund **IC 6-8.1-9-4**

The Indiana Wildlife Diversity Program offers you the opportunity to play an active role in conserving Indiana's nongame and endangered wildlife. The money you donate goes directly to the protection and management of more than 550 wildlife species in Indiana - from robins and turtles to state-endangered bald eagles and river otters. Enter the amount of your refund you wish to donate to the Nongame Wildlife Fund in the box on line 32. Donations must be a minimum of $1.00.

Learn more about Indiana's Wildlife Diversity Program and how donations have helped Indiana's endangered wildlife on the Internet at www.wildlife.in.gov/

If you are not receiving a refund, but want to support the Wildlife Diversity Program, do not change your tax return. You can send a donation directly to the Wildlife Diversity Program by completing the form on the back of this booklet.

The Department may examine your return and find that your actual overpayment or refund is less than you calculated. If you entered a donation to the Indiana Nongame and Endangered Wildlife Fund and applied a payment to your 2003 estimated tax account, the overpayment will be applied first to the estimated tax payment and then to the wildlife fund. Any amount left will e refunded to you.

Line 34 - Amount to be Applied as a 2004 Estimated Tax Installment Payment **IC 6-3-4-4.1 (a) Info Bull #3**

If you expect to have income during the 2004 tax year that:

- won't have Indiana income taxes withheld, or
- if you think the amount withheld won't be enough to pay your tax liability, and
- you expect to owe more than $400 when you file your tax return, then you should pay estimated tax.

There are several ways you can make estimated tax payments. First, use the worksheet on page 37 to see how much you will owe. Then, if you want to make an estimated tax installment payment on this tax return, carry the amount from line I of the worksheet to line 34 of Form IT-40.

You may use some or all of your line 33 overpayment as an installment payment. You may also send a payment with your tax return to make or to increase an installment payment. For example, you have an $80 overpayment on line 33. Instead of getting a refund, you want to apply the $80 towards your estimated tax account, and make an additional $20 payment, bringing the total payment up to $100. You will enter $100 on line 34, and enter the $20 additional amount due on line 38.

Important: Any installment payment amount entered on line 34 will be considered to be paid on the day your tax return is filed (postmarked). For instance, an installment payment shown on a return filed on: April 15, 2004, will be considered to be a 2004 first installment payment; June 3, 2004, will be considered to be a 2004 second installment payment; and July 22, 2004, will be considered to be a 2004 third installment payment. **Note:** If you are filing this return *after* January 15, 2005, you will not be able to make an installment payment on this line.

If you do not want to make an estimated payment on this tax return, you may use Form ES-40 on page 37 of this booklet to make the payment. Also, you may already have received a coupon booklet if you made estimated tax payments to the Department last year.

Regardless of which payment option you choose, please use only one method to make an installment payment (i.e. don't put an entry on line 34 and, at the same time, enclose an ES-40).

Note: An entry on this line will reduce your refund or increase your amount due.

Additional information about estimated taxes is available by requesting Income Tax Information Bulletin #3 from the Department.

Line 35 - Penalty for Underpayment of Estimated Tax

You might owe a penalty for underpayment of estimated tax if you didn't have taxes withheld from your income and/or you didn't pay enough estimated tax throughout the year.

In fact, not properly paying estimated tax is one of the most common errors made in filing Indiana tax returns.

Generally, if you owe $400 or more in state and county tax for the year that's not covered by withholding taxes, you need to be making estimated tax payments.

IC 6-3-4-4.1 (b) Info Bull #3

You might owe this penalty if:

a) the total of your timely paid estimated tax payments (plus all other credits) is not at least 90% of this year's tax due or 100%* of your tax due last year; ** **or**
b) you underpaid the minimum amount due for one or more of the installment periods.

If either of these cases apply to you, you must complete Schedule IT-2210 (or IT-2210A if your income was seasonal) to see if you owe a penalty or if you meet an exception. If you owe this penalty, attach Schedules IT-2210 or IT-2210A to your tax return and write the penalty amount on Form IT-40, line 35.

*You must have timely paid 100% of lines 15 and 16 of your 2003 IT-40. Note: If last year's **Indiana adjusted gross income** (agi) was more than $150,000 ($75,000 for married filing separately), you must pay 110% of last year's tax (instead of 100%).

**Farmers and fishermen should see the special instructions on page 33.

A word about whether to use Schedules IT-2210 or IT-2210A. Schedule IT-2210 should be used by individuals who receive income (not subject to withholding tax) on a fairly even basis through the year. This schedule will help determine whether a penalty is due, or whether an exception to the penalty has been met. Example: Jim and Sarah together received $1,000 pension income each month. Since their income is received on a fairly even basis, they'll use Schedule IT-2210 to figure their penalty or exception.

Schedule IT-2210A should be used by individuals who receive seasonal income. Example: Bill sells fireworks in June and July. He will want to figure any penalty due on Schedule IT-2210A, which may exempt him from having had to pay estimated tax on the April 15, 2003, first installment due date.

Contact the Department to get Schedules IT-2210 or IT-2210A.

Line 36 - You have a refund if line 33 is greater than the combined amounts entered on lines 34 and 35. However, if the combination of line 34 plus line 35 is *greater* than the line 33 overpayment, no refund is due. Instead, you will have an amount due. Enter the amount on line 38 and leave line 36 blank.

Please wait twelve (12) weeks before you contact the Department about your refund.

IC 6-3-4-8(h); IC 6-8.1-9-1

Note: There is a **statute of limitations** on filing refund claims. When filing your 2003 tax return, a claim for refund of excess withholding credits must be made no later than April 15, 2006. A claim for refund of all other excess payments and refundable credits must be made by April 15, 2007. (The postmark date of the filing of your return is when the claim is considered to be made.)

Line 37 - Direct Deposit

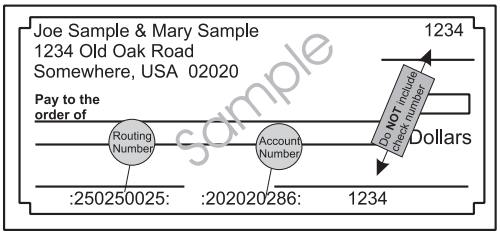
For the first time your refund may now be deposited in your Hoosier Works Master Card account. See below for instructions on how to do this.

If you want your refund directed into your checking or savings account, complete lines 37a, b and c.

a) The routing number is nine digits, with the first two digits of the number beginning with 01 through 12 or 21 through 32. Do not use a deposit slip to verify the number because it may have internal codes as part of the actual routing number. The sample check below has the routing number identified.

b) The account number can be up to 17 digits. Omit any hyphens, accents and special symbols. Enter the number from left to right and leave any unused boxes blank. The account number is identified on the sample check below.

c) Check the appropriate box for the type of account you are making your deposit to: either a checking account or savings account.



Note: The routing and account numbers may appear in different places on your checks.

If you currently have a **Hoosier Works MasterCard** and wish to have your refund directly deposited in your account, enter your 12-digit account number on line 37b, where it says "Account Number" (do not write anything on line 37a "Routing Number").

You can find your 12-digit account number in the upper right-hand corner of your account monthly statement.

Note: DO NOT use your MasterCard 16 digit number.

Make sure to check the "Hoosier Works MC" box on line 37c.

Type of Account: ☐ Checking ☐ Savings ☑ **Hoosier Works MC**

For more information on direct deposit, please see "Where's Your Refund" on page 5.

-Electronic Filing-
Fast, Easy and Accurate
See page 5 for more information

Line 38 -

- If line 36 is less than zero, you have an amount due. Enter here as a positive number and skip to line 39.

OR

- If line 29 is greater than line 30, complete the following steps:

A. Subtract line 30 from line 29 and enter the total here ..... A _____

B. Enter any amount from line 34 ..... B _____

C. Enter any amount from line 35 ..... C _____

D. Add lines A + B + C. Enter total here and on line 38 ..... D _____

IC 6-8.1-10-2.1

Line 39 - Penalty

If your tax return is filed after the April 15, 2004 due date and you have an amount due, you will probably owe a penalty. Penalty is 10% of the amount due (line 38 minus lines 34 and 35) or $5.00, whichever is greater. Exception: If you have an extension of time to file, are filing by the extended filing due date, and have prepaid at least 90% of the amount due by the April 15, 2004 due date, then no penalty is due.

IC 6-8.1-10-1

Line 40 - Interest

If your tax return is filed after the April 15, 2004 due date and you have an amount due, you will owe interest (even if you have an extension of time to file). Interest should be figured on the sum of line 38 minus lines 34 and 35. Contact the Department for the current interest rate by calling (317) 232-2240 or visit our web site at: www.in.gov/dor/resources.

Line 41 - Amount You Owe - Payment Options

There are several ways you can pay the amount you owe.

If sending a check, money order or cashiers check, make it payable to: Indiana Department of Revenue. Paperclip the payment to the bottom of the front of the return. If you don't have a paperclip, just include it loose in the envelope. **Do not** staple it to the return. **Do not** send cash.

IC 6-8.1-8-1

Note: All payments made to the Indiana Department of Revenue must be made with U.S. Funds.

You may pay the Amount You Owe on line 41 with a major credit card over the Internet or by phone. Log on to the web site at **www.in.gov/dor/epay,** or call 1-866-729-4682 toll free, and use your American Express, Discover, MasterCard, or Visa.

A convenience fee will be charged by the credit card processor based on the amount you are paying. You will be told what the fee is and you will have the option to either cancel or continue the credit card transaction.

You may also pay by the **eCheck** payment method, which uses a paperless check. This service may be used to pay the tax due with your Indiana individual income tax return, as well as any billings issued by the Indiana Department of Revenue for any tax type. Go to our web site at **www.in.gov/dor/,** select Electronic Services, and follow the step-by-step instructions to make your payment. You will receive a confirmation number and should keep this with your tax filing records. The fee for using this service is $1.00.

Note: No payment is due if you owe less than $1.00.

Returned Checks

IC 6-8.1-10-5

If your check is returned unpaid by your banking institution, you will be charged a ten percent (10%) penalty on the amount due or $5.00, whichever is greater, plus interest. The assessed amount will be due immediately upon receipt of the tax due notice and must be paid by certified check, bank draft or money order. If payment is not received timely, the penalty will be increased to the face value of the check or one hundred percent (100%) of the unpaid tax, whichever is smaller. Also, any permits and/or licenses issued by the Department may be revoked if the assessed amount is not paid immediately.

Additional Information

Out-of-State Income Information

If you and/or your spouse worked in Illinois, Kentucky, Michigan, Ohio, Pennsylvania and/or Wisconsin you must enter your salary, wage, tip and/or commission income from those states in the appropriate boxes. Note: This entry is for information purposes only, and will not change your refund amount or the amount you may owe.

Sole Proprietor

If you or your spouse filed federal Schedule C or C-EZ (profit or loss from business), mark the appropriate box(es).

IC 6-3-4-2 (a)

Deceased Individual Information

If the taxpayer and/or spouse died during 2003, and this return is being filed with his/her name on it, make sure to enter the month and day of death in the appropriate box located on the back of the IT-40. For example, a date of death of January 9, 2003, would be entered as 01/09. See instructions on page 8 for more information.

Note: If the taxpayer and/or spouse died before 2003, or after December 31, 2003, but before filing their tax return, do not enter his/her date of death in this box.

IC 6-3-4-4 (a)

Farmers and Fishermen

Farmers and fishermen have special filing considerations. If at least two-thirds (2/3) of your gross income is from farming or fishing, mark the box provided on the back of the tax return. This will make sure that a penalty for the underpayment of estimated tax is not assessed provided you have followed through by:

a) paying all your estimated tax on or by January 15, 2004, and filing your Form IT-40 by April 15, 2004, **or**

b) filing your Form IT-40 by March 1, 2004, and paying all the tax due at that time. You are not required to make an estimated tax payment if you use this option. If you pay all the tax due, you will not be penalized for failure to pay estimated tax.

Important: If you have checked the box you must attach the completed Schedule IT-2210 or IT-2210A to support your claim.

See page 31 for more information about these schedules.

Authorization Section

45 IAC 15-3-4

If someone other than you completed this tax return, you can give the Department permission to discuss your tax return with that person. Place a checkmark in the appropriate box on the back of the tax return. Also, you must enter that person's identification number in the boxes provided at the end of this section. Enter the person's social security number, federal identification number or PTIN if completed by a professional preparer. If someone other than you completed this return, and you do not want the Department to discuss your return with that person, check the "No" box.

Directly above the signature area is a question which must be answered. Specifically, you must answer either yes or no to the question: "Are you filing a federal income tax return for 2003?"

IC 6-8.1-7-1

Signature Section

If this is a joint return, both you and your spouse must sign and date the tax return. Also, give us your daytime telephone number so we can call you if we have any questions about your tax return.

If a paid preparer completed this tax return for you, he/she must complete the paid preparer's signature section. The paid preparer must provide the name and address of the firm that he/she represents. Also, the preparer must sign and date the back of the tax return and provide his/her identification number (in the area below your signature). We also ask for the daytime telephone number of the preparer if you authorize us to discuss your tax return with the preparer.

E-Mail Address

Enter your e-mail address if you would like us to be able to contact you by e-mail.

Signing the decedent's tax return

If a joint return is filed by the surviving spouse, the surviving spouse should sign his/her name and after the signature write: "Taxpayer and Surviving Spouse".

If filing a return for a deceased individual, an executor or administrator appointed for the deceased's estate must file and sign the return (even if this isn't the final return), indicating their relationship after their signature (e.g. administrator).

If an executor or administrator has not been appointed, the person filing the return should sign and give their relationship to the deceased (e.g. "John Doe, nephew").

Make sure you keep a complete copy of your return.

Please mail your tax return with all attachments to:

Indiana Department of Revenue
P.O. Box 40
Indianapolis, IN 46206-0040

Automated Taxpayer Information System
(317) 233-4018

This automated telephone system was established to answer commonly asked questions. This system is available Monday through Saturday; it updates information on Sunday. By calling from a touch-tone telephone, you may access the status of your current year individual income tax refund check, information about outstanding liabilities for individuals or businesses, and pre-recorded tax topics.

Indiana School Districts

The list below gives the school districts within each county in Indiana. If you are unable to determine your correct school district, you should contact your county auditor for assistance. Please enter your 4-digit number in the appropriate space on the front of your Indiana return.

County
District Number and Name

Adams
0015 Adams Central Comm
0025 North Adams Community
0035 South Adams Schools

Allen
0125 M.S.D. Southwest Allen Co
0225 Northwest Allen County
0235 Fort Wayne Community
0255 East Allen County
9350 Timothy L Johnson Academy

Bartholomew
0365 Bartholomew Consolidated
0370 Flatrock-Hawcreek
4215 Edinburgh Community

Benton
0395 Benton Community
5995 South Newton
8535 TriCounty

Blackford
0515 Blackford Community

Boone
0615 Western Boone County
0630 Zionsville Community Schools
0665 Lebanon Community Sch Corp
3055 Marion-Adams

Brown
0670 Brown County Sch Corp

Carroll
0750 Carroll Consolidated Sch Corp
0755 Delphi Community Sch Corp
1180 Rossville Consolidated
8565 Twin Lakes Sch Corp

Cass
0815 Southeastern Sch Corp
0875 Logansport Community
0775 Pioneer Regional Sch Corp
2650 Caston Sch Corp

Clark
0940 West Clark Community
1000 Clarksville Community
1010 Greater Clark County

Clay
1125 Clay Community Schools
2960 MSD Shakamak Schools

Clinton
1150 Clinton Central Sch Corp
1160 Clinton Prairie Sch Corp
1170 Frankfort Community
1180 Rossville Consolidated

Crawford
1300 Crawford Co. Community

Daviess
1315 Barr-Reeve Community
1375 North Daviess Comm Sch
1405 Washington Community

Dearborn
1560 Sunman-Dearborn Comm
1600 South Dearborn Comm
1620 Lawrenceburg Comm

Decatur
1655 Decatur Co Community
1730 Greensburg Community

DeKalb
1805 DeKalb County Eastern Community Sch Dist
1820 Garrett-Keyser-Butler Community
1835 DeKalb County Central United Sch Dist
7610 Hamilton Community

Delaware
1870 University Schools
1875 Delaware Community
1885 Harrison-Washington Community Sch Corp
1895 Liberty-Perry Community
1900 Cowan Comm Sch Corp
1910 Mt. Pleasant Township Community Sch Corp
1940 Daleville Community Schools
1970 Muncie Community Schools

Dubois
2040 Northeast Dubois County
2100 Southeast Dubois County
2110 Southwest Dubois County
2120 Greater Jasper Consolidated

Elkhart
2155 Fairfield Comm Schools
2260 Baugo Community Schools
2270 Concord Community Schools
2275 Middlebury Community Schools
2285 Wa-Nee Community Schools
2305 Elkhart Community Schools
2315 Goshen Community Schools

Fayette
2395 Fayette County Sch Corp

Floyd
2400 New Albany-Floyd County Consolidated Sch Corp
9320 Community Montessori Inc

Fountain
2435 Attica Consolidated Sch Corp
2440 Covington Community
2455 Southeast Fountain

Franklin
2475 Franklin Co Community
6895 Batesville Community
7950 Union County

Fulton
2645 Rochester Community
2650 Caston Sch Corp
4445 Tippecanoe Valley
5455 Culver Community

Gibson
2725 East Gibson Sch Corp
2735 North Gibson Sch Corp
2765 South Gibson Sch Corp

Grant
2815 Eastbrook Community
2825 Madison-Grant United
2855 Mississinewa Community
2865 Marion Community
5625 Oak Hill United

Greene
2920 Bloomfield School District
2940 Eastern School District
2950 Linton-Stockton Sch Corp
2960 MSD Shakamak Schools
2980 White River Valley School District

Hamilton
3005 Hamilton Southeastern
3025 Hamilton Heights Sch Corp
3030 Westfield-Washington Schools
3055 Marion-Adams Schools
3060 Carmel Clay Schools
3070 Noblesville Schools
9325 Options Charter School

Hancock
3115 Southern Hancock Co Community Sch Corp
3125 Greenfield Central Comm
3135 Mt Vernon Community
3145 Eastern Hancock County Community Sch Corp

Harrison
3160 Lanesville Community
3180 North Harrison Comm
3190 South Harrison Comm
1300 Crawford Co Community

Hendricks
3295 North West Hendricks
3305 Brownsburg Community
3315 Avon Community Sch Corp
3325 Danville Community
3330 Plainfield Community
3335 Mill Creek Community

Henry
3405 Blue River Valley Schools
3415 South Henry Sch Corp
3435 Shenandoah School Corp
3445 New Castle Community
3455 C A Beard Memorial Sch Corp
6795 Union Sch Corp
8305 Nettle Creek Sch Corp

Howard
3460 Taylor Community
3470 Northwestern Sch Corp
3480 Eastern Howard Comm
3490 Western Sch Corp
3500 Kokomo-Center Township Consolidated

Huntington
3625 Huntington Co Comm

Jackson
3640 Medora Community
3675 Seymour Community
3695 Brownstown Central Comm
3710 Crothersville Community

Jasper
3785 Kankakee Valley
3815 Rensselaer Central
6630 West Central Sch Corp
8535 Tri-County Sch Corp

Jay
3945 Jay Sch Corp

Jefferson
3995 Madison Consolidated
4000 Southwestern Jefferson Consolidated

Jennings
4015 Jennings County Schools

Johnson
4145 Clark-Pleasant Comm
4205 Center Grove Community
4215 Edinburgh Community
4225 Franklin Community
4245 Greenwood Community
4255 Nineveh-Hensley-Jackson United

Knox
4315 North Knox Sch Corp
4325 South Knox Sch Corp
4335 Vincennes Community

Kosciusko
4345 Wawasee Community
4415 Warsaw Community
4445 Tippecanoe Valley
4455 Whitko Community
2285 Wa-Nee Community
5495 Triton Sch Corp

LaGrange
4515 Prairie Heights Comm
4525 Westview Sch Corp
4535 Lakeland Sch Corp

Lake
4580 Hanover Community
4590 River Forest Community
4600 Merrillville Comm Schls
4615 Lake Central Sch Corp
4645 Tri Creek Sch Corp
4650 Lake Ridge Schools
4660 Crown Point Community
4670 School City of East Chicago
4680 Lake Station Community
4690 Gary Community Sch Corp
4700 Griffith Public Schools
4710 School City of Hammond
4720 School Town of Highland
4730 School City of Hobart
4740 School Town of Munster
4760 Whiting School City
9300 Campagna Academy Charter School

Indiana School Districts Cont'd...

County
District Number and Name

LaPorte
4770 Cass Township Schools
4790 Dewey Township Schools
4805 New Prairie United Sch Corp
4860 MSD New Durham Twp
4880 Prairie Township Schools
4925 Michigan City Area Schools
4940 South Central Community
4945 LaPorte Community
7150 John Glenn Sch Corp

Lawrence
5075 North Lawrence Comm
5085 Mitchell Community

Madison
5245 Frankton-Lapel Comm
5255 South Madison Comm
5265 Alexandria Community
5275 Anderson Community
5280 Elwood Community
2825 Madison-Grant United

Marion
5300 MSD Decatur Township
5310 Franklin Township Comm
5330 MSD Lawrence Township
5340 MSD Perry Township
5350 MSD Pike Township
5360 MSD Warren Township
5370 MSD Washington Township
5375 MSD Wayne Township
5380 Beech Grove City Schools
5385 Indianapolis Public Schools
5400 Sch Town of Speedway
9330 Irvington Comm School
9370 21st Century Charter School
9380 Christel House Academy
9390 Flanner House Elem School
9395 The Imani School for Excellence

Marshall
5455 Culver Community
5470 Argos Community Schools
5480 Bremen Public Schools
5485 Plymouth Community
5495 Triton Sch Corp
7150 John Glenn Sch Corp
7215 Union-North United

Martin
5520 Shoals Community
5525 Loogootee Community

Miami
5615 Maconaquah Sch Corp
5620 North Miami Consolidated
5625 Oak Hill United Sch Corp
5635 Peru Community Schools

Monroe
5705 Richland-Bean Blossom Community Sch Corp
5740 Monroe Co Community

Montgomery
5835 North Montgomery Comm
5845 South Montgomery Comm
5855 Crawfordsville Comm Schools

Morgan
5900 Monroe-Gregg Sch Corp
5910 Eminence Consolidated Comm Sch Corp
5925 MSD Martinsville Sch Corp
5930 Mooresville Con Sch Corp
4255 Nineveh-Hensley-Jackson United

Newton
5945 North Newton Sch Corp
5995 South Newton Sch Corp

Noble
6055 Central Noble Community
6060 East Noble Sch Corp
6065 West Noble Sch Corp
4535 Lakeland Sch Corp
8625 Smith-Green Comm Sch

Ohio
6080 Rising Sun-Ohio County Community

Orange
6145 Orleans Community Schools
6155 Paoli Community Sch Corp
6160 Springs Valley Comm

Owen
6195 Spencer-Owen Comm
6750 Cloverdale Community

Parke
6260 Southwest Parke Comm
6300 Rockville Community
6310 Turkey Run Community
1125 Clay Community Schools

Perry
6325 Perry Central Community
6340 Cannelton City Schools
6350 Tell City-Troy Township

Pike
6445 Pike County Sch Corp

Porter
6460 MSD Boone Township
6470 Duneland Sch Corp
6510 East Porter County
6520 Porter Township
6530 Union Township
6550 Portage Township Schools
6560 Valparaiso Community
4925 Michigan City Area

Posey
6590 MSD Mount Vernon
6600 MSD North Posey Co
6610 New Harmony Town and Township Con Sch

Pulaski
6620 Eastern Pulaski Comm
6630 West Central Sch Corp
5455 Culver Community
7515 North Judson-San Pierre

Putnam
6705 South Putnam Community
6715 North Putnam Community
6750 Cloverdale Community
6755 Greencastle Community

Randolph
6795 Union Sch Corp
6805 Randolph Southern
6820 Monroe Central
6825 Randolph Central
6835 Randolph Eastern

Ripley
6865 South Ripley Community
6895 Batesville Community
6900 Jac-Cen-Del Community
6910 Milan Community Schools
1560 Sunman-Dearborn Comm

Rush
6995 Rush County Schools
3455 C A Beard Memorial Sch Corp

St. Joseph
7150 John Glenn Sch Corp
7175 Penn-Harris-Madison
7200 Sch City of Mishawaka
7205 South Bend Community
7215 Union-North United Sch Dist
4805 New Prairie United Sch Corp
9360 Veritas Academy

Scott
7230 Scott Co Sch District No. 1
7255 Scott Co Sch District No. 2

Shelby
7285 Shelby Eastern Schools
7350 Northwestern Consolidated
7360 Southwestern Consolidated
7365 Shelbyville Central Schools
1655 Decatur Co Community

Spencer
7385 North Spencer County
7445 South Spencer County

Starke
7495 Oregon-Davis Sch Corp
7515 North Judson-San Pierre
7525 Knox Community Sch Corp
5455 Culver Community

Steuben
7605 Fremont Community Schools
7610 Hamilton Community Schools
7615 MSD Steuben County
1835 DeKalb County Central United Sch Dist
4515 Prairie Heights Comm

Sullivan
7645 Northeast Sch Corp
7715 Southwest Sch Corp

Switzerland
7775 Switzerland County

Tippecanoe
7855 Lafayette Sch Corp
7865 Tippecanoe Sch Corp
7875 West Lafayette Comm
0395 Benton Community
9340 New Community School

Tipton
7935 Northern Community Sch Tipton Co
7945 Tipton Community Sch Corp

Union
7950 Union County

Vanderburgh
7995 Evansville-Vanderburgh
9315 Signature Learning Center Inc

Vermillion
8010 North Vermillion Comm
8020 South Vermillion Comm

Vigo
8030 Vigo County Sch Corp

Wabash
8045 Manchester Community Schls
8050 MSD Wabash County
8060 Wabash City Schools

Warren
8115 MSD Warren County
0395 Benton Community Sch Corp
2440 Covington Community

Warrick
8130 Warrick County Sch Corp

Washington
8205 Salem Community Schools
8215 East Washington Sch Corp
8220 West Washington Sch Corp

Wayne
8305 Nettle Creek Sch Corp
8355 Western Wayne Schools
8360 Centerville-Abington Community Schools
8375 Northeastern Wayne
8385 Richmond Community

Wells
8425 Southern Wells Comm
8435 Northern Wells Comm
8445 MSD Bluffton-Harrison

White
8515 North White Sch Corp
8525 Frontier Sch Corp
8535 Tri-County School Corp
8565 Twin Lakes Sch Corp
0775 Pioneer Regional Sch Corp

Whitley
8625 Smith-Green Comm Schls
8665 Whitley Co. Con Schools
4455 Whitko Community Sch Corp

Form IT-9
State Form 21006
8/03

2003 Application for Automatic Extension of Time to File Indiana Form IT-40 or Form IT-40PNR

Do Not Mail if no payment is due (see ***Important*** under line 12 instructions)

Note: Form IT-9 is an automatic extension of time to file until June 15, 2004.
This IS NOT an extension of time to pay any state and/or county taxes due.

The purpose of Form IT-9: The Form IT-9 will allow you an automatic 60 day extension for filing your Form IT-40, Indiana Individual Income Tax Return, or the Form IT-40PNR, Indiana Part-Year Nonresident Individual Income Tax Return.

Who should file Form IT-9: You should file this form and pay your tax if you can't file your income tax return (IT-40 or IT-40PNR) by the April 15, 2004, due date and you expect to owe additional tax.

Penalty and Interest: Indiana will accept the federal extension date, plus allow an additional 30 days. However, you must still pay 90% of your Indiana taxes by April 15, 2004. If you don't, the extension is not valid and both penalty and interest will be charged on the balance due. **Note:** Interest is due on any amount not paid by the April 15, 2004, due date.

How to File: Complete the worksheet below to figure how much you will need to pay.

IC 6-8.1-6-1
Info Bull #18, 27)

Worksheet to figure your extension payment (see instructions below)

1. 2003 Income: enter the total estimated or actual 2003 Indiana income, less Indiana deductions			1
2. Exemptions (see instructions below)			2
3. State taxable income: line 1 minus line 2			3
4. State adjusted gross income tax: line 3 x .034			4
5. County income tax: line 3 x county income tax rate from the chart on page 21			5
6. Total tax: add lines 4 and 5 and enter result here		**Tax** ▶	6
7. Subtotal: multiply line 6 by 90% (.90) and enter result here		**90% of Tax** ▶	7
8. State and county income tax withheld (see instructions)	8		
9. 2003 estimated income tax payments (see instructions)	9		
10. Other credits: (see instructions)	10		
11. Total credits: add lines 8, 9, and 10 and enter result here		**Credits** ▶	11
12. Minimum required extension payment: line 7 minus line 11 (enter zero if less than zero)		**Payment Amt.** ▶	12

Line 1: 2003 Income - Enter your total actual or estimated income for 2003. If filing a joint return, include your spouse's income.

Line 2: Exemptions - Use the number of exemptions from your federal tax return (if you did not complete a federal return, you are allowed an exemption for yourself and each of your dependents). Multiply this number by $1,000. You also may be eligible to claim certain children as additional exemptions ($1,500 for each qualifying child). See page 16 of the 2003 Indiana Full-Year Resident Individual Income Tax Booklet for more information.

Lines 8, 9 and 10: Enter the amount of Indiana state tax and county income tax withheld as shown on your W-2's; your total estimated income tax payments paid to the Department for the 2003 tax year; and other credits, which may include the College Credit, the Unified Tax Credit for the Elderly, etc.

Line 12: Payment amount - Subtract line 11 from line 7 and enter here. Pay this amount with Form IT-9, Extension Payment Voucher, on or before April 15, 2004. Enclose your check or money order made out to the *Indiana Department of Revenue*. Write your social security number on the check or money order. Note: All payments must be made with U.S. funds.

Also, you may pay by using American Express, Discover, MasterCard, or Visa over the Internet at www.in.gov/dor/epay, or call 1-866-729-4682 (toll free). A convenience fee will be charged by the credit card processor based on the amount you are paying. You will be told what the fee is and you will have the option to either cancel or continue the credit card transaction. **Note: Do not** mail the voucher (below) if paying by credit card.

Important: If line 12 shows no balance due, **do not file** this form unless you will be claiming the Unified Tax Credit for the Elderly after June 30, 2004.

Your extension payment must be claimed as a credit on line 23 of the IT-40 or line 20 of the IT-40PNR.

Military personnel in a presidentially declared combat zone should see instructions on page 9 of the Form IT-40 booklet for special filing instructions.

Form IT-9
State Form 21006
8/03

Indiana Department of Revenue
Extension Payment Voucher for Tax Year 2003
Due Date: April 15, 2004

Do Not Mail if no payment is due

Social Security Number | First Name | M.I. | Last Name

Spouse's Social Security Number | First Name | M.I. | Last Name

Period Ending: December 31, 2003 **Due Date: April 15, 2004**

Street Address

City | State | Zip Code

$

Send To: Indiana Dept. of Revenue
P.O. Box 6117
Indianapolis, IN 46206-6117

FORM
ES-40
State Form 46005
8-03

Indiana Department Of Revenue
2004 Estimated Tax Payment Return

IC 6-3-4-4.1 (a)
Info Bull #3

If you expect to have income during the 2004 tax year that:

- won't have Indiana income taxes withheld, or
- if you think the amount withheld won't be enough to pay your tax liability, and
- you expect to owe more than $400 when you file your tax return,

then you should pay estimated tax. Use the worksheet below to see how much you'll owe.

Estimated Income Tax Worksheet

A. Total estimated Indiana income for 2004, less Indiana deductions	A	
B. Total exemptions: see page 16 of instruction booklet	B	
C. Amount subject to Indiana income tax (line A minus line B)	C	
D. Amount of state income tax due (line C x .034)	D	
E. Amount of county income tax due(line C x your county tax rate from page 21)	E	
F. Total estimated income tax for 2004 (line D + line E)	F	
G. a) Estimated **State** and **County** income tax withheld _____ b) Total of other credits _____ a + b	G	
H. Amount Due (line F minus line G)	H	
I. Each installment amount for 2004 (line H divided by 4)	I	

If you don't want to make your first installment estimated payment for 2004 on your IT-40 or IT-40PNR income tax return, you can use the Form ES-40 at the bottom of this page to make the payment. Due dates for all four installments are shown on the form. We suggest that first time estimated income taxpayers make a copy of the blank form. This is in case the vouchers that are automatically issued (after we receive your first payment) don't get to you by the next payment's due date. For more information about estimated income tax, contact the Department to get Income Tax Information Bulletin #3.

Pay the amount from line I on or before the installment due date. Enclose your check or money order made payable to the Indiana Department of Revenue. Write your social security number on the check or money order. Note: All payments must be made with U.S. Funds.

Also, you may pay by using American Express, Discover, MasterCard, or Visa over the Internet at **www.in.gov/dor/epay**, or call 1-866-729-4682 (toll free). A convenience fee will be charged by the credit card processor based on the amount you are paying. You will be told what the fee is and you will have the option to either cancel or continue the credit card transaction.

Note: Do Not mail Form ES-40 if paying by credit card.

Cut Along The Dotted Line

FORM
ES-40
State Form 46005
8-03

Indiana Department Of Revenue
2004 Estimated Tax Payment Return

Social Security Number | First Name | M.I. | Last Name

Spouse's Social Security Number | First Name | M.I. | Last Name

Street Address

City | State | Zip Code

$

Send To: Indiana Dept. of Revenue
P.O. Box 6102
Indianapolis, IN 46206-6102

Check the box to show which payment you are making:

- ❑ **1st** Installment Payment Due April 15, 2004
- ❑ **2nd** Installment Payment Due June 15, 2004
- ❑ **3rd** Installment Payment Due September 15, 2004
- ❑ **4th** Installment Payment Due January 18, 2005

Indiana Department of Revenue
District Offices

★ **Indianapolis (Main Office)**
Indiana Government Center North,
Rm N105
100 N. Senate Avenue
Indianapolis, IN 46204
(317) 232-2240

1 **Bloomington District Office**
410 Landmark Ave.
Bloomington, IN 47403
(812) 339-1119

2 **Clarksville District Office**
1446 Horn Street
Clarksville, IN 47129
(812) 282-7729

Mailing address: P.O. Box 3249
Clarksville, IN 47131-3249

3 **Columbus District Office**
3138 N. National Rd.
Columbus, IN 47201
(812) 376-3049

4 **Evansville District Office**
500 S. Green River Road
Suite 202, Goodwill Building
Evansville, IN 47715
(812) 479-9261

5 **Fort Wayne District Office**
1415 Magnavox Way, Suite 100
Fort Wayne, IN 46804-1553
(260) 436-5663

6 **Kokomo District Office**
117 East Superior Street
Kokomo, IN 46901
(765) 457-0525

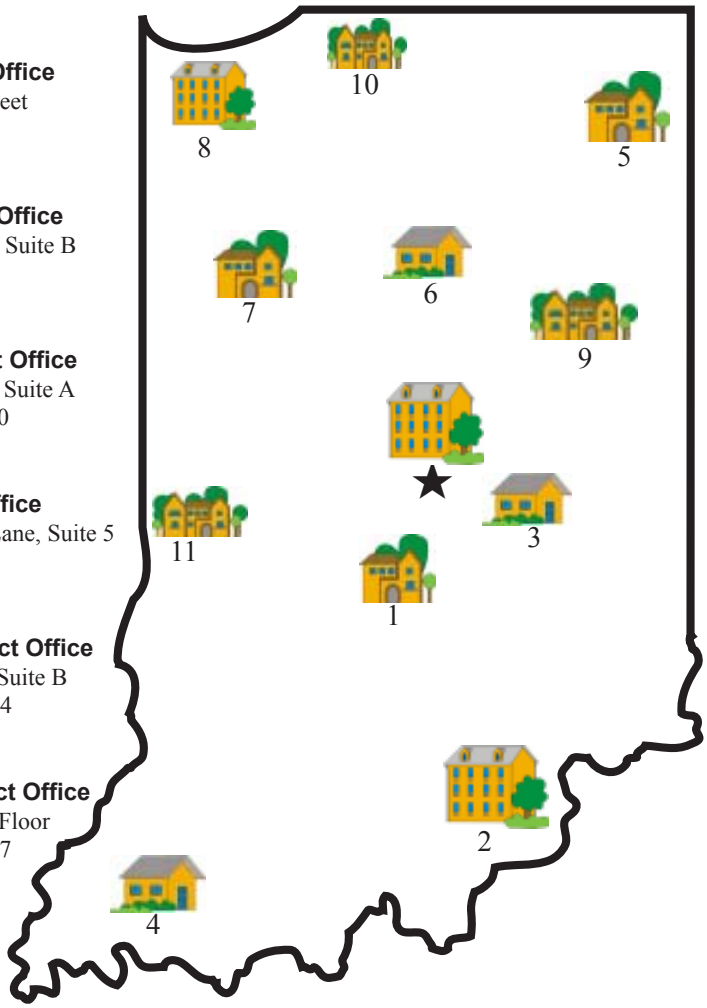
7 **Lafayette District Office**
100 Executive Drive, Suite B
Lafayette, IN 47905
(765) 448-6626

8 **Merrillville District Office**
8368 Louisiana Ave., Suite A
Merrillville, IN 46410
(219) 769-4267

9 **Muncie District Office**
3640 N. Briarwood Lane, Suite 5
Muncie, IN 47304
(765) 289-6196

10 **South Bend District Office**
1025 Widener Lane, Suite B
South Bend, IN 46614
(574) 291-8270

11 **Terre Haute District Office**
30 N. 8th Street, 3rd Floor
Terre Haute, IN 47807
(812) 235-6046



Address and/or telephone numbers are subject to change. Check your local listings.

Additional Code Cites

Billings/Payments/Penalties

IC 6-8.1-5-1	Notice of Assessment; 60 days to pay; protest; hearing, lof, etc.
IC 6-8.1-5-2	Time limit on issuing bills (a) within 3 years after return filed/tax paid (b) within 6 years if more than 25% underreported (c) if return fraudulent, unsigned or substantially blank, no limit
IC 6-8.1-8-1.5	Partial payment application; first to penalty, then to interest, then to tax liability.
IC 6-8.1-10-4	Failure to file (100%) (fraud)
IC 6-8.1-10-5	Bad check penalty (100%)
IC 6-8.1-10-6	Failure to file information return penalty ($10 each)
IC 6-8.1-10-7	Maximum & Minimum penalties

Withholding

IC 6-3-4-8 (e)	Employer to provide W-2 by Jan 30
IC 6-3-4-8.2	Withholding from winnings
IC 6-3-4-15.7	Annuity, pension, retirement or other deferred comp plans
IC 6-3-4-8(l)	EIC Advance Payment (withholding)
IC 6-3-4-8.2 (b)	Riverboat Slots/Keno withholding
IC 6-3-4-8.2 (c)	Hoosier Lottery withholding

County Tax

IC 6-3.5-7-5(c)	County tax rate ceiling (with Jackson & Pulaski County exceptions)

Miscellaneous

IC 6-8.1-1-1	Listed taxes
IC 6-8.1-3-4	Department to furnish forms
IC 6-8.1-3-6	Department keeps returns 3 years
IC 6-8.1-5-3	POR Notice of Assessment, 10 day demand notice waived.
IC 6-8.1-5-4	TP must keep returns/records and allow Department to review them
IC 6-3-4-6	Request federal return
IC 6-8.-1-7	Disclosure
IC 6-8.1-9.5-13	Disclosure to claimant agency
IC 6-8.1-9-2	Interest on refunds
IC 6-8.1-10-6	Failure to file information return
IC 6-3-2-2.7	Taxation of Nonresident Professional Athletes ...also, Income Tax Info Bull #88
IC 6-3.5-8	Municipal Option Income Tax (MOIT) in Lake County: No municipalities adopted tax at press time

Produced by the
Public Affairs Section
October 2003

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Indiana Department of Revenue
100 North Senate Avenue
Indianapolis, IN 46204-2253

2003 IT-40

This booklet contains:

- **Form IT-40 and Instructions**
- Schedules 1 and 2, Deductions and Credits
- Schedule CT-40, County Tax
- Schedule IN-EIC, Earned Income Credit
- Form ES-40, Estimated Tax Payment Voucher
- Form IT-9, Extension of Time to File
- Envelope for IT-40

Contributions to the Indiana Nongame Wildlife Fund

Donations to the Nongame Wildlife Fund assist the Indiana Department of Natural Resources to manage and protect over 550 nongame and endangered wildlife species. Your contributions to the Fund have brought ospreys and bald eagles back to our skies and river otters to our waters.

These reintroduction programs as well as many other restoration, management, and educational projects implemented by the Wildlife Diversity Program rely on donations from individuals like yourself. The Program is funded almost exclusively by donations to the Indiana State income tax check-off and direct donations.

If you would like to make a donation to the Fund, you may donate all or a portion of your tax refund on Line 32 of the IT-40. To make a direct donation, you can also complete the form below and mail it with a check or money order made payable to the Fund to: Nongame Wildlife Fund, Division of Fish and Wildlife, W-273, 402 West Washington St., Indianapolis, IN 46204.

You can learn more about Indiana's Nongame Wildlife Program at: **www.wildlife.in.gov/**

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