October 1, 2016

The Honorable Mike Pence
Governor, State of Indiana
State House, Room 206
Indianapolis, Indiana 46204

Dear Governor Pence:

I’m proud to forward the annual report of the Indiana Department of Revenue for Fiscal Year 2016 (July 1, 2015 – June 30, 2016), hereinafter referred to as FY 2016, as required by Indiana law (IC 6-8-1-14).

During FY 2016, the department updated its mission, vision, and strategic priorities. The department focused on themes such as modernization, business process development, service, security, and financial controls.

The department’s mission is to collect tax revenues and administer tax laws in a fair, secure, and efficient manner and provide accurate and timely funding and services to Indiana citizens and other constituents.

This updated mission statement leads with the collection of tax revenues, which is the department’s primary purpose, and incorporates a focus on security, which signifies the importance the department places on security and confidentiality.
The department’s vision is to continuously innovate to increase accuracy, efficiency, and productivity in all areas of tax administration.

This vision focuses on three essential elements that should be pervasive in everything the department does: accuracy, efficiency, and productivity.

The department recommitted to its four strategic priorities (FACT) and added a fifth priority to focus on service.

- **Filing simplification** to minimize regulatory burden for all taxpayers and encourage economic growth
- **Accuracy and reliability** of collecting, filing, and reporting tax revenues
- **Compliance improvement** to effectively administer tax laws and create a level playing field for taxpayers
- **Team development** to ensure sustained success
- **Service to constituents** is relevant, clear, and provided in a secure and timely manner

The addition of the service strategic priority reminds the department to remain taxpayer-focused and to continue to work toward the highest levels of taxpayer satisfaction.

**KPIs**
The department continued to perform well as measured by all Key Performance Indicators (KPIs):

- Revenue per $1 of cost for the year was $232 – a decrease from the prior year ($241) but still above the minimum KPI standard ($230)
- 91.0% of telephone calls were handled successfully during the year – an impressive 5.1% increase from the prior year and well above the KPI standard (80%)
- $251 million in delinquent tax collections significantly exceeded the KPI standard ($165 million)

**Tax Amnesty 2015**
House Enrolled Act 1001-2015 required the department to conduct an eight-week tax amnesty program ending prior to Jan. 1, 2017. This would be the state’s second tax amnesty program. Tax Amnesty 2015 was a limited time opportunity for taxpayers to pay past-due base taxes, from periods ending prior to Jan. 1, 2013, free of penalty, interest, and collection fees. The department collected more than $188 million and served more than 77,000 taxpayers during Tax Amnesty 2015 while maintaining normal operations and continuing to serve all Hoosier taxpayers.

**Deloitte Audit Report**
Almost 90% of the recommendations in the Deloitte & Touche Audit conducted in FY 2013 have been implemented and successfully addressed. The remaining findings require further implementation of a modernized Integrated Tax System (ITS).
**Integrated Tax System Study**

Though the department has worked continuously to modernize our tax application systems, the underlying central repository (Returns Processing System or RPS) is more than 25 years old. A modernized Integrated Tax System (ITS) will strengthen internal controls and reduce risk to the state; improve taxpayer experience; further enhance operational effectiveness and efficiency, and result in the department’s ability to generate additional tax revenue receipts through improved taxpayer compliance.

The department began conducting an ITS study in the fall of 2015 to assess our current tax systems and related processes and to chart the roadmap for implementation of an ITS. As part of the four-phase ITS study, the department will develop a long-term vision with regards to customer service, compliance, operations, finance, technology, information management, organizational structure, and policy. Phase One of the study focused on the current state of the department while Phase Two identified the gap between that current state and the desired future state. A framework will be developed to define the department’s future state requirements and to identify areas where people, process, and technology merge to deliver an integrated set of services or activities. Phase Three will determine the actions necessary to close those gaps, and Phase Four will provide the roadmap necessary to move forward.

**Electronic Filing**

The department continued to focus on transitioning business and individual taxpayers to filing and paying electronically. Eighty-five percent of individual taxes are filed and paid electronically. Enhancement of our business trust tax platform, INtax, continues. During the fiscal year, INtax underwent a significant upgrade to introduce a new look and feel and enhanced features. By the end of FY 2016, more than 96 percent of business trust taxes were reported and paid electronically through INtax. In addition, electronic filing for partnerships was offered in 2016 for 2015 taxes. The department offered its first electronic filing option for corporate income taxes (sub-chapter S corporations) in 2015 for 2014 taxes. With the availability of electronic filing for these two forms, more than 60 percent of all corporate forms are now filed electronically.

**Enhancing Systems**

FY 2016 also saw continued enhancements to the department’s technology platforms to achieve efficiencies and reduce operational and security risks. Development of INBiz, the state’s one-stop resource for registering a business, continued in cooperation with the Secretary of State and the Department of Workforce Development.

**Identity Protection**

In FY 2016, the department continued to increase the security features of its Identity Protection Program, which protects Hoosier taxpayers from identity theft and refund fraud via tax returns and the state from issuing fraudulent refunds to criminals. As of Sept. 9, the department identified and stopped more than $5 million in attempted identity theft and tax refund fraud. The success of the Identity Protection Program is not only in stopping fraud but in deterring it. As such, Indiana expects to continue to experience less fraud in future years.
Outreach
During the fiscal year, the department increased outreach efforts to conduct taxpayer education and information programs throughout the state. Sixty-one free workshops and seminars were provided to Hoosier businesses, organizations, and taxpayers on a variety of tax topics. In addition, the department conducted an additional 64 presentations to promote and explain the Tax Amnesty 2015 program.

Customer Interaction
During the traditional individual tax filing season, our customer interaction center made more than 250 tax analysts available to respond to taxpayer questions and concerns via in-person visits, letters, emails, and telephone calls. More than 120,000 calls (an average of 1,100 per day) pertaining to individual income tax or identity protection were handled successfully.

During FY 2016, the department received 268,620 more calls than the previous year – a 28% increase in call volume. The department not only received more calls; we successfully answered a higher percentage of total calls.

In addition, since Nov. 2015, the department has offered a virtual hold callback feature for business tax and collections inbound calls. This feature allows taxpayers to request a callback rather than wait on hold. The taxpayer’s position in the queue remains, and the taxpayer may schedule an appointment for a representative to call back up to seven days in the future. Since its inception, the feature has saved more than 450,000 minutes of taxpayer time and 92 percent of callbacks successfully reconnect with the taxpayer.

Collections
During the past three years, the department has collected almost $700 million in delinquent tax obligations. (This does not include the $188 million collected as part of the Tax Amnesty 2015 program.)

The department continues to pursue civil and criminal actions against noncompliant taxpayers. Department referrals to the Office of the Attorney General and prosecutors throughout the state have resulted in numerous arrests and convictions.

The achievements outlined in the report reflect the department’s continued commitment to improve performance and enhance services to Hoosier taxpayers. Future success will be measured by exceptional customer service, effective administration and collection of tax revenues, protection of Hoosier identities and tax revenues, and the development of a replacement for our aging revenue tax processing system.

As Indiana celebrates its Bicentennial and looks towards its third century, we thank you for the leadership and support you continue to provide. We are grateful for the privilege of serving Hoosier taxpayers and our great state of Indiana.

Commissioner Andrew J. Kossack
# Table of Contents

## PART ONE
- Department Highlights ................................................................. 8
- Organizational Structure ................................................................. 9
- Department Leadership ................................................................. 10

## PART TWO
- Operations .................................................................................. 16
- Compliance .................................................................................. 25
- Business Support ......................................................................... 32
- Legal and Policy ............................................................................ 40

## PART THREE
- Revenue Summary ......................................................................... 45
- Indiana Tax Receipts ..................................................................... 46
- Indiana Tax Descriptions .............................................................. 48

## PART FOUR
- Audit Division Statistical Study ..................................................... 53
- Audit Exhibits ............................................................................... 56
- Areas of Recurring Taxpayer Noncompliance ................................. 72

## PART FIVE
- Taxpayer Bills of Rights ................................................................. 75
- Legislative Changes ....................................................................... 76
- Tax Help ....................................................................................... 93
This initial section reviews the Indiana Department of Revenue’s mission, strategies, department highlights, organization, and leadership.
The mission of the Indiana Department of Revenue (the department) is to collect tax revenues and administer tax laws in a fair, secure, and efficient manner and provide accurate and timely funding and services to Indiana citizens and other constituents.

The department’s vision is to continuously innovate to increase accuracy, efficiency, and productivity in all areas of tax administration.

During FY 2016, the department served more than 4.3 million individual taxpayers and more than 225,000 business taxpayers, collecting more than $18 billion in revenue for the state of Indiana. These taxes included individual and corporate income taxes, sales taxes, state and county payroll withholding taxes, and more than 40 specialized taxes. The department’s stakeholders include individual and business taxpayers; legislators; counties and municipalities; other state agencies; more than 2,000 tax practitioners; and more than 25 interest groups (chambers, associations, etc.).

In 1933, a gross income tax was put into place for all Indiana taxpayers for the first time. This new tax caused political debate and controversy. The Gross Income Tax Division was created to manage the tax responsibilities. At the time, the division served about 500,000 taxpayers.

By 1937, gross income tax was considered largely responsible for the state’s $24 million surplus.

The division became the Department of Revenue on February 18, 1947.

The department handled more than 1,116,000 calls, a 35.5% increase from the prior year. This represented a CALL SUCCESS RATE OF 91.0%, above the superior KPI target of 85%.

The department collected $251 million in delinquent tax payments, a decrease of $19 million from last year but still above the KPI target. This does not include the $188 million in delinquent tax payments collected as part of Tax Amnesty 2015.

The department collected $18.2 billion in revenue and expended $79 million in operating and capital dollars, or $232 collected per $1 spent. This is a decrease from the prior year but above the minimum KPI standard of $230.
Andrew Kossack

Andrew Kossack joined the department in 2015 as Chief of Staff and Assistant General Counsel. Kossack was appointed commissioner effective July 17, 2015. Kossack brought strong legal and state government experience to the department having previously served as general counsel and policy director for the Indiana Office of Management and Budget (OMB) and education and workforce policy director in the Office of Indiana Governor Mike Pence. He also served as deputy policy director with the Foundation for Excellence in Education, Inc. Kossack earned his bachelor's degree from Butler University and his J.D. from the Indiana University Robert H. McKinney School of Law.

Robert Dittmer

Robert Dittmer has more than 40 years of experience in public relations, marketing, and management. Dittmer joined the department as director of public relations in 2011. In addition, he served as the director of media relations for both a U.S. government organization with responsibilities for all of Europe, as well as for NATO with responsibilities for public information management worldwide. Dittmer has experience in public relations and advertising agencies, working with clients in both business-to-business and business-to-consumer arenas. He holds a bachelor's degree in communication from John Carroll University, a master's degree in communication from Marshall University, and accreditation from the Public Relations Society of America (PRSA).

Jim Poe

Jim Poe came to the department in 1976. Prior to taking on the responsibility of deputy commissioner of Special Tax and Support Administration, Poe served as the administrator of the department’s Motor Carrier Services Division. In February 2006, he was honored with one of the first Governor’s Public Service Achievement Awards by former governor Mitch Daniels. Poe holds a bachelor's degree in business from Indiana State University.
Ron Broughton has a background in public accounting, spending nine years with PriceWaterhouseCoopers. He also has broad experience in corporate finance, treasury, and executive management at Hurco, Conseco, and One America. His past positions at various businesses have paved a way to his successes. Immediately prior to joining the department, Broughton served as part of the senior leadership team with Metropolitan Indianapolis Public Broadcasting (WFYI). Broughton graduated from Indiana University with a bachelor's degree in business with an emphasis on accounting.

Milton Cuevas leads the Collections Division, which is responsible for the collection of all delinquent taxes for the state. Cuevas, who joined the department in 2012, previously served as deputy director of compliance. Before his post at the department, Cuevas spent several years in the chemical industry at ICOR International, Inc., holding positions including controller, chief financial officer, chief operating officer, and vice president. He also has private consulting group experience and was an auditor and assistant vice president for MetroBank in Indiana. Cuevas holds a bachelor's degree in accounting from the University of Mississippi.

Patrick Price joined the department in 2015 with a variety of career experience. After graduating from Yale Law, Price worked for two federal judges and was a prosecutor. He then worked at Barnes and Thornburg for more than six years, where he focused on employment law and complex litigation. More recently, Price served as general counsel for both the Bureau of Motor Vehicles and the Indiana Office of Technology. In addition to his law degree, he holds a bachelor's degree from Indiana University.
Asheesh Agarwal brings legal and policy experience to the department, having been engaged in private sector practice and counsel with federal agencies in Washington, D.C., and involved in policy formulation at the state level. He earned his bachelor’s degree from Northwestern University and his J.D. from the University of Chicago Law School.

Doug Klitzke has been with the department since 2000, starting as a hearing officer in the Legal Division. Before obtaining a degree from the Valparaiso School of Law in 1998, Klitzke served as principal and teacher at an elementary and junior high school in Iron Ridge, Wisconsin. While in law school, he served as associate editor of the Valparaiso University Law Review and participated in the Cambridge University Summer Law program.

Beverly Bridget has been responsible for serving as a strategic partner with the executive team and managing HR since 2007. Prior to joining the department, she worked at Methodist Medical Group for more than 13 years as the HR manager and HR director. Before entering the field of human resources, Bridget spent 13 years in the accounting/tax department of American States Insurance Company. Bridget is a member of Human Resources Association of Central Indiana (HRACI), Society for Human Resources Management (SHRM), and World at Work. She graduated from Indiana University with a bachelor’s degree in human resources management and business management.
Kevin Gulley brings more than 20 years of experience in information technology, operations, and management experience in both public and private sector organizations. Prior to joining the department, Gulley served as the vice president of health and corporate systems at Conseco Insurance companies. His experience also includes various management positions with Anthem Insurance Companies, including director of information management and actuarial systems. Gulley earned his bachelor’s degree in business from Indiana University and holds an MBA degree from Butler University.

Valerie Hunt is a CPA with nearly 20 years of experience in finance and accounting in both industry and public accounting. She was promoted from the agency’s deputy controller of budget and accounting operations in December 2013. Before joining the department, Hunt held various leadership positions in a wide breadth of companies, most notably, Rolls Royce, Guidant, and PricewaterhouseCoopers LLP. She earned her bachelor’s degree in accounting and MBA in finance from Indiana University’s Kelley School of Business.

Tammy Jones has been with the department for 27 years. She previously served as a tax analyst and supervisor for the Taxpayer Advocate Office. Jones started her career in the department’s Collection Division before moving to the Bankruptcy Division and working in the Legal Division.
AMANDA STANLEY joined the department in January of 2015. She has more than 10 years of public relations and communications experience. Prior to joining the department, Stanley worked for the Indiana Commission for Higher Education, the Indiana Department of Local Government Finance, and Vectren Corporation. She holds a bachelor's degree in mass communication from the University of Evansville and a master's degree in public relations from Indiana University Purdue University Indianapolis.

EMILY WANN is responsible for leading the department's team of project managers and business analysts who develop, manage, and execute major projects and programs. She assists in the documentation of key processes throughout the department. Wann and the project management team take projects from inception to implementation. Prior to joining the department in 2013, Wann acquired 17 years of information technology and project management experience as a business solutions consultant, IT manager, engagement and relationship manager, and senior project manager. Wann is a certified Project Management Professional (PMP) and holds a bachelor's degree from Indiana University.
The following section reflects the areas that make the Indiana Department of Revenue a taxpayer-focused and successful state agency. This section provides background on the key divisions that enable the department to best serve taxpayers and reviews FY 2016 accomplishments. In addition, each division presents its plans to continue serving taxpayers and accomplish the mission of the department.
SUPPORTS TAXPAYERS BY PROVIDING ASSISTANCE IN RESOLVING TAXPAYER ISSUES, BOTH SMALL AND COMPLEX, AND DELIVERING EXCELLENT customer service. This division distributes specialized knowledge about individual, corporate, business, and special taxes to Hoosier taxpayers. With Indiana supporting the largest fleet in the country, the Motor Carrier Services Division provides individualized support to commercial trucking companies.

THE DIVISIONS IN OPERATIONS INCLUDE:

Tax Administration — Manages all aspects of individual, corporate, and business taxes including taxpayer customer service. Tax Administration strives to provide outstanding customer service to business and individual taxpayers in a cost-effective manner, including reducing duplication of effort and providing customer-friendly information and assistance to Indiana taxpayers.

Special Tax and Support Administration — Manages all special taxes and the Returns Processing Center. Special taxes include fuel, excise, and cigarette taxes that account for millions of tax revenue dollars to the state. The Returns Processing Center ensures that all returns and payments are received, processed, and posted in a timely and accurate manner.

Motor Carrier Services — Provides guidance and service to motor carrier companies, commercial drivers, and residents of Indiana through the administration of state and federal laws that govern the commercial use of Indiana’s roads. MCS oversees many areas that affect the commercial transportation industry, such as International Fuel Tax Agreement, International Registration Plan, oversize/overweight vehicle permitting, Unified Carrier registration, and US DOT numbers.
**Indiana freefile** – Indiana continued to offer no-cost, online tax filing services to those who qualify through the Indiana freefile (INfreefile) program. In FY 2016, INfreefile delivered free, professional tax services from five major online tax preparers to many Indiana taxpayers from centralized Department of Revenue and IRS websites. Qualified Indiana taxpayers were able to file both federal and state taxes using sophisticated online tax filing services. More than 84,000 taxpayers took advantage of this free online program. Based on a survey of taxpayers using this service, 94% of those who used the program were satisfied and 97% would recommend the program to others.

**INtax** – Using INtax, businesses can manage Indiana sales and withholding taxes, prepaid sales, metered pump sales, tire fees, fuel taxes, and other taxes. This free online application also provides businesses with 24/7 access to business tax records, allows a business to file and pay online, and saves businesses the cost and work of mailing returns each month. In addition to business taxpayers using this program, tax practitioners also use INtax to better serve their Indiana business clients.

**BICENTENNIAL FACT**

In 1991, the ability to electronically file a tax return through e-file was accepted from third parties. Four years later in 1997, I-file, a free online tax filing system, was made available for individual taxpayers. Today, qualified individual taxpayers electronically file their federal and state tax returns for free using Indiana freefile (INfreefile).
During FY 2016, INtax underwent a significant upgrade. Launched in August 2015, the upgrade included a new look and feel (although the framework remained the same) and enhanced features including: improved instructions and alerts, consolidated screens, greater control to edit, and faster system processing thanks to updated technology. It was very well received by the business taxpayer community. Based on a survey of INtax users, 69% of those who use the application indicated their overall INtax experience improved following the upgrade.

A program was implemented to send monthly e-mail reminders to INtax business users to notify them of upcoming filing deadlines. Survey respondents who receive email reminders from the department are more likely to be satisfied with their overall INtax experience.

A proactive outreach campaign continued during FY 2016, which has driven business tax payments up to $7 billion via INtax. As the result this ongoing campaign, more than 330,000 businesses have been registered in INtax since its creation. In addition, 96 percent of all trust taxes are now filed and paid electronically.

The INtax system includes a secure email message center. INtax customers are encouraged to communicate with the department using this message center. During FY 2016, 42,600 INtax messages were answered by business tax staff through this secure system.

**Corporate Tax Continues Electronic Filing Growth** – Continuing efforts to provide corporate electronic filing opportunities, the IT-65 (for partnerships) was added to the list of corporate returns able to be filed electronically during FY 2016. With this addition to the department’s corporate filing portfolio, the main two corporate forms (IT-20S and IT-65) can be filed electronically. This is a big win for both the department and the taxpayer. Electronic filing enhances accuracy, is more efficient for the taxpayer and the department, and significantly speeds processing.

Nearly 50% of all corporate returns will be filed electronically during 2016. As of the close of the fiscal year, 63% of all IT-20S returns and 40% of all IT-65 returns have been filed electronically.

**BICENTENNIAL FACT**
Sales tax has been part of Indiana's history for more than 50 years. Indiana adopted the sales tax on October 24, 1963 at a rate of 2%.

The sales tax rate has changed over the years, but the current rate of 7% has been in effect since April 1, 2008.
Customer Interaction Center – In FY 2016, the department continued to cross train full-time and temporary employees to handle both individual and business trust tax basic telephone calls as well as routine calls relating to identity protection, fraud, and collections issues. This cross training enabled the department to provide better telephone response and overall customer service, especially during seasonal peak periods. During the traditional tax season (January through April), the department made more than 250 tax analysts available to respond to taxpayer questions and concerns via in-person visits, letters, emails, and telephone calls.

At peak utilization during April 2016, 35,181 individual tax calls were answered by department analysts. For the year, the department exceeded its KPI target of 85 percent of calls received answered the first time.

<table>
<thead>
<tr>
<th>CUSTOMER SERVICE SUCCESS YEAR-TO-YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2014</td>
</tr>
<tr>
<td>----------</td>
</tr>
<tr>
<td>Telephone Calls</td>
</tr>
<tr>
<td>Email</td>
</tr>
<tr>
<td>Walk-In</td>
</tr>
<tr>
<td>Correspondence</td>
</tr>
</tbody>
</table>

Tax Administration Processing Review Section – The department’s tax administration processing review section focuses on resolving problems that arise with the processing of more than 3.3 million individual and more than 230,000 corporate tax returns.

This section evaluates possible issue(s) with the return, contacts the taxpayer for any follow-up documentation necessary, or sends a notification to the taxpayer if automated changes are made to the return. This ensures the return is processed as accurately and efficiently as possible.

This section also works on all amended return submissions for individual and corporate tax returns. These are submitted when a taxpayer discovers an error or omission on her original filing. Over the past few years, the department annually has processed about 44,000 amended returns by June 30. In FY 2016, the number increased to 55,369.

In all processing reviews, the division’s objective is to be as efficient and effective as possible so the taxpayer does not notice the tax return required a review.

BICENTENNIAL FACT

In 1963, legislation switched individual taxes from being based on gross income to adjusted gross income.
ID Protection – Since inception in 2014, the Identity Protection Program has identified and stopped more than $100 million in identity theft and tax refund fraud. The program uses third-party services to filter identities, as well as a robust refund evaluation system.

For tax season 2016, the following improvements were made to the Identity Protection Program:

- Began sending specialized instructions to all known identity theft victims
- Added additional resources to focus on data analysis
- Stronger safeguards on paper-filed returns
- Increased emphasis on identification of perpetrators and prosecutions

Final results for the 2016 tax season are not yet complete, but the program continued to yield exceptional results. As of June 30, 2016, almost $5 million in attempted identity theft and tax refund fraud was identified and stopped, thus saving money for the state and Hoosier taxpayers. The program helped more than 4,400 taxpayers discover their identities were stolen and used to file fraudulent Indiana tax returns.

In 2014, only 13% of surveyed taxpayers recognized the epidemic nature of identity theft in Indiana. In the program’s third year (2016), 35% see identity theft as a big problem in Indiana. Taxpayers are more aware of the issue and appreciate Indiana’s efforts to protect Hoosier identities and refunds.

For taxpayers selected for additional scrutiny, the department sent more than 213,000 identity confirmation quiz requests as of June 30, 2016. The online, four-question quiz to confirm taxpayers’ identities took less than 3 minutes to complete.

More than 142,000 taxpayers successfully completed the identity confirmation quiz as of June 30, 2016. Of those taxpayers who took the post-confirmation survey, 81% stated the Identity Confirmation Quiz was easy to complete, and 94% stated the instructions were clear.

The department dedicated a telephone line and call center team to handle identity protection taxpayer queries. This team, with the help of the rest of the CIC, successfully fielded more than 56,000 calls during the 2016 tax season. The department also allocated eight experienced tax analysts to assist processing fraudulent returns. In addition to identities confirmed through the quiz, the team confirmed the identities of an additional 35,000 taxpayers as of June 30, 2016.

The success of the Identity Protection Program is not only in stopping fraud but in deterring it. The department has seen a dramatic reduction in fraudulent filing attempts.

Any tax liability due and payable for a period ending before Jan. 1, 2013 would be eligible for amnesty. Taxpayers were permitted to file an original or amended return in which the taxpayer reported a liability for a listed tax or the taxpayer filed a written statement of liability for a listed tax.

The department identified approximately $545 million in outstanding liabilities that were eligible for collection during Tax Amnesty 2015. The department collected more than $188 million from Tax Amnesty 2015, surpassing the original $90 million collection target. Tax Amnesty 2015 collected approximately 34% of eligible liabilities.

- Seventy-seven percent of Tax Amnesty 2015 collections were from business taxpayers.
- Out-of-state taxpayers were responsible for 69% of Tax Amnesty 2015 payments. The three states that yielded the highest collections were New York, North Carolina, and Ohio.
- The tax types that yielded the highest collections were corporate income, individual income, and retail sales tax. Taxes were collected from every county in the state of Indiana.
- The counties that yielded the highest collections were Marion, Hamilton, and Lake counties.

Of the revenue collected, $126 million was provided to the Indiana Regional Cities Development Fund, $6 million was transferred to the Indiana Department of Transportation (INDOT) for the operation of the Hoosier State Rail Line, and $29.87 million was provided to pension stabilization. Any remaining amount was deposited into the state general fund.

In addition to the collections success, the department was able to serve more than 77,000 taxpayers and assist them in getting their accounts back into good standing with the state. During Tax Amnesty 2015, the department’s Tax Amnesty 2015 website was visited more than 81,000 times, more than 180,000 Tax Amnesty 2015 phone calls were received, and more than 27,000 pieces of mail correspondence were received.

The success of the Tax Amnesty 2015 program required the collaboration of the entire department. From answering taxpayer questions to processing payments and communicating with tax practitioners and the media, an intense and unified commitment lead to collections double the original target.

The department is vigorously pursuing more than 850,000 tax bills, totaling more than $1 billion in unpaid taxes, penalty, and interest. This includes 600 Tax Amnesty 2015 cases that defaulted. With the resulting double penalty applied, the outstanding liability associated with these cases is more than $10 million. Collection efforts began shortly after June 15, 2016, the date by which final Tax Amnesty 2015 payments were due from taxpayers with established payment plans.
BICENTENNIAL FACT

The state of Indiana adopted “Crossroads of America” as the official state motto in 1937. Since then, the actual “crossroads” have been enhanced and updated, in part thanks to the Motor Carrier Services (MCS) Division of the Indiana Department of Revenue. Indiana is known as the “Crossroads of America” because of the several major highways that crisscross the state. With commercial vehicles traveling more than 9.5 billion miles in Indiana each year, MCS works to provide guidance and service to motor-carrier companies, commercial drivers and residents of Indiana.

Indiana, like other states, collects taxes on the fuel used within its border to build and maintain the roads and highways that link communities to each other and the rest of the nation.

A business that operates commercial motor vehicles in Indiana must pay a tax based upon the fuel usage for certain vehicles. If vehicles are subject to this tax, they must be registered with MCS, have annual compliance decals and license cards, and must file quarterly tax returns.

There are two types of fuel tax requirements for these vehicles depending on whether the vehicles are traveling intrastate (in Indiana only) or interstate (in more than one state, including Canada). Those who travel interstate are required to register for an International Fuel Tax Agreement, and those who travel intrastate are required to register for Motor Carrier Fuel Tax.

In addition, MCS oversees many areas that shape the commercial transportation industry today, such as: International Registration Plan, Oversize/Overweight Vehicle Permitting, Unified Carrier Registration and USDOT Numbers.

Special Tax – The Special Tax Division is responsible for administering 17 different taxes and fees that touch approximately 16,000 taxpayers and involve a variety of unrelated industries. Although the fuel and tobacco excise taxes are the most notable, this division also administers the alcohol excise tax, aircraft taxes and fees, and fireworks public safety fee, to name a few. On average, the division processes 6,500 tax and informational returns each month.

The Special Tax Division strives to balance filing simplification with accuracy and reliability. When creating new forms, the division listens to taxpayers and incorporates their feedback whenever possible. Some special tax taxpayers do not have the option to file electronically, so the department has eliminated some of the burdensome reporting previously required. The department has increased its efforts to ensure accurate data is received on a timely basis, with the goal of ensuring those who should be reporting are doing so in a timely manner.

When taxpayers fail to comply with filing requirements, the Special Tax Division works with other divisions and agencies. For example, the Special Tax Division works cooperatively with the Alcohol & Tobacco Commission to ensure those entities that are licensed to sell alcohol have filed the appropriate returns. By working together to visit and contact these businesses, the department was able to bring them into compliance, which not only benefits the department, but benefits all taxpayers by leveling the field.
Motor Carrier Services - Indiana supports the largest International Registration fleets in the country with 362,194 vehicles. The Motor Carrier Services Division (MCS) provides support to motor carrier companies and commercial drivers through the administration of state and federal laws that govern the commercial use of Indiana’s roads. MCS manages the International Fuel Tax Agreement, International Registration Plan, oversize/overweight vehicle permitting, Unified Carrier Registration, and US DOT numbers. Some key accomplishments in FY 2016 include:

- **International Registration Plan (IRP)** – Truck companies are choosing Indiana over other states when registering for the IRP. During FY 2016, Indiana IRP achieved the registration of more than 362,194 vehicles. To ensure carriers continue to choose Indiana, MCS employs a customer-focused approach and has assigned high-volume carriers a specific agent with whom to work. This agent helps the carrier troubleshoot any issues it may have. Indiana IRP has emerged in the forefront of plate registration by setting standards for best practices and continuously pushing the program and technology to the next level. Currently, there are more than 7,694 companies registered with IRP and almost 7,816 fleets in Indiana.

**BICENTENNIAL FACT**

In 2007, the Motor Carrier Services Division established a national unified web portal for Unified Carrier Registration (UCR). In 2015, the Indiana UCR System launched its mobile app, providing an alternative to the cumbersome process of completing and mailing paper-and-pencil UCR applications and payments. The UCR Mobile System received a Digital Government Achievement Award (DGAA) in 2015. The DGAA, open to all United States and international government agencies, recognizes outstanding agency and department website projects at the application and infrastructure level.

- **Unified Carrier Registration (UCR)** – Trucking companies traveling across state lines (interstate) are required to register under the Unified Carrier Registration (UCR) Agreement and to pay a yearly UCR fee based on the total number of trucks they operate (truck fleet). UCR fees are used to maintain roads and weigh stations and provide for the enforcement of safety regulations. The Indiana UCR System is the sole electronic filing system for the nation. The UCR system registered 392,248 truck companies, which represents a 9% increase in registrations, and collected more than 80% of all registrations for the 40 UCR-participating states, Mexico, and Canada. The system walks UCR users through their annual UCR registrations and payments. The question-and-answer style software calculates users’ fee amounts. The online process makes registration convenient, so truck drivers can register and immediately take to America’s roads. The system also has a mobile-friendly option. This version is reformatted and language is rewritten to be more concise and easy to access while on the go or in a truck cab. Approximately, twenty thousand users take advantage of this option each year.
Individual Estimated Taxes – The department will continue to make major strides in electronic filing. An electronic means for filing the IT-40ES (estimated individual payments) is being developed for launch in January 2017. Many taxpayers make these reports and payments four times a year. In 2015, the department received 718,723 of these returns in paper form. This transition to electronic filing will provide an easier experience for taxpayers while enhancing the speed of our processing.

INtax – The department will launch an INtax chat function in early FY 2017 and expects to expand the use of chat to other applications and tax types throughout the year. This will increase taxpayers’ access to department analysis and provide a new and modern channel of communication. In addition, Alcohol and Other Tobacco Products taxes will be added to the INtax application.

INBiz – The department will participate in the launch of INBiz in August 2016, to support Indiana Department of Revenue, Secretary of State, and Department of Workforce Development business registrations. This effort will replace an antiquated registration application system with a streamlined process for business owners to register their business with all three agencies in one online and easy-to-use application. INBiz has been in joint development for more than 2 years and will allow for additional agencies and services in the future.
CONTINUES TO PLACE SIGNIFICANT EMPHASIS ON THE COLLECTION OF ALL TAXES DUE THE STATE. SEVERAL factors drive this emphasis: providing a fair, business-friendly environment for all Indiana taxpayers; maximizing collection of appropriate revenue for each tax type as defined by law; and proper and consistent enforcement of Indiana tax code.

The divisions in Compliance include:

**Enforcement** – Performs and manages taxpayer audits including field audits, out-of-state audits, and desk audits; regularly conducts special projects to help ensure taxpayer compliance; and contributes to outreach training and educational programs to better prepare taxpayers to be compliant.

**Collections** – Manages all aspects of collection efforts, including outside collection agencies and sheriffs; conducts special investigations and provides support for civil and criminal prosecution of noncompliant taxpayers and perpetrators of fraud; works to educate all taxpayers about their tax liabilities; oversees expirations and renewals of Registered Retail Merchant Certificates; and manages taxpayers subject to bankruptcy protection.

**Internal Compliance** – Ensures the department maintains the highest level of integrity and efficiency in the collection and administration of tax laws. This section focuses on internal compliance with laws, regulations, policy, controls, and best practices. The Taxpayer Advocate Office (TAO) is a part of the Internal Compliance section.

**Taxpayer Advocate** – Manages complex tax issues needing specialized attention when other departmental channels have been unable to resolve a tax matter. This section fulfills the legislatively mandated taxpayer advocate responsibilities, works with taxpayers suffering financial hardships to fulfill their tax obligations despite limited financial resources, and acts as the agency’s liaison with the Internal Revenue Service regarding federal data security.
Increased Enforcement Capability – The Enforcement Division continues to strive toward improved compliance to create a level playing field for all taxpayers. Two years ago, a new Compliance Management System (CMS) was implemented, which included the following process improvements:

- Case management software
- Audit workpaper toolkit and report writing software
- Non-filer detection program
- Automated audit selection software

Audit staff embraced the challenge of the new software despite a significant learning curve. The new software originally was expected to increase efficiencies by 10%. During FY 2016, the department realized a 45% increase in audits completed compared to FY 2015 with 8% fewer auditors. The department expects the number of audits completed annually to grow as auditor proficiency with the new CMS program continues to improve. Additionally, some intangible but important benefits have been derived from the implementation of this tool. This includes improved consistency in the preparation and formatting of audit reports and in the application of tax code among all audits. This makes audit reports easier to understand for the taxpayer or their representative. Tax practitioners have responded positively to the new audit reports.
The non-filer detection program, a component of the new CMS system, allows the department to identify, through the use of various data sources, individuals who should have filed tax returns, but did not. The department contacts these taxpayers to encourage them to become compliant for these prior years. Additionally, due to increased education and oversight, the taxpayer becomes self-compliant in future years. This effort improved the overall rate of compliance, increased tax revenues, and creates a level playing field among taxpayers. Since its inception during FY 2015, a total of 115,498 taxpayers have been identified as potential non-filers for tax years 2011 and 2012. The program has resulted in the direct collection of $55 million plus an estimated $27 million in indirect benefits (additional collections resulting from the initial contact for other tax years). This is a collection rate of approximately $700 per non-filer taxpayer identified.

Implementation of the automated audit selection tool brought improvements that include scoring of all businesses and development of tax specific selection criteria that further refine existing selection methodology. Further improvements to the process are currently being developed to better identify non-filing and/or under-filing businesses as appropriate candidates for audit. Furthermore, use of decision analytics and consistent case scoring between audit candidates helps to ensure the most appropriate candidates for audit are selected and all businesses are evaluated on a fair and consistent basis. Additional CMS uses, to increase compliance, are being investigated.

Voluntary Compliance - In addition to the improvements noted from CMS implementation, the department continues to advocate voluntary compliance through the Voluntary Disclosure Agreement (VDA) program. The program allows previously noncompliant taxpayers to voluntarily become compliant by filing prior years’ tax returns and paying related taxes without penalty. This brings noncompliant taxpayers into compliance, thereby generating future revenue. During FY 2016, Indiana collected approximately $11.5 million in tax revenue through its VDA program.

Taxpayer Service – Customer focus continues to be one of the division’s top priorities. Whether a taxpayer contacts the district office on a routine tax matter or is engaged in an audit, the goal is to build a relationship with the taxpayer that improves compliance. During the audit process, the auditor determines the taxpayer’s level of compliance. Audits can result in assessments, refunds, or no changes proposed to the reported amounts. Education is a critical component of ensuring a successful audit completion. Auditors explain the specific statutes and regulations being audited. Through this education, the taxpayer and the auditor develop a strong working relationship that continues well after audit completion.

BICENTENNIAL FACT

In 1997, the department began accepting credit card payments for both paper and electronic tax filers.

Three short years later, in 2000, taxpayers were able to pay their taxes online for the first time.
**Collections** - During FY 2016, the Collections Division continued to realize operational efficiencies resulting from its reorganization and process reviews and improvements. Also, the division continued to reap benefits from improved communication and data transfers with its outside collection agents.

During much of FY 2016, the Collections Division focused its attention on the development, implementation and execution of Tax Amnesty 2015. In FY 2016, the division collected $251 million of delinquent taxes, compared with $270 million the previous year. This collection total does not include the more than $188 million the Collections Division helped the department collect as part of Tax Amnesty 2015.

FY 2016 was the third full year the Collections Division operated under its new structure, which organized all inbound collection activities in one unit. This group collected $12.8 million in FY 2016, compared with $17.1 million in FY 2015. Although the total dollars collected by this group decreased, the total number of telephone calls handled increased from 263,296 to 564,839 and the percentage answered remained at 87%. During the peak periods of Tax Amnesty 2015 and the 2016 billing project, the inbound collections group answered 95% of calls received.

Outbound collection activities (where the department actively contacts taxpayers) collected $120.1 million during FY 2016, compared to $124.5 million in FY 2015. While collections decreased, it is important to note this group ceased normal functions during much of the fiscal year in support of Tax Amnesty 2015.

The Collection Agent Services group (who manage all county sheriff and third party collection activities) collected $108.6 million in FY 2016 compared to $118.9 million in FY 2015. This group also was impacted by Tax Amnesty 2015. Because all outstanding tax liabilities from periods prior to Jan. 1, 2013 were eligible for participation in the program, other efforts to collect these liabilities via the county sheriff or third party collection agents were put on hold.

**Sustained Employee Success** – Succession planning remains a primary objective for much of the department. The division continues to note a significant number of employees leaving the department, primarily through retirement. Further, a large percentage of our remaining workforce is eligible for retirement. Recruitment of talented employees as well as investment in training of existing employees to replace the resources leaving the department is critical to our future success. The department continues to be diligent in our recruitment and retention efforts to ensure its continued success.

---

**BICENTENNIAL FACT**

In 2001, Indiana received a perfect score and a first place ranking in a survey of 49 states conducted by the Center for Digital Government in the area of revenue and taxation.
Internal Compliance – Newly formed during FY 2016, the Internal Compliance division focuses on the department’s internal compliance with laws, regulations, policy, controls, and best practices. The Taxpayer Advocate Office (TAO), Audit and Advisory Services (AAS), and a newly formed Investigations unit comprise the Internal Compliance Division.

AAS provides objective assurance and consulting services to add value and improve department operations. Internal controls and processes are audited annually and information is provided to the State Board of Accounts for auditing purposes.

The Investigations Unit is responsible for all aspects of employee and contractor ethical and misconduct investigations. Additionally, Investigations collaborates with law enforcement and oversees the department’s involvement in taxpayer criminal investigations. This team is responsible for vendor, district office, and Federal Tax Information (FTI) audits.

In addition, the Internal Compliance Division monitors compliance concerns and reports on their resolution. Internal Compliance works closely with the Policy Division to evaluate and improve the effectiveness and simplification of statutory and regulatory requirements. These divisions collaborate to ensure guidance is consistent and legislation is interpreted and implemented successfully.

The Internal Compliance Division seeks to continue to build taxpayer confidence in the department by encouraging transparency, consistency, and accountability throughout the department.
**Taxpayer Advocate** - The Indiana Taxpayer Advocate Office (TAO) provides an avenue for the successful resolution of taxpayer problems that have not been resolved through normal channels. Hardships, offers-in-compromise, and taxpayer complaints are also researched and resolved through TAO. The Advocate serves to facilitate resolution as a final resource for the taxpayer.

Assistance is provided to taxpayers who experience financial hardships and are unable to pay tax obligations within normal time limits and taxpayers whose livelihoods are threatened. The Taxpayer Advocate is authorized to review these cases and make every attempt to collect the tax while still meeting the special needs of the taxpayer. This may include establishing an offer-in-compromise or hardship. Special needs include loss due to disaster, severe medical conditions, the loss of a family member, or severe financial problems.

**The number of cases the TAO handled increased 30% from FY 2015:**

<table>
<thead>
<tr>
<th>Year</th>
<th>Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2016</td>
<td>2,999</td>
</tr>
<tr>
<td>FY 2015</td>
<td>2,315</td>
</tr>
<tr>
<td>FY 2014</td>
<td>5,430</td>
</tr>
</tbody>
</table>

Of the more than 12,617 calls answered by TAO (representing a 16.5% increase from FY 2015), 97% of these calls were resolved.

**The total amount of dollars collected by TAO:**

<table>
<thead>
<tr>
<th>Year</th>
<th>Dollars (in USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2016</td>
<td>$5,213,999</td>
</tr>
<tr>
<td>FY 2015</td>
<td>$4,644,923</td>
</tr>
<tr>
<td>FY 2014</td>
<td>$4,476,232</td>
</tr>
</tbody>
</table>

These figures demonstrate that Indiana taxpayers want to pay – and do pay their taxes – even if they are not able to pay within the normal collection process.

As part of the Internal Compliance Division, the role of the TAO has expanded. In addition to providing an avenue for the resolution of taxpayer problems, the TAO began investigating root causes of issues and providing strategic recommendations to resolve systemic concerns.

**BICENTENNIAL FACT**

As part of the Gross Income Tax Division created in 1933, W.P. Crossgrove, the state examiner of the division of accounting and statistics, arranged for state board accountants to be stationed in 150 auto license branches in larger cities and towns throughout Indiana during tax-paying periods. This supported taxpayers who were filing and paying the state's new gross income tax for the first time.
Improve Taxpayer Compliance to Level Playing Field – As compliance looks to the future, five areas of concentration will lead to greater compliance and collection:

- Work closely with collection agency and counties to collect delinquent taxes
- Fully implement new audit selection and tracking software
- Perform database matching among state agencies
- Execute multiple third-party vendor compliance programs
- Increase internal efficiencies among staff and reporting

Research indicates that about 10% of individual taxpayers simply do not file a return. The department will draw upon third-party vendors who have expansive databases that will help identify those individuals so the department can contact them to encourage their compliance.

The department will initiate data-sharing collaboration with other state agencies. The intent is to match the departments’ databases to identify businesses registered in other agencies’ systems but which are not reflected in the department’s system. This would identify businesses that potentially have not filed tax returns as required by law.

The department’s goal is to permanently convert non-compliant taxpayers into compliant ones going forward, thus reducing the burden on all Hoosiers and ensuring individuals and businesses operate on a level playing field.

The Enforcement Division will continue to refine computer-based auditing technology that will substantially improve enforcement capabilities. This system will provide more robust identification of individual non-filers using a broad spectrum of databases, including real property records, W-2s, 1099s, etc. This system also will make the management of business audits more efficient because it will integrate audit selection, procedures, workpapers, and assessment reports.

Internal Compliance – The Internal Compliance Division will review the department’s policies to ensure department practice is consistent with the written policies. Policies will be updated to reflect current practice and legislative requirements.
Provides Critical Infrastructure and Supporting Services for the Department. By Managing department funds, employees, technology, communication, and training, business support facilitates and ensures the department operates effectively and efficiently. The divisions in Business Support include:

**Finance** – Manages budgeting and accounting, cashiering, electronic funds transfer (EFT), procurement, internal audit, and financial planning and analysis. Other responsibilities include depositing tax revenues, preparing reports, and conducting all related banking functions.

**Information Technology (IT)** – Manages department-unique information technology platforms and applications, including programming, hardware, and software, and oversees disaster recovery planning and information security. Additionally, IT provides technology solutions, such as upgrades to the state’s returns processing system and various online tools.

**Public Relations** – Manages internal and external communication, community outreach and education, market research, Internet and social media presence, in addition to tax form and booklet development and publication.

**Training** – Develops the specific job skill materials and competency validation methods to enhance accuracy and quality of work as well as the soft skill training to deliver on the respect and personal accountability required to provide exceptional customer service both internally and externally.

**Human Resources** – Manages employment recruitment and succession planning. Additionally, HR administers wellness programs, payroll, benefits, and labor relations in coordination with the State Personnel Department.
Financial Management – The Finance Division is committed to promoting and ensuring the financial integrity and accountability of the department to taxpayers, local constituents, and the state.

The division ensures that collected taxpayer revenues are protected and distributed in accordance with tax laws to enable the state to provide beneficial services to our communities. In addition, the division drives fiscally responsible agency spending and provides decision support and financial insight to the agency, state, and other key stakeholders.

During FY 2016, the Finance Division continued to evaluate and streamline processes. The fourth phase of a revenue system-to-accounting system information integration was completed. This will result in nearly 100% transparency and traceability between detailed source system transactions and the summarized accounting system revenue postings.

The Finance Division led the effort to spend within the department’s FY 2016 budget and developed the department’s biennium budget for FY 2018/2019.

The Finance Division ensures that collected taxpayer revenues are distributed appropriately to other state agencies and local governments who provide beneficial services to taxpayers and others.

Although many of the customers the division directly interacts with are internal to the state, some areas within Finance have significant taxpayer interaction. The division serves individual and business taxpayers in the walk-in cashier area.
Information Technology – During FY2016, the Information Technology Division (ITD) continued to focus on modernizing its technology portfolio and ensuring taxpayer data security.

Many ITD initiatives focused on continued simplification of the filing process and payment experience for taxpayers. FY2016 accomplishments include the availability of electronic filing of the IT-65 return and increased taxpayer utilization of existing electronic filing options. A successful upgrade of INtax, the department’s business tax application, was launched in August 2015.

ITD supports the department’s continued modernization of its tax processing systems. The department initiated a feasibility study during FY2016 to identify a road map to replace the current tax administration system of record, Revenue Processing System (RPS), with an Integrated Tax System.

During FY2016, the ITD team continued to make upgrades to encryption techniques and to enhance data security for the protection of sensitive taxpayer data files. These initiatives continue to move the department towards compliance with the National Institute of Standards and Technology (NIST) security standards, which are the standards utilized by the U.S. military.

Taxpayer Services and Education – Providing valuable information and education is a priority for the Public Relations Division. Each year the department seeks taxpayer feedback as a primary means of discerning taxpayer education and information needs through surveys, web feedback, social media forums, email, and the department’s annual public hearing.

BICENTENNIAL FACT
As years pass and new technology develops, the Indiana Department of Revenue has continued to adapt to new communication methods when interacting with taxpayers. From the use of mail chutes to the first website and the use of social media, there is no doubt that technology impacts how the department communicates. Check out the timeline below to see how much the department has progressed.

- 1970-1971 – The use of mail chutes to send messages to the post office ends.
- 1996 – The department launches its first website.
- 1997 – The department begins answering taxpayer inquiries via email.
- 2009 – The department’s Spanish website goes live.
- 2010 – The department begins using Facebook and Twitter to connect with taxpayers.
- 2012 – The department launches its Customer Interaction Center (CIC) telephone system.
Working with various divisions and external partners, the division provides many services and education opportunities to the public:

- **Latino Outreach** – The department continued to expand its Latino outreach by hosting a department Spanish-language website with key tax information, presenting at Latino events, writing articles for a bilingual statewide news media publication, translating selected forms and tax booklets into Spanish, and making bilingual employees available to provide assistance to Spanish-speaking taxpayers.

- **Business Outreach Education Program** – When new and small Hoosier businesses have difficulty with taxes, it is often due to not understanding Indiana regulations regarding taxes. To address this issue, the department’s Business Outreach Education Program offers free business tax seminars and resources to Hoosier organizations and the public. The seminars discuss pertinent tax information for new and small businesses. Attendees have the opportunity to have questions answered by an experienced department representative. In FY2016, the department held seven new and small business seminars in partnership with the Indiana CPA Society and chambers of commerce. Six seminars were held specifically for car dealership owners. The department’s Business Outreach Education Program was honored with a 2015 Public Relations Society of America (PRSA) Each Central District Diamond Award.

- **Workshops/Seminars** – The department conducted 61 workshops and seminars throughout the year for various segments of the public, including several seminars offered to the tax schools of Indiana University and Purdue University. This was in addition to providing information and tax-training handbooks to Volunteer Income Tax Assistance volunteers and AARP Tax-Aide, which provide free tax preparation for disabled and low to moderate-income taxpayers.

- **Professional Groups** – The department increased its efforts to conduct presentations and meet on a regular basis with several professional groups. This includes speaking at their conferences and attending workshops to address specific issues. These groups include the Indiana Certified Public Accountants Society, Legal Bar Association, IRS symposiums, Indiana Society of Accountants, chambers of commerce, trade and hospitality associations, and many others.

- **Video Library** – The Public Relations Division hosts a video library on the department website that provides taxpayers with step-by-step instructions and information on a variety of topics. New videos were created and produced in FY2016 that cover important topics for both individual and business taxpayers. These include an informational video about tax season.
**Social Media Outreach** – The department continues to use Facebook and Twitter as means to reach individual and business taxpayers as well as organizations interested in tax updates, general information, and special tax news. The department’s social media tools provide another convenient method to allow the public to submit general questions, feedback, and comments for consideration. In FY2016, Facebook likes increased by more than 15% and Twitter followers increased almost 13%. In addition to the social media sites, the department hosts a TaxTalk Blog with more than 2,100 subscribers.

- Facebook: [www.facebook.com](http://www.facebook.com) (search Indiana Department of Revenue)
- Twitter: [www.twitter.com/INDeptofRevenue](http://www.twitter.com/INDeptofRevenue)
- TaxTalk Blog: [www.in.gov/dor/3877.htm](http://www.in.gov/dor/3877.htm)

**External Publications** – The Public Relations Division, with the help of other divisions, creates and publishes four external publications:

- *BizTax* helps businesses better understand Indiana tax laws, the tax-filing process, and the services the department offers.
- *Tax Dispatch* is a publication for tax practitioners to learn about the most up-to-date legislation changes and other tips and techniques.
- *Fuel Tax Update* helps fuel taxpayers understand Indiana tax laws; the tax-filing process; and the services available to help them understand fuel tax policies, procedures, and changes.
- *Trucking Tips* helps intrastate and interstate motor carriers better understand Indiana tax laws and fees, motor carrier processes, and the services available from the department’s Motor Carrier Services Division.

**Training and Development** – To ensure the department maintained an appropriate level of tax matter expertise, a special advanced training class was implemented for selected tax analysts during FY2016. The first class focused on individual taxes will graduate in FY2017 and an extensive database of tax information will be developed to facilitate employee access to tax knowledge. Multiple training programs were conducted during the year, including extensive electronic and physical security training and unauthorized tax disclosure training. More than 18,050 training units were delivered to individual department employees ranging from system training to leadership training.

Additionally, the department conducted its first Crucial Conversations training for leadership and management employees. This initial course was conducted over six weeks and results will inform additional rollouts.
Human Resources – The Human Resources Division continued to work under the State Personnel Department (SPD) shared services model. The key goals for the HR staff are to serve as liaison between SPD and the department for all HR functions. The director and generalists work with leadership and the department’s workforce to assist in reducing turnover for the department through communication of openings within the agency so promotions can occur more efficiently as well as providing an open space in which to receive feedback to make the department a satisfying place to work.

During FY2016, hiring managers were empowered to directly manage more of the hiring process. Hiring managers who completed the appropriate training were granted direct access to the job bank. This allowed for a more efficient hiring process.

HR also revamped the new employee orientation process to make it more engaging and informative for incoming employees.

In addition to being measured by employee turnover and internal customer satisfaction, HR is measured by exit interview information and the length of time it takes to fill positions. The HR Division works to recruit and hire new employees as well as conduct onboarding for new employees. HR also plays a key role in performance management, employee goal setting, updating and creating job descriptions, training, discipline, appraisals, succession planning, employee relations, unemployment claims, and conducting exit interviews and hearings.

BICENTENNIAL FACT
The IT-40EZ was created in 1997 and made available to Indiana residents with a federal taxable income less than $50,000. As more taxpayers file electronically, the use of the IT-40EZ has decreased in recent years. The department will no longer support the IT-40EZ beginning with 2016 taxes filed in 2017.

Taxpayers will be able to file using the IT-40. In 1949, the IT-40 form included a World War II bonus tax and checkboxes for taxpayers to list a profession - only 24 options were provided.
**BUSINESS SUPPORT**

**LOOK FORWARD**

**Financial Management** – The Finance Division will continue to invest resources, time, and energy to improve the agency’s accountability and controls throughout financial reporting and operational processes. Key initiatives include: supporting the governor’s revenue dashboard within the Management and Performance Hub, moving Indiana to a data-driven decision-making state; developing a key controls catalog, testing, and maintenance program for the department, further strengthening the control environment of the department; and continuing to drive fiscal responsibility within the department.

**Information Technology Division** – ITD will continue to develop the systems providing additional reporting, analytics, and data matching tools to improve compliance, efficiency, and protection for taxpayers. The addition of Alcohol and Other Tobacco Products (OTP) taxes to INtax and the development of a new electronic filing and payment portal for quarterly estimated taxes will support the department’s tax filing simplification priority. In addition, the department, in partnership with the Secretary of State and the Department of Workforce Development, will participate in the launch of INBiz, which allows businesses to register with multiple state agencies through a single website.

**_taxpayer Service and Education** – Providing valuable services and education will continue to be a priority for the Public Relations Division. Each year, the department seeks taxpayer feedback as a primary means of discerning taxpayer education and information needs. The department will seek taxpayer input through surveys, focus groups, web feedback, social media forums, email, and the department’s annual public meeting.
Training and Development – In addition to an annual training course for individual tax experts, two additional special advanced courses will be launched, one focused on business taxes and the second on corporate taxes. These three programs will ensure the department maintains a high level of trained employees and tax expertise into the future.

Additionally, the department will launch its “Leadership Academy” designed to prepare department leaders at multiple levels for positions of increased responsibility and authority.

The department anticipates the launch of an external training and information platform in FY 2017 to provide training opportunities for individual and business taxpayers on tax filing and payment requirements and processes.

Human Resources – The Human Resources Division will continue to focus on performance management, which includes job descriptions, goal setting, training, employee relations, and succession planning. HR and department supervisors will collaborate to update all job descriptions. In addition, HR will continue to encourage department employees to engage in healthy lifestyle activities.
SERVE TAXPAYERS BY WORKING WITH LEGISLATORS AND OTHER GOVERNMENT OFFICES TO ESTABLISH TAX LEGISLATION AND BY RESOLVING A VARIETY OF TAX ISSUES.

The divisions in Legal and Policy include:

**Legal** – Responsible for providing taxpayers with an independent administrative review of proposed tax assessments and refund requests. The division assists individual and business taxpayers in resolving tax liabilities after the taxpayers’ routine administrative remedies have been exhausted. In addition, the division advises the rest of the department on matters of regulatory and statutory interpretation. Finally, partnering with the Attorney General’s Tax Section, the Legal Division advises and assists in litigation.

**Tax Policy** – Interprets, evaluates, formulates, compiles, and disseminates tax law, policies, and procedures to taxpayers, practitioners, county officials, state legislators, other state agencies, and members of Governor Pence’s administration. The division also serves as the department’s liaison to the Indiana General Assembly, including attending and testifying before legislative committees, as well as assisting the Legislative Services Agency in the evaluation of fiscal impact statements of proposed legislation.

**Administrative Law Judge** – Addresses commercial motor carrier violations, certificates of convenience, and necessity licensing.
Protests – The department’s Legal Division provides Indiana taxpayers an independent review of proposed tax assessments and a similar review of departmental decisions denying a tax refund. During FY 2016, the department received 795 protests. During FY 2016, the Legal Division resolved 665 protests after having conducted an informal review and issuing a written opinion addressing the legal factual issues in dispute in each protest. More than 400 taxpayer cases in protest or litigation were resolved by the Legal Division during the Tax Amnesty 2015 program.

To assist taxpayers with filing protests, the department’s Administrative Protest Guide is available online at https://www.in.gov/dor/files/dor-protest-guide.pdf.

Publication of administrative decisions in the Indiana Register aids Indiana taxpayers in complying with Indiana law by providing the public with information about the department’s official position concerning a specific set of facts and issues. Publication of decisions provides a level playing field for all taxpayers because these public documents are freely and openly available to any individual or business.

Tax Court Task Force – The Indiana Supreme Court created the Ad Hoc Advisory Task Force in May 2015 to assess the performance of and study the resources and caseload of the Indiana Tax Court. The department’s General Counsel served as a member of the Task Force, and the department provided extensive data and information to the Task Force. The Task Force published its final report with findings and recommendations in May 2016. To implement the Task Force recommendations, the Indiana Supreme Court created a Tax Court Advisory Committee.
**Interagency Information Exchange** – The department’s Legal Division continues to improve its fact-finding capabilities via information exchange agreements with other state agencies. The Governor’s Indiana Management and Performance Hub (MPH) helps the department broaden the scope of data collection and reciprocity, while enhancing partnerships with other state agencies.

**Regulations Modernization** – The department continues to modernize its regulations. The Administrative Rules Review project began in August 2013 and requires the department to review all of its tax regulations. The department has completed review of its tax regulations for inheritance tax, petroleum severance tax, alcohol tax, cigarette tax, special fuel tax, hazardous waste land disposal tax, motor carrier fuel tax, controlled substance excise tax, type II gaming tax, gaming card excise tax, and the quality assessment fee.

Department regulations that were outdated, repetitive, or superfluous have been repealed. Forty percent of regulations have been eliminated.

---

**BICENTENNIAL FACT**
The General Assembly established Indiana’s Tax Court on July 1, 1986.

**BICENTENNIAL FACT**
The first General Assembly of the Indiana Territory met in the territorial capital of Vincennes on July 29, 1805.
Searchable Administrative Decisions – While continuing to publish administrative decisions in the Indiana Register, the department also will make these documents searchable via its website during FY 2017. This further levels the playing field for all taxpayers by making the information easier to find and review.

Further Tax Simplification – The division will continue to support the administration, General Assembly, and others in providing statistical and empirical data, tax simplification options, and innovative ideas for continuing to improve Indiana’s tax climate for individuals and businesses. Indiana will continue to examine ways to simplify and modernize its tax system.

Regulation Modernization – The department will continue to modernization its regulations. This process will include the repeal of selected existing rules or the reduction of their regulatory impact on taxpayers.
The following section provides a total summary of taxes collected by the Indiana Department of Revenue in FY 2016, Indiana tax receipts by tax type, and descriptions for each tax type.
### Summary of Fiscal Year 2016 Tax Receipts

In FY 2016, the Indiana Department of Revenue collected more than $18 billion representing more than 40 active tax types.

#### Revenue Summary

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>Receipts (in Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong>:</td>
<td>$18,162,600</td>
</tr>
<tr>
<td>Individual Adjusted Gross Income Tax</td>
<td>$5,218,200</td>
</tr>
<tr>
<td>Local Option Income Taxes</td>
<td>$2,263,700</td>
</tr>
<tr>
<td>Corporate Income Taxes</td>
<td>$1,034,400</td>
</tr>
<tr>
<td>Sales &amp; Use Tax</td>
<td>$7,305,600</td>
</tr>
<tr>
<td>Motor Carrier / Motor Fuel Taxes</td>
<td>$975,300</td>
</tr>
<tr>
<td>Total Gaming Taxes</td>
<td>$610,000</td>
</tr>
<tr>
<td>Cigarette / Alcohol Taxes</td>
<td>$491,500</td>
</tr>
<tr>
<td>Motor Carrier / Motor Fuel Taxes</td>
<td>$975,300</td>
</tr>
<tr>
<td>Corporate Income Taxes</td>
<td>$1,034,400</td>
</tr>
<tr>
<td>Local Option Income Taxes</td>
<td>$2,263,700</td>
</tr>
<tr>
<td>Individual Adjusted Gross Income Tax</td>
<td>$5,218,200</td>
</tr>
<tr>
<td>Total:</td>
<td>$18,162,600</td>
</tr>
</tbody>
</table>

*Total Receipts in Thousands*
<table>
<thead>
<tr>
<th>Tax Type</th>
<th>FY 2011</th>
<th>FY 2012</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>$ incr(dcr)</th>
<th>% incr(dcr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aircraft License Excise Tax</td>
<td>$517.7</td>
<td>$577.9</td>
<td>$445.2</td>
<td>$491.9</td>
<td>$557.3</td>
<td>$43.8</td>
<td>($113.6)</td>
<td>-92%</td>
</tr>
<tr>
<td>Aircraft Registration Fee</td>
<td>$74.6</td>
<td>$77.0</td>
<td>$73.2</td>
<td>$79.2</td>
<td>$87.7</td>
<td>$22.8</td>
<td>($64.9)</td>
<td>-74%</td>
</tr>
<tr>
<td>Alcoholic Beverage Tax</td>
<td>$43,935.4</td>
<td>$44,154.2</td>
<td>$45,248.0</td>
<td>$49,954.7</td>
<td>$46,063.6</td>
<td>$3,209.7</td>
<td>$2,264.1</td>
<td>5%</td>
</tr>
<tr>
<td>Alternative Fuel</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$232.4</td>
<td>$864.9</td>
<td>$692.3</td>
<td>($172.6)</td>
<td>-20%</td>
</tr>
<tr>
<td>Auto Rental Excise Tax</td>
<td>$10,659.6</td>
<td>$11,164.1</td>
<td>$10,563.2</td>
<td>$12,511.3</td>
<td>$12,543.8</td>
<td>$13,175.1</td>
<td>$631.3</td>
<td>5%</td>
</tr>
<tr>
<td>Aviation Fuel</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$1,501.9</td>
<td>$1,720.3</td>
<td>$1,705.2</td>
<td>($15.0)</td>
<td>-1%</td>
</tr>
<tr>
<td>Charity Gaming Excise Tax</td>
<td>$1,276.4</td>
<td>$1,229.8</td>
<td>$1,146.0</td>
<td>$1,138.7</td>
<td>$1,050.2</td>
<td>$1,137.7</td>
<td>$52.5</td>
<td>5%</td>
</tr>
<tr>
<td>Cigarette / Other Tobacco Tax</td>
<td>$478,612.9</td>
<td>$456,170.5</td>
<td>$461,636.8</td>
<td>$447,561.4</td>
<td>$443,209.9</td>
<td>$3,945.4</td>
<td>($15,584.0)</td>
<td>-3%</td>
</tr>
<tr>
<td>Corporate Adjusted Gross Income Tax</td>
<td>$625,561.9</td>
<td>$700,296.1</td>
<td>$669,063.9</td>
<td>$764,355.1</td>
<td>$777,777.5</td>
<td>$699,192.6</td>
<td>($78,584.8)</td>
<td>-10%</td>
</tr>
<tr>
<td>County Adjusted Gross Income Tax (CAGIT)</td>
<td>$473,890.8</td>
<td>$511,663.3</td>
<td>$529,134.8</td>
<td>$619,855.2</td>
<td>$717,201.6</td>
<td>$402,464.6</td>
<td>($108,696.8)</td>
<td>7%</td>
</tr>
<tr>
<td>County Economic Development Income Tax (CEDIT)</td>
<td>$257,365.2</td>
<td>$272,408.7</td>
<td>$279,006.7</td>
<td>$304,800.3</td>
<td>$326,601.9</td>
<td>$336,123.7</td>
<td>$9,521.8</td>
<td>3%</td>
</tr>
<tr>
<td>County Innkeepers Tax (CIT)</td>
<td>$42,443.9</td>
<td>$49,261.0</td>
<td>$51,566.0</td>
<td>$51,088.7</td>
<td>$50,545.2</td>
<td>($43.5)</td>
<td>($172.6)</td>
<td>-20%</td>
</tr>
<tr>
<td>County Option Income Tax (COIT)</td>
<td>$695,221.6</td>
<td>$739,869.9</td>
<td>$754,682.9</td>
<td>$805,742.9</td>
<td>$835,027.7</td>
<td>$52,538.8</td>
<td>($3,722.9)</td>
<td>-81%</td>
</tr>
<tr>
<td>Employment Agency Licensing Fee</td>
<td>$24.8</td>
<td>$28.1</td>
<td>$33.8</td>
<td>$27.6</td>
<td>$23.9</td>
<td>($3.8)</td>
<td>($6.9)</td>
<td>-14%</td>
</tr>
<tr>
<td>Enhanced Prepaid Wireless Telecommucaiton Fee</td>
<td>$2,098.4</td>
<td>$2,357.2</td>
<td>$4,769.6</td>
<td>$5,454.0</td>
<td>$5,772.1</td>
<td>$11,555.4</td>
<td>$5,783.3</td>
<td>100%</td>
</tr>
<tr>
<td>Estate Tax</td>
<td>$10.8</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
</tr>
<tr>
<td>Financial Institutions Tax</td>
<td>$55,575.7</td>
<td>$94,212.1</td>
<td>$112,521.2</td>
<td>$102,391.6</td>
<td>$125,795.4</td>
<td>$120,198.3</td>
<td>($5,597.1)</td>
<td>-4%</td>
</tr>
<tr>
<td>Fireworks Public Safety Fee</td>
<td>$2,578.9</td>
<td>$3,540.2</td>
<td>$1,524.2</td>
<td>$2,270.5</td>
<td>$2,625.9</td>
<td>$2,796.5</td>
<td>$170.6</td>
<td>6%</td>
</tr>
<tr>
<td>Food and Beverage Tax</td>
<td>$67,435.3</td>
<td>$71,699.3</td>
<td>$73,732.0</td>
<td>$86,119.7</td>
<td>$87,079.6</td>
<td>$85,939.9</td>
<td>($1,140.7)</td>
<td>1%</td>
</tr>
<tr>
<td>Gasoline Tax</td>
<td>$543,073.9</td>
<td>$534,704.5</td>
<td>$529,619.8</td>
<td>$527,290.1</td>
<td>$540,082.5</td>
<td>$556,824.2</td>
<td>$16,741.7</td>
<td>3%</td>
</tr>
<tr>
<td>Hazardous Chemical Fee</td>
<td>$511.0</td>
<td>$483.8</td>
<td>$512.9</td>
<td>$503.0</td>
<td>$566.3</td>
<td>$63.3</td>
<td>$0.0</td>
<td>0%</td>
</tr>
<tr>
<td>Hazardous Waste Disposal Tax</td>
<td>$1,032.8</td>
<td>$1,252.3</td>
<td>$1,188.9</td>
<td>$1,237.7</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>13%</td>
</tr>
<tr>
<td>Historic Hotel District Community Support Fee</td>
<td>$2,500.0</td>
<td>$2,500.0</td>
<td>$2,500.0</td>
<td>$2,500.0</td>
<td>$2,500.0</td>
<td>$2,500.0</td>
<td>$2,500.0</td>
<td>0%</td>
</tr>
<tr>
<td>Individual Adjusted Gross Income Tax</td>
<td>$4,592,628.2</td>
<td>$4,765,466.5</td>
<td>$4,972,898.6</td>
<td>$4,850,316.5</td>
<td>$5,232,989.3</td>
<td>$5,218,165.8</td>
<td>($14,823.5)</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Inheritance Tax</td>
<td>$148,644.0</td>
<td>$176,026.5</td>
<td>$165,479.2</td>
<td>$87,112.2</td>
<td>$4,594.7</td>
<td>$87,112.2</td>
<td>($3,722.9)</td>
<td>-61%</td>
</tr>
<tr>
<td>International Registration Plan (IRP) Licensing Fee</td>
<td>$89,598.7</td>
<td>$91,289.4</td>
<td>$93,387.9</td>
<td>$96,099.9</td>
<td>$103,792.9</td>
<td>$104,384.2</td>
<td>$591.3</td>
<td>1%</td>
</tr>
<tr>
<td>K-12 Check-off</td>
<td>$36.1</td>
<td>$36.1</td>
<td>$36.1</td>
<td>$36.1</td>
<td>$36.1</td>
<td>$36.1</td>
<td>$0.0</td>
<td>0%</td>
</tr>
<tr>
<td>LoIT Reserve</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$207,954.0</td>
<td>$200,798.4</td>
<td>$180,440.0</td>
<td>$215,367.0</td>
<td>$34,523.0</td>
<td>19%</td>
</tr>
<tr>
<td>Marion County Admissions Tax</td>
<td>$7,144.0</td>
<td>$6,606.9</td>
<td>$8,239.4</td>
<td>$14,151.7</td>
<td>$13,166.5</td>
<td>$12,963.9</td>
<td>($202.6)</td>
<td>-2%</td>
</tr>
<tr>
<td>Marion County Supplemental Auto Rental Excise Tax</td>
<td>$4,136.3</td>
<td>$4,127.1</td>
<td>$4,997.3</td>
<td>$6,486.2</td>
<td>$7,545.5</td>
<td>$6,928.6</td>
<td>($725.9)</td>
<td>-9%</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>------------</td>
<td>------------</td>
<td>------------</td>
<td>------------</td>
<td>------------</td>
<td>------------</td>
<td>--------</td>
<td></td>
</tr>
<tr>
<td>Motor Carrier Fuel Tax</td>
<td>$1,624.4</td>
<td>$903.6</td>
<td>$835.7</td>
<td>$796.2</td>
<td>$570.9</td>
<td>$741.4</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>Motor Carrier Surcharge Tax</td>
<td>$87,739.0</td>
<td>$87,046.2</td>
<td>$94,228.2</td>
<td>$99,272.1</td>
<td>$91,690.5</td>
<td>$91,147.8</td>
<td>-1%</td>
<td></td>
</tr>
<tr>
<td>Motor Vehicle Excise Tax</td>
<td>$3.9</td>
<td>$1.1</td>
<td>$6.2</td>
<td>$2.8</td>
<td>$0.5</td>
<td>$0.6</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>Motorsports Investment District</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$295.1</td>
<td>$1,312.3</td>
<td>$1,446.3</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Oversize/Overweight Permit Fee</td>
<td>$13,391.9</td>
<td>$15,822.4</td>
<td>$15,968.6</td>
<td>$18,200.3</td>
<td>$20,963.5</td>
<td>$21,774.4</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>Pari-mutual Wagering Tax</td>
<td>$2,985.2</td>
<td>$2,614.6</td>
<td>$2,156.8</td>
<td>$1,679.4</td>
<td>$1,702.1</td>
<td>($177.3)</td>
<td>-9%</td>
<td></td>
</tr>
<tr>
<td>Petroleum Severance Tax</td>
<td>$1,825.4</td>
<td>$2,111.6</td>
<td>$2,421.3</td>
<td>$2,015.1</td>
<td>$1,012.8</td>
<td>($1,002.3)</td>
<td>-50%</td>
<td></td>
</tr>
<tr>
<td>Public Utility Tax (Railroad Car Companies/Railroads)</td>
<td>$5,164.3</td>
<td>$6,176.7</td>
<td>$6,803.9</td>
<td>$8,051.7</td>
<td>$8,618.2</td>
<td>$10,547.1</td>
<td>$1,928.9</td>
<td>22%</td>
</tr>
<tr>
<td>Racino Slot Machine Wagering Tax</td>
<td>$130,163.0</td>
<td>$117,459.2</td>
<td>$105,823.7</td>
<td>$110,829.1</td>
<td>$110,752.8</td>
<td>$110,752.8</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Riverboat Admissions Tax</td>
<td>$77,227.1</td>
<td>$74,709.1</td>
<td>$66,212.1</td>
<td>$58,190.6</td>
<td>$55,007.2</td>
<td>$51,207.9</td>
<td>($3,719.3)</td>
<td>-7%</td>
</tr>
<tr>
<td>Riverboat Wagering Tax</td>
<td>$656,934.6</td>
<td>$630,712.0</td>
<td>$579,759.5</td>
<td>$485,331.9</td>
<td>$452,301.9</td>
<td>$446,408.4</td>
<td>($5,833.5)</td>
<td>-1%</td>
</tr>
<tr>
<td>Sales and Use Tax</td>
<td>$6,265,193.6</td>
<td>$6,351,953.0</td>
<td>$6,811,736.4</td>
<td>$7,003,425.5</td>
<td>$7,277,138.2</td>
<td>$7,305,632.7</td>
<td>($27,494.5)</td>
<td>0%</td>
</tr>
<tr>
<td>Solid Waste Management Fee</td>
<td>$5,195.5</td>
<td>$5,464.5</td>
<td>$5,326.8</td>
<td>$5,433.5</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td></td>
</tr>
<tr>
<td>Special Fuel Tax</td>
<td>$178,161.8</td>
<td>$183,742.0</td>
<td>$169,616.6</td>
<td>$177,617.5</td>
<td>$189,026.3</td>
<td>$186,164.5</td>
<td>($2,861.8)</td>
<td>-2%</td>
</tr>
<tr>
<td>Type II Gaming (Taverns)</td>
<td>$396.9</td>
<td>$390.4</td>
<td>$416.5</td>
<td>$403.5</td>
<td>$414.4</td>
<td>$427.9</td>
<td>$23.5</td>
<td>6%</td>
</tr>
<tr>
<td>Underground Storage Tank Fee</td>
<td>$47,449.9</td>
<td>$49,236.4</td>
<td>$46,238.4</td>
<td>$51,191.9</td>
<td>$50,987.4</td>
<td>$50,261.6</td>
<td>($725.8)</td>
<td>-1%</td>
</tr>
<tr>
<td>Utility Services Use Tax</td>
<td>$9,495.6</td>
<td>$9,264.9</td>
<td>$8,743.6</td>
<td>$14,084.7</td>
<td>$12,453.4</td>
<td>$7,214.0</td>
<td>($5,239.5)</td>
<td>-42%</td>
</tr>
<tr>
<td>Utility Receipts Tax</td>
<td>$199,072.3</td>
<td>$201,016.9</td>
<td>$215,468.0</td>
<td>$218,406.9</td>
<td>$218,597.1</td>
<td>$207,762.2</td>
<td>($10,834.9)</td>
<td>-5%</td>
</tr>
<tr>
<td>Waste Tire Management Fee</td>
<td>$1,352.8</td>
<td>$1,364.4</td>
<td>$1,382.5</td>
<td>$1,467.6</td>
<td>$1,533.0</td>
<td>$1,559.1</td>
<td>$26.1</td>
<td>2%</td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td><strong>$15,827,996.0</strong></td>
<td><strong>$16,557,875.0</strong></td>
<td><strong>$17,101,012.1</strong></td>
<td><strong>$17,327,616.1</strong></td>
<td><strong>$18,078,540.6</strong></td>
<td><strong>$18,152,522.7</strong></td>
<td>($73,982.1)</td>
<td>0%</td>
</tr>
</tbody>
</table>
INDIANA TAX DESCRIPTIONS

AIRCRAFT LICENSE EXCISE TAX
Excise tax, due at the time of registration, is determined by weight, age, and type of aircraft. All excise taxes are distributed to the county where the aircraft is usually located when not in use.

ALCOHOLIC BEVERAGE EXCISE TAX
Per-gallon rates are as follows: beer = $0.115; liquor/wine (21% alcohol or more) = $2.68; wine (less than 21% alcohol) = $0.47; mixed beverages (14% or less) = $0.47; malt = $0.05. These taxes are collected by the Indiana Department of Revenue’s Special Tax Division.

ALTERNATIVE FUEL TAX
Alternative fuel tax imposes the retail sales tax on purchases of alternative fuels made between Jan. 1, 2014 and Dec. 31, 2016, if the fuel is used in a vehicle providing public transportation. The sales taxes collected are to be used in providing income tax credits for the purchase of heavy vehicles fueled by natural gas.

AUTO RENTAL EXCISE TAX
A tax based on the gross retail income from the rental of a motor vehicle weighing not more than 11,000 pounds for less than a 30-day period at a rate of 4%.

AVIATION FUEL TAX
Excise tax collected by retailers of aviation fuel purchased in Indiana at the rate of ten cents ($0.10) per gallon. This tax is added to the selling price of the aviation fuel. The U.S., its agencies or instrumentalities, the state of Indiana and Indiana Air National Guard, and common carriers of passengers or freight are exempt from tax.

CHARITY GAMING EXCISE TAX
A tax based on the sale of pull tabs, punchboards, and tip boards to qualified organizations licensed for charity gaming at a rate of 10% of the wholesale price. It is collected and remitted by the licensed distributor, not who sells to the end consumer.

CIGARETTE/OTHER TOBACCO TAX
Rates are as follows: pack of 20 cigarettes = $0.995; pack of 25 cigarettes = $1.24375; other tobacco products excluding moist snuff = 24% of wholesale price; moist snuff = $0.40 per ounce. It is collected and remitted by the licensed distributor.

CORPORATE ADJUSTED GROSS INCOME TAX
The adjusted gross income tax rate for periods prior to July 1, 2012, was 8.5%. Beginning July 1, 2012, the rate reduces by 0.5% per year until July 1, 2015, when the rate will be 6.5%. Beginning July 1, 2016, the rate continues to reduce by 0.25% per year until July 1, 2020, when the rate will be 5.25%. Beginning July 1, 2021, the rate will be 4.9%.

COUNTY ADJUSTED GROSS INCOME TAX (CAGIT)
Tax determined locally for county residents or nonresidents whose principal place of employment is within a county that imposes the tax. Rates vary. (A county may adopt either the county adjusted gross income tax or the county option income tax, but not both.)

COUNTY ECONOMIC DEVELOPMENT INCOME TAX (CEDIT)
Tax determined locally for county residents or nonresidents whose principal place of employment is within a county that imposes the tax. Rates vary.
COUNTY INNKEEPER’S TAX (CIT)
Tax determined locally on the gross income derived from lodging income. Tax may be collected either by the department or locally through the county treasurer’s office.

COUNTY OPTION INCOME TAX (COIT)
Tax determined locally for county residents or nonresidents whose principal place of employment is within a county that imposes the tax. Rates vary. (A county may adopt the county option income tax or the county adjusted gross income tax, but not both.)

FINANCIAL INSTITUTIONS TAX
A tax based on the federal adjusted gross income at a rate of 8.5% for businesses that are engaged in extending credit, leasing (when it is the economic equivalent of extending credit), or credit card operations. Beginning Jan. 1, 2014, the rate reduces by 0.5% per year until Jan. 1, 2017, when the rate will be 6.5%. Beginning Jan. 1, 2019, the rate will be reduced to 6.25%, with further reductions to 6.0% in 2020, 5.5% in 2021, 5.0% in 2022, and 4.9% in 2023.

GASOLINE TAX
The gasoline tax is $0.18 per gallon for all invoiced gallons of gasoline collected by the licensed distributor and added to the selling price.

GASOLINE USE TAX
This tax replaced the retail sales tax on gasoline purchases effective July 1, 2014. The gasoline use tax is imposed at the time a retail merchant takes delivery at a flat rate per gallon. The tax rate to be used is calculated each month.

HAZARDOUS CHEMICAL FEE
An annual fee is imposed on a facility that must submit to the state an emergency and hazardous chemical inventory form. Fees are $50, $100, or $200, depending on the volume of hazardous chemicals present at the facility during the year.

HAZARDOUS WASTE DISPOSAL TAX
A tax based on the amount of hazardous waste placed in a disposal facility or by means of underground injection at a rate of $11.50 per ton, paid by the operator of the disposal facility. Effective July 1, 2014, this tax has been repealed and replaced by a hazardous waste disposal fee found at IC 11-22-12-3.5. The fee is administered by the Indiana Department of Environmental Management after FY 2014.

HISTORIC HOTEL DISTRICT COMMUNITY SUPPORT FEE
Entities licensed to conduct slot machine wagering are required to annually pay a fee of $1.25 million for each gambling facility they operate. Proceeds from the fee are distributed to communities and schools located near a historic hotel district and the Indiana Economic Development Corporation based on a statutory formula.

EMPLOYMENT AGENCY LICENSING FEE
A person, firm, or corporation opening, operating, or maintaining an employment agency must pay an annual $150 fee for each license.

ENHANCED PREPAID WIRELESS TELECOMMUNICATION FEE
Fee collected by a seller of prepaid wireless telecommunication service to another person. The fee is $1.00 per retail transaction and supports wireless 911 service.

ESTATE TAX
A tax based on the difference between the state death tax credit allowed at the federal level and the amount paid in state inheritance tax. This tax was repealed in 2013 for deaths occurring after Dec. 31, 2012.

FOOD AND BEVERAGE TAX
Tax determined locally for purchases of food and beverages for immediate consumption at a rate of 1% of the retail sales price. Marion County’s rate is 2%. An additional 1% is allowed for units adopting under IC 6-9-35 for a combined rate of 2%.

FIREWORKS PUBLIC SAFETY FEE
A fee of 5% of the retail price of fireworks sold in Indiana.
INDIVIDUAL ADJUSTED GROSS INCOME TAX
Individuals are taxed on federal adjusted gross income with numerous adjustments for individual residents, partners, stockholders in S corporations, trusts, estates, and nonresidents with Indiana income sources at a rate of 3.4%. Effective Jan. 1, 2015, the rate was reduced to 3.3% for 2015 and 2016. Effective Jan. 1, 2017, the rate will be further reduced to 3.23%.

INHERITANCE TAX
Tax is based on the taxpayer class (transferee’s relationship to deceased), property’s taxable value, residency status, and location of real and tangible property and intangible property. The inheritance tax was repealed effective Jan. 1, 2013.

INTERNATIONAL REGISTRATION PLAN (IRP) LICENSING FEE
Licensing fee for motor carriers based on miles driven in specific jurisdictions.

K-12 CHECK-OFF
Taxpayers claiming an income tax refund may designate all or part of their refund to help fund public K-12 education in Indiana.

LOIT RESERVE
In FY 2013, individual tax revenue was transferred into the local option tax reserve to provide a first layer of protection when the economy declines.

MARION COUNTY ADMISSIONS TAX
Specific to Lucas Oil Stadium, the Indiana Convention Center, Victory Field, and Bankers Life Fieldhouse in Indianapolis for any event at a rate of 10% of the admission price (does not include events sponsored by educational institutions or religious or charitable organizations).

MARION COUNTY SUPPLEMENTAL AUTO RENTAL EXCISE TAX
A tax based on the gross retail income from the rental in Marion County of a motor vehicle or truck weighing no more than 11,000 pounds for less than a 30-day period at a rate of 6%. Revenue from the tax is paid to the Capital Improvement Board of Managers.

MOTOR CARRIER FUEL TAX
The per-gallon rate is $0.16 for all motor fuel used by commercial motor carriers operating on Indiana highways.

MOTOR CARRIER SURCHARGE TAX
The per-gallon rate is $0.11 for all motor fuel used by commercial motor carriers operating on Indiana highways.

MOTOR VEHICLE EXCISE TAX
The Indiana Department of Revenue’s compliance program is aimed at locating vehicles owned by Indiana residents and registered illegally out of state, thus avoiding state vehicle excise tax. It is based on the age and class of the vehicle, plus penalty and interest for the time period the vehicle is illegally registered. (Except for this program, the motor vehicle excise tax is collected by the Bureau of Motor Vehicles.)

MOTORSPORTS INVESTMENT DISTRICT TAX
Specific to the Indianapolis Motor Speedway for admission on a race (does not include admissions for non-race events or race qualifications). The fee is imposed at 2% on admission charges of less than $100, 3% on admissions charges of $100 but not more than $150, and 6% on admissions charges of $150 or greater.

OVERSIZE/OVERWEIGHT PERMIT FEE
Various categories of permits for motor carriers are issued for different periods of time, based on a vehicle’s specific dimension and/or size and the travel activity. Fees can range from $10 to more than $400.

PARI-MUTUEL WAGERING TAX
A 2% levy is imposed on the total amount of money wagered on live races and simulcasts conducted at a permit holder’s racetrack. The tax is 2.5% of the total amount of money wagered on simulcasts from satellite facilities.

PETROLEUM SEVERANCE TAX
A tax levied against producers or owners of crude oil or natural gas and imposed at the time these products are removed from the ground at a rate equal to the greater of either 1% of the petroleum value or $0.03 per 1,000 cubic feet for natural gas and $0.24 per barrel of oil.

PUBLIC UTILITY TAX (RAILROAD CAR COMPANIES/RAILROADS)
A tax based on assessments by the Indiana Department of Local Government Finance on the indefinite location distributable property of a railroad company that provides service within a commuter transportation district.
RACINO SLOT MACHINE WAGERING TAX
A pari-mutuel racetrack owner who conducts slot machine gaming at the owner’s racetrack is responsible for this and is subject to a graduated tax on 88% of its adjusted gross receipts from 25% to 35%. Indiana law allows gaming licensees to deduct AGR attributable to free-play wagering at any time during the year. The total amount deducted by a licensee for free-play may not exceed $7 million annually.

SALES AND USE TAX
A tax imposed on retail transactions collected at the retail level at a rate of 7% on the purchase or rental of tangible personal property, accommodations, public utility service, and other services per IC 6-2.5-4.

RIVERBOAT ADMISSIONS TAX
Tax imposed on a person or an organization that holds an owner’s license for riverboat gambling operations at a rate of $3 per person admitted. Effective July 1, 2015, this tax is not applicable to a riverboat located in a historic hotel district.

RIVERBOAT WAGERING TAX
If a licensed riverboat does not have flexible scheduling (dockside gaming), a tax of 22.5% is levied against its adjusted gross receipts (total wagers, less payouts, less uncollected gaming receivables). If the boat has implemented flexible scheduling, the tax rate is graduated and ranges from 15% to 40%, depending on the amount of adjusted gross receipts. Indiana law allows gaming licensees to deduct AGR attributable to free-play wagering at any time during the year. The total amount deducted by a licensee for free-play may not exceed $7 million annually.

Beginning in FY 2014, the lowest tax bracket of 15% can change to 5% if the riverboat had less than $75 million of AGR during the preceding state fiscal year. An additional tax of $2.5 million is imposed if the riverboat taxed under the alternative schedule receives AGR exceeding $75 million in a particular state fiscal year.

SOLID WASTE MANAGEMENT FEE
A fee imposed on the disposal or incineration of solid waste in a final disposal facility within the state at a rate of $0.50 per ton of waste generated in the state minus the fee actually charged for the disposal or incineration of the solid waste by the owner or operator of the final disposal facility.

SPECIAL FUEL TAX
A license tax of $0.16 per gallon is imposed on all special fuel sold or used in producing or generating power for propelling motor vehicles.

TYPE II GAMING (TAVERNS)
An excise tax is imposed on the distribution of gambling games in the amount of 10% of the price paid by the retailer that purchases the games. The entity distributing the pull tabs, punchboards, or tip boards is liable for the tax.

UNDERGROUND STORAGE TANK FEE
An annual registration fee is imposed on owners of underground storage tanks. This fee is $90 for each underground petroleum storage tank and $245 for each underground storage tank containing regulated substances other than petroleum. Effective July 1, 2014, administration, collection, and enforcement of the underground storage tax fee transferred to the Indiana Department of Environmental Management.

UTILITY SERVICES USE TAX
The utility services use tax is an excise tax imposed on the retail consumption of utility services in Indiana. The rate is 1.4% and is imposed if the utility service provider is not subject to the utility receipts tax.

UTILITY RECEIPTS TAX
An imposed tax of 1.4% on gross receipts from retail utility sales.

WASTE TIRE MANAGEMENT FEE
A $0.25 tire fee is assessed on each new tire sold at the retail level and each new tire mounted on a vehicle at the time a vehicle is sold. It is imposed on tires for self-propelled motor vehicles only.
The following section provides the department’s FY 2016 audit statistical study and corresponding audit exhibits. In addition to reporting the compliance issues found in department audits, the department reports areas of recurring taxpayer noncompliance and solutions taxpayers can take to lessen these noncompliance issues as well as what steps the department is taking to assist in these areas.
The Audit Division Statistical Study addresses the requirements set forth by IC 6-8.1-14-4 (2). The information is based on 100 percent of the audits completed and taxpayers assisted during FY 2016.

The following information includes:
- Taxpayers served in district offices, p. 53
- Sales/use tax violations, p. 53
- Adjusted gross income and financial institutions tax violations, p. 54
- Amounts of tax assessed, p. 54
- Industries/businesses most frequently in violation, p. 55
- Special tax violations, p. 55
- Miscellaneous code violations, p. 55
- Number of years in the audit period, p. 55
- Index of exhibits and charts, p. 56

### Taxpayers Served in District Offices
Taxpayer assistance is available in all 12 district offices. Each office has taxpayer assistance staff who provide taxpayer-service functions.

The "Taxpayer Assistance Report by District Office" (Exhibit A) provides the number of taxpayers assisted. This includes taxpayers assisted in person, by telephone, or by means of fax or email correspondence. Exhibit A reveals that during FY 2016, district offices served 177,350 taxpayers.

### Sales/Use Tax Violations
Audit assessments for Indiana sales/use tax typically occur in a few main areas. Use tax is due on any purchases of personal property stored, used, or consumed in Indiana if sales tax was not paid at the time of the purchase and no valid exemption applies. In FY 2016, general use tax rule violations [45 IAC 2.2-3] accounted for approximately $8.9 million in audit adjustments.

Often, the department determines that use tax is due from business taxpayers that erroneously believe an exemption from sales/use tax should apply. This is especially true of manufacturers and processors, who gain various exemptions from Indiana sales/use tax under 45 IAC 2.2-5 (primarily section 8).

Indiana retail merchants are required to collect sales tax on all sales of personal property unless the buyer offers proof of exemption.
Adjusted Gross Income and Financial Institutions Tax Violations

Individuals and regular corporations are liable for adjusted gross income tax. Financial institutions are subject to financial institutions tax (FIT), which is computed in much the same way a corporation computes its adjusted gross income tax. During FY 2016, the statute or regulation that yielded the largest corporate adjusted gross income tax adjustments was 45 IAC 3.1-1-153. This rule discusses income taxation of corporate partners. Adjustments made under this statute totaled approximately $15 million this fiscal year.

Special Taxes

Field auditors assigned to these special tax audits perform audits not only for Indiana, but often for many other jurisdictions when examining reports for the IFTA and the IRP. Special tax auditors also audit a variety of excise taxes: cigarette, other tobacco products (OTP), beer and wine excise tax, and other fuel excise taxes. This group recently conducted several audits on cigarette and OTP taxes, prompted by an increased risk of noncompliance in this area and the industry’s general lack of consistency in reporting. As a result, the largest adjustments to tax dollars in the special tax area are attributed to cigarette and OTP tax due from Indiana distributors, required by IC 1-6-7-1 and IC 6-7-2. Adjustments made under these statutes totaled approximately $4.2 million in FY 2016.

Amounts of Tax Assessed

Exhibits C, D, E, and F display the amount of assessments (refunds) of the sales/use tax, adjusted gross income and financial institutions tax, special tax, and miscellaneous tax violations, respectively. “Total assessments” for any tax type represent gross assessments less amounts refunded.

The amount assessed or refunded for each of the most frequent violations and the percentage of the amount to total net assessments are as follows:

Sales/Use Tax – Exhibit C:

<table>
<thead>
<tr>
<th>Tax Code Violated</th>
<th>Amount Assessed</th>
<th>Percentage of All Assessments</th>
</tr>
</thead>
<tbody>
<tr>
<td>45 IAC 2.2-4-1</td>
<td>$6,437,436</td>
<td>17%</td>
</tr>
<tr>
<td>IC 6-2.5-2-1</td>
<td>$5,332,117</td>
<td>14%</td>
</tr>
<tr>
<td>45 IAC 2.2-5-8</td>
<td>$5,085,640</td>
<td>13%</td>
</tr>
</tbody>
</table>

Adjusted Gross Income and Financial Institutions Taxes – Exhibit D:

<table>
<thead>
<tr>
<th>Tax Code Violated</th>
<th>Amount Assessed</th>
<th>Percentage of All Assessments</th>
</tr>
</thead>
<tbody>
<tr>
<td>IC 8.1-10-3</td>
<td>$34,131,565</td>
<td>38%</td>
</tr>
<tr>
<td>45 IAC 3.1-1-153</td>
<td>$15,183,999</td>
<td>17%</td>
</tr>
<tr>
<td>45 IAC 3.1-1-111</td>
<td>$11,504,100</td>
<td>13%</td>
</tr>
</tbody>
</table>

Special Tax – Exhibit E:

<table>
<thead>
<tr>
<th>Tax Code Violated</th>
<th>Amount Assessed</th>
<th>Percentage of All Assessments</th>
</tr>
</thead>
<tbody>
<tr>
<td>IC 6-7-2-7</td>
<td>$2,567,977</td>
<td>41%</td>
</tr>
</tbody>
</table>

Miscellaneous Tax Violations – Exhibit F:

<table>
<thead>
<tr>
<th>Tax Code Violated</th>
<th>Amount Assessed</th>
<th>Percentage of All Assessments</th>
</tr>
</thead>
<tbody>
<tr>
<td>IC 6-8-1-10-3</td>
<td>$560,548</td>
<td>45%</td>
</tr>
</tbody>
</table>
Industry/Business Most Frequently in Violation

Sales and use tax
For the FY 2016 reporting period, taxpayers engaged in wholesale, retail, and transportation businesses accounted for the most violations of the sales and use tax rules. This group accounted for 1,620 violations (45% of the total violations). The most frequently violated rule by this group of taxpayers was 45 IAC 2.2-3-20 with 406 violations. Rule 3-20 states if a seller of tangible personal property for storage, use, or consumption in Indiana fails to collect the appropriate tax, the purchaser of such property must remit tax directly to the department.

The second largest number of sales and use tax violations was committed by taxpayers engaged in the manufacturing industry. This group committed 610 violations (17% of the total violations) for FY 2016. The most frequently violated rule of this group was 45 IAC 2.2-5-8 with 262 violations. Rule 5-8 stipulates that sales of manufacturing machinery, tool and equipment used in direct production, manufacture, fabrication, assembly, or finishing of other tangible personal property are not exempt for sale and use tax purposes.

Adjusted gross income and financial institutions tax
For the FY 2016 reporting period, unclassified taxpayers engaged in unrelated business activities such as debt-finance, rental of real estate, investment and passive income of exempt organizations, rental of personal property, and other miscellaneous activities accounted for the most violations of the adjusted gross income tax rules. This group accounted for 4,272 violations (85% of the total violations). The rule most frequently violated by this group was IC 6-3-4-6 with 2,972 violations. This code requires taxpayers to notify the department and file amended returns when a federal modification is made.

Taxpayers engaged in wholesale, retail, and transportation committed the second largest number of adjusted gross income tax violations. This group committed 267 violations (5% of the total violations) for FY 2016. The rule most frequently violated by this group was 45 IAC 3.1-1-97 with 45 violations. This code defines income withholding requirements and penalties related to failure to withhold.

Exhibit D illustrates the tax dollar changes related to adjusted gross income tax rule violations, segregated by industry. Financial institutions tax, which is comparable to the adjusted gross income tax but applies only to the banking and loan industry, is also reflected on this chart.

Special Tax Violations
Exhibit E provides the special tax assessments and refunds by citation.

The taxpayer group most frequently in violation of the special tax statutes and IFTA Articles for FY 2016 was the wholesale, retail, and transportation industries. This group committed 642 violations, accounting for approximately 77 percent of the total violations.

Miscellaneous Code Violations
Exhibit F provides the assessment amounts for miscellaneous code violations. In FY 2016, the most violated miscellaneous code section was IC 6-8-1-10-3, which accounted for 144 (72%) of the violations. These violations yielded $560,548 in net assessments and/or refund reductions in FY 2016. This code refers to the tax liability of taxpayers receiving possession of petroleum.

Number of Years in the Audit Period
The audit period averages three years.

BICENTENNIAL FACT
The department installed imaging technology in 2010. This allowed the department to image all paper tax returns for both individual and business taxpayers. The technology, still in use today, captures and digitizes tax return data, which reduces the number of data-input errors.
<table>
<thead>
<tr>
<th>Exhibit</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Taxpayer Assistance Report by District Office</td>
<td>57</td>
</tr>
<tr>
<td>B</td>
<td>Standard Industrial Codes</td>
<td>58</td>
</tr>
<tr>
<td>C</td>
<td>Sales and Use Tax Audits, Dollars Assessed by Industrial Code</td>
<td>59</td>
</tr>
<tr>
<td>D</td>
<td>Adjusted Gross Income Tax Audits, Dollars Assessed by Industrial Code</td>
<td>65</td>
</tr>
<tr>
<td>E</td>
<td>Special Tax Audits, Dollars Assessed by Industrial Code</td>
<td>69</td>
</tr>
<tr>
<td>F</td>
<td>Miscellaneous Violations, Dollars Assessed by Industrial Code</td>
<td>71</td>
</tr>
</tbody>
</table>
## EXHIBIT A

### TAXPAYER ASSISTANCE REPORT

#### BY DISTRICT OFFICES

<table>
<thead>
<tr>
<th>ZONE/DISTRICT</th>
<th>Walk ins</th>
<th>Phones/Fax/Email</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>BLOOMINGTON (09)</td>
<td>5,509</td>
<td>9,286</td>
<td>14,795</td>
</tr>
<tr>
<td>CLARKSVILLE (11)</td>
<td>9,348</td>
<td>16,734</td>
<td>26,082</td>
</tr>
<tr>
<td>COLUMBUS (10)</td>
<td>4,523</td>
<td>11,706</td>
<td>16,229</td>
</tr>
<tr>
<td>EVANSVILLE (12)</td>
<td>3,469</td>
<td>6,302</td>
<td>9,771</td>
</tr>
<tr>
<td>FORT WAYNE (03)</td>
<td>6,141</td>
<td>12,910</td>
<td>19,051</td>
</tr>
<tr>
<td>KOKOMO (05)</td>
<td>4,889</td>
<td>12,540</td>
<td>17,429</td>
</tr>
<tr>
<td>LAFAYETTE (04)</td>
<td>3,215</td>
<td>9,737</td>
<td>12,952</td>
</tr>
<tr>
<td>MERRILLVILLE (13)</td>
<td>10,721</td>
<td>6,647</td>
<td>17,368</td>
</tr>
<tr>
<td>MUNCIE (06)</td>
<td>5,075</td>
<td>7,143</td>
<td>12,218</td>
</tr>
<tr>
<td>SOUTH BEND (02)</td>
<td>6,145</td>
<td>7,201</td>
<td>13,346</td>
</tr>
<tr>
<td>TERRE HAUTE (08)</td>
<td>3,476</td>
<td>14,633</td>
<td>18,109</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>62,511</td>
<td>114,839</td>
<td>177,350</td>
</tr>
</tbody>
</table>
## STANDARD INDUSTRIAL CODES

<table>
<thead>
<tr>
<th>Class</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agricultural; Forestry</td>
</tr>
<tr>
<td>2</td>
<td>Mining; Oil and Gas Extraction; Construction</td>
</tr>
<tr>
<td>3</td>
<td>Manufacturing</td>
</tr>
<tr>
<td>4</td>
<td>Wholesale; Retail; Transportation</td>
</tr>
<tr>
<td>5</td>
<td>Information; Publishing; Telecommunications; Finance; Rental Insurance; Real Estate; Leasing; Professional Services</td>
</tr>
<tr>
<td>6</td>
<td>Education; Health Services</td>
</tr>
<tr>
<td>7</td>
<td>Arts; Entertainment; Recreation; Food Service; Accommodations</td>
</tr>
<tr>
<td>8</td>
<td>Repair; Personal Services; Other Services</td>
</tr>
<tr>
<td>9</td>
<td>Public Administration; Unrelated Business Activities</td>
</tr>
</tbody>
</table>
## EXHIBIT C
### DOLLARS ASSESSED BY INDUSTRIAL CODE
#### SALES AND USE TAX AUDITS

<table>
<thead>
<tr>
<th>Citation**</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>44 IAC 2.2-3-12</td>
<td>1,237</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,237.40</td>
</tr>
<tr>
<td>45 IAC 2.2-1-1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,237,390.17</td>
</tr>
<tr>
<td>45 IAC 2.2-2-1</td>
<td>202,138</td>
<td>915,170</td>
<td>23,078</td>
<td>3,349</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,143,734.67</td>
</tr>
<tr>
<td>45 IAC 2.2-2-2</td>
<td>148,728</td>
<td>69,438</td>
<td>547,201</td>
<td>145,903</td>
<td>(2,304)</td>
<td>30,921</td>
<td></td>
<td></td>
<td></td>
<td>$939,887.13</td>
</tr>
<tr>
<td>45 IAC 2.2-2-3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>10,968</td>
<td>376</td>
<td></td>
<td></td>
<td></td>
<td>$1,144.42</td>
</tr>
<tr>
<td>45 IAC 2.2-3-4</td>
<td>16,737</td>
<td>631,336</td>
<td>1,045,289</td>
<td>1,685,938</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$4,048,125.71</td>
</tr>
<tr>
<td>45 IAC 2.2-3-5</td>
<td></td>
<td>30,961</td>
<td>29,399</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$48,634.75</td>
</tr>
<tr>
<td>45 IAC 2.2-3-7</td>
<td>3,903</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>643</td>
<td></td>
<td></td>
<td></td>
<td>$4,545.96</td>
</tr>
<tr>
<td>45 IAC 2.2-3-8</td>
<td>1,686</td>
<td>16,050</td>
<td>266</td>
<td>(2,314)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$15,687.74</td>
</tr>
<tr>
<td>45 IAC 2.2-3-9</td>
<td>21,608</td>
<td>9,371</td>
<td>2,217</td>
<td>1,712</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$34,908.12</td>
</tr>
<tr>
<td>45 IAC 2.2-3-10</td>
<td></td>
<td>(1,400)</td>
<td>(3,864)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$5,263.70</td>
</tr>
<tr>
<td>45 IAC 2.2-3-12</td>
<td>243,985</td>
<td>97,655</td>
<td>(7,771)</td>
<td>22,226</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$356,127.69</td>
</tr>
<tr>
<td>45 IAC 2.2-3-13</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$11,328.99</td>
</tr>
<tr>
<td>45 IAC 2.2-3-14</td>
<td>(2,019)</td>
<td>(1,890)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$3,917.30</td>
</tr>
<tr>
<td>45 IAC 2.2-3-15</td>
<td>2,315</td>
<td>61,081</td>
<td>18,566</td>
<td>688</td>
<td>2,805</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$85,456.02</td>
</tr>
<tr>
<td>45 IAC 2.2-3-16</td>
<td>777</td>
<td>326</td>
<td>331</td>
<td>60</td>
<td>108</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,602.70</td>
</tr>
<tr>
<td>45 IAC 2.2-3-20</td>
<td>94,617</td>
<td>132,740</td>
<td>410,158</td>
<td>1,464,856</td>
<td>242,539</td>
<td>32,313</td>
<td>273,105</td>
<td>129,646</td>
<td></td>
<td>$2,779,974.12</td>
</tr>
<tr>
<td>45 IAC 2.2-3-22</td>
<td></td>
<td>3,308</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$3,307.50</td>
</tr>
<tr>
<td>45 IAC 2.2-3-24</td>
<td>2,884</td>
<td>476</td>
<td>10,931</td>
<td>117</td>
<td>22,673</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$37,080.83</td>
</tr>
<tr>
<td>45 IAC 2.2-3-25</td>
<td>429</td>
<td>28,009</td>
<td></td>
<td>2,032</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$30,469.87</td>
</tr>
<tr>
<td>45 IAC 2.2-3-26</td>
<td>843</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>14</td>
<td></td>
<td></td>
<td></td>
<td>$856.18</td>
</tr>
<tr>
<td>45 IAC 2.2-3-27</td>
<td>362,405</td>
<td>9,895</td>
<td>110,521</td>
<td>(74,009)</td>
<td>14,743</td>
<td>128,244</td>
<td>11,632</td>
<td></td>
<td></td>
<td>$563,431.57</td>
</tr>
<tr>
<td>45 IAC 2.2-3-29</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$237,086.59</td>
</tr>
<tr>
<td>45 IAC 2.2-3-4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$101,642.23</td>
</tr>
<tr>
<td>45 IAC 2.2-3-5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,643.41</td>
</tr>
<tr>
<td>45 IAC 2.2-3-6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$6,437,436.04</td>
</tr>
</tbody>
</table>

---

*For SIC explanation, see page 58.
**To view the 45 IAC citation, visit www.state.in.us/legislative/iac/title45.html
***To view the IC citation, visit www.in.gov/legislative/ic/code
## EXHIBIT C

**Dollars Assessed by Industrial Code**

**Sales and Use Tax Audits**

(Continued)

<table>
<thead>
<tr>
<th>Sum of Amount</th>
<th>SIC*</th>
<th>Citation**</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>45 IAC 2.2-4-2</td>
<td>(4,718)</td>
<td>100,348</td>
</tr>
<tr>
<td>45 IAC 2.2-4-7</td>
<td>2,816</td>
<td>134</td>
</tr>
<tr>
<td>45 IAC 2.2-4-8</td>
<td>8,795</td>
<td>67</td>
</tr>
<tr>
<td>45 IAC 2.2-4-9</td>
<td>1,974</td>
<td>$1,973.57</td>
</tr>
<tr>
<td>45 IAC 2.2-4-11</td>
<td>96</td>
<td>7,374</td>
</tr>
<tr>
<td>45 IAC 2.2-4-13</td>
<td>(807)</td>
<td>(100,245)</td>
</tr>
<tr>
<td>45 IAC 2.2-4-20</td>
<td>1,188</td>
<td>$1,187.70</td>
</tr>
<tr>
<td>45 IAC 2.2-4-21</td>
<td>303</td>
<td>$302.61</td>
</tr>
<tr>
<td>45 IAC 2.2-4-22</td>
<td>16,150</td>
<td>(3,077)</td>
</tr>
<tr>
<td>45 IAC 2.2-4-26</td>
<td>76,427</td>
<td>22,863</td>
</tr>
<tr>
<td>45 IAC 2.2-4-27</td>
<td>12,667</td>
<td>31,438</td>
</tr>
<tr>
<td>45 IAC 2.2-4-28</td>
<td>3</td>
<td>$2.80</td>
</tr>
<tr>
<td>45 IAC 2.2-4-4-9</td>
<td>8,753</td>
<td>$8,753.31</td>
</tr>
<tr>
<td>45 IAC 2.2-5-1</td>
<td>2,150</td>
<td>$2,150.25</td>
</tr>
<tr>
<td>45 IAC 2.2-5-3</td>
<td>115,384</td>
<td>(484)</td>
</tr>
<tr>
<td>45 IAC 2.2-5-7</td>
<td>19,584</td>
<td>681</td>
</tr>
<tr>
<td>45 IAC 2.2-5-8</td>
<td>15,955</td>
<td>10,221</td>
</tr>
<tr>
<td>45 IAC 2.2-5-9</td>
<td>106,372</td>
<td>$106,372.01</td>
</tr>
<tr>
<td>45 IAC 2.2-5-10</td>
<td>410,130</td>
<td>97,961</td>
</tr>
<tr>
<td>45 IAC 2.2-5-12</td>
<td>(42)</td>
<td>94,109</td>
</tr>
<tr>
<td>45 IAC 2.2-5-14</td>
<td>(55,275)</td>
<td>(717)</td>
</tr>
<tr>
<td>45 IAC 2.2-5-15</td>
<td>738</td>
<td>(450)</td>
</tr>
<tr>
<td>45 IAC 2.2-5-16</td>
<td>(28,206)</td>
<td>(45,007)</td>
</tr>
</tbody>
</table>

*For SIC explanation, see page 58.

**To view the 45 IAC citation, visit www.state.in.us/legislative/iac/title45.html
To view the IC citation, visit www.in.gov/legislative/ic/code
### EXHIBIT C

**DOLLARS ASSESSED BY INDUSTRIAL CODE SALES AND USE TAX AUDITS**

(Continued)

<table>
<thead>
<tr>
<th>Citation**</th>
<th>Sum of Amount</th>
<th>SIC*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>45 IAC 2.2-5-20</td>
<td>157</td>
<td></td>
</tr>
<tr>
<td>45 IAC 2.2-5-24</td>
<td>(1,631)</td>
<td></td>
</tr>
<tr>
<td>45 IAC 2.2-5-25</td>
<td>(2,064)</td>
<td></td>
</tr>
<tr>
<td>45 IAC 2.2-5-26</td>
<td>154</td>
<td>(14,414)</td>
</tr>
<tr>
<td>45 IAC 2.2-5-28</td>
<td>(2,536)</td>
<td></td>
</tr>
<tr>
<td>45 IAC 2.2-5-33</td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 IAC 2.2-5-36</td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 IAC 2.2-5-38</td>
<td>(1,505)</td>
<td>(4,373)</td>
</tr>
<tr>
<td>45 IAC 2.2-5-42</td>
<td>204</td>
<td></td>
</tr>
<tr>
<td>45 IAC 2.2-5-43</td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 IAC 2.2-5-45</td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 IAC 2.2-5-52</td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 IAC 2.2-5-54</td>
<td>(1,533)</td>
<td></td>
</tr>
<tr>
<td>45 IAC 2.2-5-55</td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 IAC 2.2-5-61</td>
<td>8,817</td>
<td>(4,454)</td>
</tr>
<tr>
<td>45 IAC 2.2-5-62</td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 IAC 2.2-5-70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 IAC 2.2-5-8</td>
<td>3,651</td>
<td></td>
</tr>
<tr>
<td>45 IAC 2.2-6-1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 IAC 2.2-6-8</td>
<td>9,380</td>
<td>31,099</td>
</tr>
<tr>
<td>45 IAC 2.2-6-12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 IAC 2.2-6-14</td>
<td>128</td>
<td></td>
</tr>
<tr>
<td>45 IAC 2.2-7-3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 IAC 2.2-7-5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 IAC 2.2-7-7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 IAC 2.2-8-12</td>
<td>25,868</td>
<td>38,773</td>
</tr>
</tbody>
</table>

*For SIC explanation, see page 58.
**To view the 45 IAC citation, visit www.state.in.us/legislative/iac/title45.html.
***To view the IC citation, visit www.in.gov/legislative/ic/code.
## EXHIBIT C

Dollars Assessed by Industrial Code
Sales and Use Tax Audits

(Continued)

<table>
<thead>
<tr>
<th>Citation**</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>45 IAC 2.2-2-9-4</td>
<td>13,392</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$13,391.93</td>
</tr>
<tr>
<td>45 IAC 2.2-2-3-20</td>
<td>154,238</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$154,238.42</td>
</tr>
<tr>
<td>45 IAC 2.2-2-3-27</td>
<td>106,635</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$106,635.17</td>
</tr>
<tr>
<td>45 IAC 2.2-2-3-4</td>
<td>309,972</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$309,972.41</td>
</tr>
<tr>
<td>45 IAC 2.2-2-3-9</td>
<td>13,962</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$13,961.58</td>
</tr>
<tr>
<td>45 IAC 2.2-5-4</td>
<td>66,968</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$66,968.08</td>
</tr>
<tr>
<td>45 IAC 2.2-5-5</td>
<td>40,482</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$40,482.05</td>
</tr>
<tr>
<td>46 IAC 2.2-2-3-5</td>
<td>161</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$161.11</td>
</tr>
<tr>
<td>IC 6-2.5-1-5</td>
<td>898</td>
<td>3,240</td>
<td>19,501</td>
<td>388</td>
<td>303</td>
<td>71</td>
<td>681</td>
<td></td>
<td></td>
<td>$25,172.20</td>
</tr>
<tr>
<td>IC 6-2.5-1-14</td>
<td>80</td>
<td>52</td>
<td>3,265</td>
<td>37,384</td>
<td>465</td>
<td>26</td>
<td></td>
<td></td>
<td></td>
<td>$41,272.63</td>
</tr>
<tr>
<td>IC 6-2.5-1-24</td>
<td>1,465</td>
<td>260</td>
<td>6,705</td>
<td>1,375</td>
<td>10,532</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$20,335.54</td>
</tr>
<tr>
<td>IC 6-2.5-2-2</td>
<td>14</td>
<td></td>
<td>(6,459)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-$6,444.85</td>
</tr>
<tr>
<td>IC 6-2.5-2-3</td>
<td>(4,057)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-$4,056.69</td>
</tr>
<tr>
<td>IC 6-2.5-2-5</td>
<td>106,082</td>
<td>26,589</td>
<td>28,614</td>
<td>19,970</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$181,256.03</td>
</tr>
<tr>
<td>IC 6-2.5-4-1</td>
<td>4,316</td>
<td>5,436</td>
<td>15,633</td>
<td>220</td>
<td>1,032,122</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,067,726.62</td>
</tr>
<tr>
<td>IC 6-2.5-4-6</td>
<td>(537)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-$536.60</td>
</tr>
<tr>
<td>IC 6-2.5-4-9</td>
<td>(33,097)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-$33,097.47</td>
</tr>
<tr>
<td>IC 6-2.5-4-10</td>
<td>182</td>
<td></td>
<td>(67)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$115.57</td>
</tr>
<tr>
<td>IC 6-2.5-4-17</td>
<td>104</td>
<td>7,289</td>
<td>726</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$8,117.08</td>
</tr>
<tr>
<td>IC 6-2.5-5-8.1</td>
<td>5,980</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$5,980.14</td>
</tr>
<tr>
<td>IC 6-2.5-5-9</td>
<td>(27,077)</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-$27,076.92</td>
</tr>
<tr>
<td>IC 6-2.5-5-29</td>
<td>224,139</td>
<td>(64,889)</td>
<td>(4,424)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$154,226.38</td>
</tr>
<tr>
<td>IC 6-2.5-5-38</td>
<td></td>
<td></td>
<td>(3,536)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-$3,535.54</td>
</tr>
<tr>
<td>IC 6-2.5-5-39</td>
<td></td>
<td></td>
<td>994</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$994.00</td>
</tr>
<tr>
<td>IC 6-2.5-5-40</td>
<td>(88,443)</td>
<td>33,855</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-$34,588.49</td>
</tr>
</tbody>
</table>

*For SIC explanation, see page 58.
**To view the 45 IAC citation, visit www.state.in.us/legislative/iac/title45.html
To view the IC citation, visit www.in.gov/legislative/ic/code
### EXHIBIT C

**Dollars Assessed by Industrial Code Sales and Use Tax Audits**

(Continued)

<table>
<thead>
<tr>
<th>Sum of Amount</th>
<th>SIC*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citation**</td>
<td>1</td>
</tr>
<tr>
<td>IC 6-2.5-5-45.8</td>
<td>(4,916)</td>
</tr>
<tr>
<td>IC 6-2.5-6-1</td>
<td>2,330</td>
</tr>
<tr>
<td>IC 6-2.5-6-8</td>
<td>142,883</td>
</tr>
<tr>
<td>IC 6-2.5-6-9</td>
<td>406,938</td>
</tr>
<tr>
<td>IC 6-2.5-6-13</td>
<td>188,564</td>
</tr>
<tr>
<td>IC 6-2.5-6-14.1</td>
<td>(3,425,388)</td>
</tr>
<tr>
<td>IC 6-2.5-7-5</td>
<td>521,358</td>
</tr>
<tr>
<td>IC 6-6-4.1-4</td>
<td>8,842</td>
</tr>
<tr>
<td>IC 6-8.1-5-4</td>
<td></td>
</tr>
<tr>
<td>IC 6-9-8-2</td>
<td></td>
</tr>
<tr>
<td>IC 6-9-12-2</td>
<td>2,927</td>
</tr>
<tr>
<td>IC 6-9-20-3</td>
<td>1,062</td>
</tr>
<tr>
<td>IC 6-9-21-3</td>
<td>10,195</td>
</tr>
<tr>
<td>IC 6-9-21-4</td>
<td>162</td>
</tr>
<tr>
<td>IC 6-9-33-3</td>
<td>1,831</td>
</tr>
<tr>
<td>IC 6-9-35-5</td>
<td></td>
</tr>
<tr>
<td>IC 6-2.5</td>
<td>225,911</td>
</tr>
<tr>
<td>IC 6-2.5-2-1</td>
<td>181,218</td>
</tr>
<tr>
<td>IC 6-2.5-2-3</td>
<td></td>
</tr>
<tr>
<td>IC 6-2.5-3-5-25</td>
<td>159</td>
</tr>
<tr>
<td>IC 6-2.5-3-6</td>
<td></td>
</tr>
<tr>
<td>IC 6-2.5-4-1</td>
<td>471</td>
</tr>
<tr>
<td>IC 6-2.5-4-5</td>
<td>41,986</td>
</tr>
<tr>
<td>IC 6-2.5-5</td>
<td>21,670</td>
</tr>
<tr>
<td>IC 6-2.5-5-10</td>
<td>394</td>
</tr>
<tr>
<td>IC 6-2.5-5-5.1</td>
<td>2,183</td>
</tr>
</tbody>
</table>

---

*For SIC explanation, see page 58.

**To view the 45 IAC citation, visit www.state.in.us/legislative/iac/title45.html

**To view the IC citation, visit www.in.gov/legislative/ic/code
<table>
<thead>
<tr>
<th>Citation**</th>
<th>SIC*</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>IC 6-2.5-6-10</td>
<td></td>
<td>22</td>
<td></td>
<td></td>
<td>3</td>
<td></td>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td>$31.95</td>
</tr>
<tr>
<td>IC 6-2.5-6-13</td>
<td></td>
<td></td>
<td>4,060</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$4,060.00</td>
</tr>
<tr>
<td>IC 6-2.5-6-9</td>
<td></td>
<td>5,008</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$5,008.42</td>
</tr>
<tr>
<td>IC 6-2.5-7</td>
<td></td>
<td>10,173</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$10,172.82</td>
</tr>
<tr>
<td>IC 6-2.5-7-1</td>
<td></td>
<td></td>
<td>7,720</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$7,720.33</td>
</tr>
<tr>
<td>IC 6-2.5-8-8</td>
<td></td>
<td>224</td>
<td></td>
<td>37</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$260.34</td>
</tr>
<tr>
<td>IC 6-3-4-8</td>
<td></td>
<td>2,330</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$2,339.43</td>
</tr>
<tr>
<td>IC 6-8.1-10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>65</td>
<td>$64.85</td>
</tr>
<tr>
<td>IC 6-8.1-10-1</td>
<td></td>
<td>549</td>
<td></td>
<td>21,492</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$22,041.01</td>
</tr>
<tr>
<td>IC 6-8.1-10-2</td>
<td></td>
<td>12</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$12.21</td>
</tr>
<tr>
<td>IC 6-8.1-10-2.1</td>
<td></td>
<td>65</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$64.92</td>
</tr>
<tr>
<td>IC 6-8.1-10-2.2</td>
<td></td>
<td>83</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$82.64</td>
</tr>
<tr>
<td>IC 6-8.1-10-3</td>
<td></td>
<td>1,441,592</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
<td>$1,441,595.02</td>
</tr>
<tr>
<td>IC 6-8.1-4-2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,195</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,195.44</td>
</tr>
<tr>
<td>IC 6-8.1-5-2(f)</td>
<td></td>
<td>21,856</td>
<td></td>
<td></td>
<td></td>
<td>1,651</td>
<td>623</td>
<td>372</td>
<td></td>
<td></td>
<td>$21,855.96</td>
</tr>
<tr>
<td>IC 6-8.1-9-1</td>
<td></td>
<td>411</td>
<td></td>
<td></td>
<td></td>
<td>1,763</td>
<td>623</td>
<td>561</td>
<td></td>
<td></td>
<td>$3,856.29</td>
</tr>
<tr>
<td>IC 6-8.1-9-1(a)</td>
<td></td>
<td>961</td>
<td></td>
<td></td>
<td></td>
<td>1,763</td>
<td>623</td>
<td>561</td>
<td></td>
<td></td>
<td>$3,907.79</td>
</tr>
<tr>
<td>IC 6-8.1-9-1(b)</td>
<td></td>
<td>56</td>
<td>9,242</td>
<td>9,716</td>
<td>27,357</td>
<td>525</td>
<td>610</td>
<td>5,048</td>
<td></td>
<td></td>
<td>$32,571.67</td>
</tr>
<tr>
<td>IC 6-8.1-9-2</td>
<td></td>
<td>0</td>
<td>435</td>
<td></td>
<td></td>
<td>1,334</td>
<td>4,233</td>
<td>26</td>
<td></td>
<td></td>
<td>$6,028.46</td>
</tr>
<tr>
<td>IC 6-9-12</td>
<td></td>
<td>127</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$127.36</td>
</tr>
<tr>
<td>IC 9-8.1-9-1(b)</td>
<td></td>
<td>210</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$210.48</td>
</tr>
<tr>
<td>Grand Total</td>
<td></td>
<td>215,910</td>
<td>2,239,757</td>
<td>7,230,428</td>
<td>18,251,940</td>
<td>3,900,284</td>
<td>1,563,022</td>
<td>4,882,096</td>
<td>70,979</td>
<td>28,472</td>
<td>$38,382,885.93</td>
</tr>
</tbody>
</table>

* For SIC explanation, see page 58.
** To view the 45 IAC citation, visit www.state.in.us/legislative/iac/title45.html
*** To view the IC citation, visit www.in.gov/legislative/ic/code
**EXHIBIT D**

**Dollars Assessed by Industrial Code**

**Adjusted Gross Income Tax Audits**

<table>
<thead>
<tr>
<th>SIC*</th>
<th>Citation**</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>45 IAC 2.2-3-4</td>
<td>273</td>
<td>$273</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 IAC 2.2-5-22</td>
<td>115</td>
<td>$115</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 IAC 3.1-1-1</td>
<td>489,576</td>
<td>$530,709</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 IAC 3.1-1-2</td>
<td>427,383</td>
<td>$427,383</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 IAC 3.1-1-3</td>
<td>2,582</td>
<td>$2,582</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 IAC 3.1-1-5</td>
<td>3,349</td>
<td>$67,354</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 IAC 3.1-1-8</td>
<td>343,541</td>
<td>$576,023</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 IAC 3.1-1-9</td>
<td>552</td>
<td>($310,507)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 IAC 3.1-1-29</td>
<td>348</td>
<td>$348</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 IAC 3.1-1-37</td>
<td>640,052</td>
<td>$633,792</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 IAC 3.1-1-38</td>
<td>1,197,319</td>
<td>$1,178,164</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 IAC 3.1-1-50</td>
<td>343,541</td>
<td>($194,156)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 IAC 3.1-1-52</td>
<td>5,454,204</td>
<td>$5,454,204</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 IAC 3.1-1-53</td>
<td>($1,460,542)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 IAC 3.1-1-55</td>
<td>177,909</td>
<td>$177,909</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 IAC 3.1-1-62</td>
<td>($750,000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 IAC 3.1-1-66</td>
<td>297,823</td>
<td>$297,823</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 IAC 3.1-1-67</td>
<td>31,176</td>
<td>$31,176</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 IAC 3.1-1-94</td>
<td>2,850</td>
<td>$2,850</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 IAC 3.1-1-97</td>
<td>502,638</td>
<td>$502,638</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 IAC 3.1-1-106</td>
<td>125,993</td>
<td>$125,993</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 IAC 3.1-1-107</td>
<td>3,222</td>
<td>($923)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*For SIC explanation, see page 58.
**To view the 45 IAC citation, visit www.state.in.us/legislative/iac/title45.html
***To view the IC citation, visit www.in.gov/legislative/ic/code
## Exhibit D

### Dollars Assessed by Industrial Code

#### Adjusted Gross Income Tax Audits

(Continued)

<table>
<thead>
<tr>
<th>Sum of Amount</th>
<th>SIC*</th>
<th>Citation**</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>45 IAC 3.1-1-109</td>
<td></td>
<td>13,425</td>
<td></td>
<td>2,166</td>
<td></td>
<td>28,086</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$43,677</td>
</tr>
<tr>
<td>45 IAC 3.1-1-110</td>
<td></td>
<td>(12,073,962)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>($12,073,962)</td>
</tr>
<tr>
<td>45 IAC 3.1-1-111</td>
<td></td>
<td>4,100</td>
<td></td>
<td>11,500,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$11,504,100</td>
<td></td>
</tr>
<tr>
<td>45 IAC 3.1-1-153</td>
<td></td>
<td>12,547,693</td>
<td></td>
<td>(364,241)</td>
<td></td>
<td>3,000,547</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$15,183,999</td>
</tr>
<tr>
<td>45 IAC 15-5-7</td>
<td></td>
<td>26,950</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$26,950</td>
<td></td>
</tr>
<tr>
<td>45 IAC 2.2-3-1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$4,478,236</td>
<td></td>
</tr>
<tr>
<td>45 IAC 2.2-3-20</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$65,332</td>
<td></td>
</tr>
<tr>
<td>IC 6-2.3-1-4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(44,190)</td>
<td></td>
</tr>
<tr>
<td>IC 6-3-1-3.5</td>
<td></td>
<td>1,719</td>
<td></td>
<td>225,051</td>
<td></td>
<td>200,418</td>
<td></td>
<td>12,785</td>
<td>31,076</td>
<td>199,977</td>
<td></td>
<td>$671,026</td>
</tr>
<tr>
<td>IC 6-3-2-1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>23,298</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>31,568</td>
<td>$54,866</td>
</tr>
<tr>
<td>IC 6-3-2-2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(504,131)</td>
<td>$9,126,053</td>
</tr>
<tr>
<td>IC 6-3-2-2.5</td>
<td></td>
<td>1,453</td>
<td></td>
<td>(159,643)</td>
<td></td>
<td>2,886,275</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td>$2,728,085</td>
</tr>
<tr>
<td>IC 6-3-2-20</td>
<td></td>
<td>422,325</td>
<td></td>
<td>359,259</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$781,584</td>
<td></td>
</tr>
<tr>
<td>IC 6-3-3-9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>80</td>
<td>$80</td>
</tr>
<tr>
<td>IC 6-3-3-10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>IC 6-3-3-14</td>
<td></td>
<td>171,039</td>
<td></td>
<td>201,737</td>
<td></td>
<td>172,132</td>
<td></td>
<td>76,673</td>
<td>33,364</td>
<td>89,282</td>
<td></td>
<td>$744,226</td>
</tr>
<tr>
<td>IC 6-3-4-10</td>
<td></td>
<td>0</td>
<td></td>
<td>34,894</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$34,894</td>
<td></td>
</tr>
<tr>
<td>IC 6-3-4-12</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,693</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$2,693</td>
</tr>
<tr>
<td>IC 6-3-4-13</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>51,429</td>
<td>13,299</td>
<td>4,248</td>
<td></td>
<td>$68,976</td>
</tr>
<tr>
<td>IC 6-3-4-14</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(4,063)</td>
<td>($4,063)</td>
</tr>
<tr>
<td>IC 6-3.1-4-1</td>
<td></td>
<td>81,788</td>
<td></td>
<td>(23,992)</td>
<td></td>
<td>(66,431)</td>
<td></td>
<td>1,691,028</td>
<td></td>
<td></td>
<td></td>
<td>$1,682,393</td>
</tr>
<tr>
<td>IC 6-3.1-4-7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>198,433</td>
<td>$198,433</td>
</tr>
</tbody>
</table>

* For SIC explanation, see page 58.
** To view the 45 IAC citation, visit www.state.in.us/legislative/iac/title45.html
*** To view the IC citation, visit www.in.gov/legislative/ic/code
### EXHIBIT D

**Dollars Assessed by Industrial Code**

**Adjusted Gross Income Tax Audits**

*(continued)*

<table>
<thead>
<tr>
<th>Sum of Amount</th>
<th>SIC*</th>
<th>Citation**</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>IC 6-3.1-24-12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IC 6-3.5-1.1-1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IC 6-3.5-1.1-16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IC 6-3.5-6-1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IC 6-3.5-1.1-17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IC 6-5.5-2-1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IC 6-5.5-4-2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IC 6-5.5-5-1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IC 6-5.5-6-6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IC 6-2-5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IC 6-3-1-3.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IC 6-3-2-14-5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IC 6-3-2-2.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IC 6-3-2-3.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IC 6-3-4-1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IC 6-3-4-13(j)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IC 6-3-4-6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IC 6-3-4-6 (C)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IC 6-3-4-8</td>
<td>805</td>
<td>7,019</td>
</tr>
<tr>
<td>IC 6-8.1-10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IC 6-8.1-10-1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IC 6-8.1-10-3</td>
<td>32,344</td>
<td>185</td>
</tr>
</tbody>
</table>

---

* For SIC explanation, see page 58.

**To view the 45 IAC citation, visit www.state.in.us/legislative/iac/title45.html

**To view the IC citation, visit www.in.gov/legislative/ic/code
<table>
<thead>
<tr>
<th>Citation**</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>IC 6-8.1-10-4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4,689</td>
<td></td>
<td></td>
<td>$4,689</td>
</tr>
<tr>
<td>IC 6-8.1-10-5</td>
<td>20</td>
<td></td>
<td></td>
<td></td>
<td>2,537</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$2,537</td>
</tr>
<tr>
<td>IC 6-8.1-10-6(b)</td>
<td></td>
<td>31,606</td>
<td></td>
<td>430</td>
<td>602</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$32,637</td>
</tr>
<tr>
<td>IC 6-8.1-8-2(b)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>56</td>
<td></td>
<td></td>
<td>$56</td>
</tr>
<tr>
<td>IC 6-8.1-8-4</td>
<td></td>
<td>13,192</td>
<td>35,949</td>
<td></td>
<td>2,008</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$50,239</td>
</tr>
<tr>
<td>IC 6-8.1-9.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,498</td>
<td></td>
<td></td>
<td>$1,498</td>
</tr>
<tr>
<td>IC 6-8.1-9-1</td>
<td></td>
<td>9,472</td>
<td>823</td>
<td>380</td>
<td></td>
<td></td>
<td>2,671</td>
<td></td>
<td></td>
<td>$13,345</td>
</tr>
<tr>
<td>IC 6-8.1-9-1(a)</td>
<td>990</td>
<td>12,820</td>
<td>35,998</td>
<td>3,473</td>
<td>21,955</td>
<td>80</td>
<td>5</td>
<td></td>
<td></td>
<td>$75,320</td>
</tr>
<tr>
<td>IC 6-8.1-9-1(b)</td>
<td>1,062</td>
<td>8,474</td>
<td>4,655</td>
<td>12,440</td>
<td>3,594</td>
<td>111</td>
<td>644</td>
<td></td>
<td></td>
<td>$30,981</td>
</tr>
<tr>
<td>IC 6-8.1-9-2</td>
<td></td>
<td>9,368</td>
<td>7,835</td>
<td></td>
<td>180,833</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$198,036</td>
</tr>
<tr>
<td>IC 6-8.1-10-6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4,321</td>
<td></td>
<td></td>
<td>$4,321</td>
</tr>
<tr>
<td>IC 6-3-4-8.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>10,840</td>
<td></td>
<td></td>
<td>$10,840</td>
</tr>
<tr>
<td>IC 6-3-3-1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,243</td>
<td></td>
<td></td>
<td>$1,243</td>
</tr>
<tr>
<td>IC 6-8.1-10-3</td>
<td>194</td>
<td></td>
<td>7,271</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$7,465</td>
</tr>
<tr>
<td>IC 6-3-4-10</td>
<td></td>
<td>1,599</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,599</td>
</tr>
<tr>
<td>IC 8.1-10-3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>34,131,565</td>
<td></td>
<td></td>
<td>$34,131,565</td>
</tr>
</tbody>
</table>

Grand Total: 47,651,184,119,19,983,682,6,674,908,99,576,800,232,121,217,45,747,001,90,510,133

* For SIC explanation, see page 59.
** To view the IC citation, visit www.in.gov/legislative/ic/code
*** To view the 45 IAC citation, visit www.state.in.us/legislative/iac/title45.html

EXHIBIT D
DOLLARS ASSESSED BY INDUSTRIAL CODE
ADJUSTED GROSS INCOME TAX AUDITS
(CONTINUED)
### Exhibit E

**Dollars Assessed by Industrial Code Special Tax Audits**

<table>
<thead>
<tr>
<th>Sum of Amount</th>
<th>SIC*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citation**</td>
<td>1</td>
</tr>
<tr>
<td>IC 6-6-13</td>
<td>222</td>
</tr>
<tr>
<td>IC 6-6-4.1-4</td>
<td>2,184</td>
</tr>
<tr>
<td>IC 6-6-4.1-6</td>
<td>(404)</td>
</tr>
<tr>
<td>IC 6-6-6.5</td>
<td></td>
</tr>
<tr>
<td>IC 6-6-9.7</td>
<td></td>
</tr>
<tr>
<td>IC 6-7-1-18</td>
<td></td>
</tr>
<tr>
<td>IC 6-7-1-19</td>
<td></td>
</tr>
<tr>
<td>IC 6-7-2-7</td>
<td></td>
</tr>
<tr>
<td>IC 6-7-2-12</td>
<td></td>
</tr>
<tr>
<td>IC 6-7-2-14</td>
<td></td>
</tr>
<tr>
<td>IC 6-7-2-18</td>
<td></td>
</tr>
<tr>
<td>IC 6-7-2-19</td>
<td></td>
</tr>
<tr>
<td>IC 6-7-2-20</td>
<td></td>
</tr>
<tr>
<td>IC 7.1-4-2</td>
<td></td>
</tr>
<tr>
<td>IC 7.1-4-4</td>
<td></td>
</tr>
<tr>
<td>IFTA Non-Indiana Assessment Adequate Rating</td>
<td>98</td>
</tr>
<tr>
<td>IFTA Non-Indiana Assessment Inadequate Rating</td>
<td>16,735</td>
</tr>
<tr>
<td>Indiana IFTA Assessment Adequate Rating</td>
<td>(4)</td>
</tr>
<tr>
<td>Indiana IFTA Assessment Inadequate Rating</td>
<td>25,751</td>
</tr>
<tr>
<td>IRP Article X-1005</td>
<td>491</td>
</tr>
<tr>
<td>IRP Article X-1015</td>
<td>2,194</td>
</tr>
<tr>
<td>Motor Carrier Assessment Adequate Records</td>
<td>(485)</td>
</tr>
<tr>
<td>Motor Carrier Assessment Inadequate Records</td>
<td>10,238</td>
</tr>
</tbody>
</table>

*For SIC explanation, see page 58.
**To view the 45 IAC citation, visit www.state.in.us/legislative/iac/title45.html
***To view the IC citation, visit www.in.gov/legislative/ic/code
## Exhibit E

### Dollars Assessed by Industrial Code

#### Special Tax Audits

(Continued)

<table>
<thead>
<tr>
<th>Sum of Amount</th>
<th>SIC*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citation**</td>
<td>1</td>
</tr>
<tr>
<td>Supp IFTA Indiana Assessment Inadequate Rating</td>
<td>(21,142)</td>
</tr>
<tr>
<td>Supp IFTA Indiana Assessment Adequate Rating</td>
<td></td>
</tr>
<tr>
<td>Supp IFTA Non-Indiana Assessment Inadequate Records</td>
<td>(1,013)</td>
</tr>
<tr>
<td>Supp IFTA Non-Indiana Assessment Adequate Records</td>
<td></td>
</tr>
<tr>
<td>Supp Motor Carrier Assessment Adequate Records</td>
<td></td>
</tr>
<tr>
<td>Supp Motor Carrier Assessment Inadequate Records</td>
<td>(2,846)</td>
</tr>
<tr>
<td>Grand Total</td>
<td>22,134</td>
</tr>
</tbody>
</table>

* For SIC explanation, see page 58.
** To view the 45 IAC citation, visit www.state.in.us/legislative/iac/title45.html
*** To view the IC citation, visit www.in.gov/legislative/ic/code
## EXHIBIT F
DOLLARS ASSESSED BY INDUSTRIAL CODE
MISCELLANEOUS VIOLATIONS

<table>
<thead>
<tr>
<th>Sum of Amount</th>
<th>SIC*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Citation</strong> **</td>
<td>1</td>
</tr>
<tr>
<td>IC 6-8.1-4-2</td>
<td></td>
</tr>
<tr>
<td>IC 6-8.1-5-1</td>
<td></td>
</tr>
<tr>
<td>IC 6-8.1-5-2</td>
<td>98,130</td>
</tr>
<tr>
<td>IC 6-8.1-5-4</td>
<td></td>
</tr>
<tr>
<td>IC 6-8.1-9-1</td>
<td></td>
</tr>
<tr>
<td>IC 6-8.1-10.2.1</td>
<td>500</td>
</tr>
<tr>
<td>IC 13-20-13-7</td>
<td></td>
</tr>
<tr>
<td>IC 36-8-16.6-12</td>
<td>2,697</td>
</tr>
<tr>
<td>IC 36-8-16.6-13</td>
<td></td>
</tr>
<tr>
<td>IC 6-8.1-10-3</td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td>98,130</td>
</tr>
</tbody>
</table>

---

* For SIC explanation, see page 58.
** To view the 45 IAC citation, visit www.state.in.us/legislative/iac/title45.html
*** To view the IC citation, visit www.in.gov/legislative/ic/code
Returns Processing
The vast majority of returns and forms sent to the department annually are prepared correctly, and the department processes them using the latest technology available. In FY 2016, the department received 1.6 million paper documents, an additional 1.05 million W-2s, and 2.05 million checks to be processed. Some of those items were received with incomplete information or no basic information from the taxpayer (such as checks without an accompanying return). When this occurs, the department must determine what to do with the information or money it has received.

Failure to Complete a Tax Return
When a return is received lacking the necessary information, including all W-2s, schedules, and required enclosures and documentation, the return is processed with only the information provided or is delayed. This can cause any deductions and/or credits not verified to be denied and could result in a reduced refund or possible notice of tax due. The department sends the taxpayer a letter explaining the reason for the denial or reduction. The department worked approximately 950 returns with this classification this year.

Duplication of Filing
Duplicate filing usually occurs when a taxpayer files a return electronically and then sends the department a paper copy of the return, along with the payment or as an informational return. In FY 2016, the department received approximately 15,000 duplicate returns. Many of these duplicate filings were a result of taxpayer confusion. They filed electronically, but then, having doubts about the efficacy of the electronic filing, they sent a paper return just to make sure that their taxes were filed. After a duplicate filing is identified, an employee must go into the tax processing system to mark the second filing as “information only” to ensure accuracy. The department’s ability to process more returns electronically has reduced this number in recent years.

Claiming Credits Incorrectly
Sometimes taxpayers claim credits that are not substantiated or do not have the proper documentation included with the return. This can cause the credit to be denied. When this occurs, an employee must contact the taxpayer to get the necessary information. In 2016, more than 107,500 tax returns fell into this category. Efforts are made to improve tax preparation instruction, but it is an ongoing educational process.
Calculation Errors
When a calculation error is detected, the return is flagged for review. This past tax season more than 262,000 returns were flagged in this manner. An employee must examine the return and determine whether the error: is truly a calculation error; is a problem with how the information was interpreted in the data-capture process; or occurred because data was placed on an incorrect form line, which can cause the columns on the tax return to total incorrectly. After the error has been determined and corrected, the return is successfully processed. The shift to electronic filing and improvements in high-speed imaging and data capture have improved accuracy.

Miscellaneous
The following filing issues require more time for data entry and processing:

- Unidentified checks – 51,500: The majority of these are generated by third-party bill pay services. For example, the taxpayer asks her service provider to pay an estimated bill. The service provider does not have a copy of the estimated payment voucher. Consequently, they submit the check with no voucher, which prevents the department from using its high-speed processing.
- WH-3 filed outside of legislative-mandated guidelines. These items fall into three categories.
  a. Taxpayers submitting more than 25 wage statements – 490
  b. Taxpayers submitting incorrect information – 10,000
  c. Taxpayers submitting a WH-3 with no wage statement documentation – 400
- The department worked 79,000 returns that needed additional work and resources devoted to them in FY 2016. These included:
  a. Multiple returns with one check or multiple checks with one return – 58% of the above total.
  b. Use of non-departmental payment coupons – 21% of the above total.

Solution
Each of the previously mentioned practices requires manual data entry to post a return. In addition, once a taxpayer begins using one of these erroneous practices, he often continues doing so. The department has many avenues for changing these practices, however. They include awareness campaigns through the tax preparer community and the department’s website, written communication to taxpayers who repeatedly file incorrectly, problem identification and remediation on in-bound customer contact, and conducting out-bound customer contact for problem accounts.

Although time-consuming and expensive, this broad approach is most effective in the long run to help taxpayers learn to use the correct practices that will expedite the correct processing of returns.
The final section provides the taxpayer bill of rights, the FY 2016 legislative changes affecting the taxpayers the Indiana Department of Revenue serves, along with information on how a taxpayer can contact the department.
All Indiana taxpayers have certain rights and responsibilities under Indiana tax law. The Taxpayer Bill of Rights sets forth these rights and responsibilities for Indiana taxpayers:

I. Quality taxpayer service
II. Taxpayer advocate to help taxpayers in the preservation of their rights
III. Taxpayer education and information
IV. A fair collection process
V. Appointed hearing time and representation
VI. Demand notices
VII. Warrants for collection of tax
VIII. Judgment liens against property
IX. Annual public hearing
X. Taxpayer responsibilities

The complete Taxpayer Bill of Rights may be found at [www.in.gov/dor/3660.htm](http://www.in.gov/dor/3660.htm).

**BICENTENNIAL FACT**

The Indiana General Assembly passed the Taxpayer Bill of Rights in 1989. The Bill of Rights requires the department to hold an annual public hearing as part of an overall effort to be more responsive to the public’s questions and concerns.

While the department now offers many avenues for taxpayer feedback that were not available in 1989 (social media, email, etc.), the annual public hearing is still a valuable opportunity for face-to-face interaction with department representatives.
WAGERING TAXES (IC 4)

Summary: Eliminates the exceptions from the general rules for distribution of wagering tax revenues from riverboats at French Lick and in Lake County. Makes other conforming technical corrections to internal references.

Effective Date: July 1, 2016
Code: IC 4-33-12-6
Enrolled Act: HEA 1290, SEC. 1

Summary: Creates a new code section establishing to whom wagering tax revenues from a riverboat in Lake County shall be distributed.

Effective Date: July 1, 2016
Code: IC 4-33-12-8
Enrolled Act: HEA 1290, SEC. 2

Summary: Creates a new code section establishing the rules by which the treasurer of the state shall distribute wagering tax revenues from riverboats to local government units.

Effective Date: July 1, 2016
Code: IC 4-33-12-9
Enrolled Act: HEA 1290, SEC. 3

Summary: Makes technical correction to references to IC 4-33-12. Accelerates from September 15 to July 15 the date by which the treasurer of state is required to determine the total amount of wagering tax revenues distributed to any entity during the preceding state fiscal year. Accelerates from September 2016 to July 2016 the requirement that the treasurer of state make certain deductions from any supplemental distributions payable to Lake County, Hammond, Gary or East Chicago.

Effective Date: July 1, 2016
Code: IC 4-33-12-5
Enrolled Act: HEA 1290, SEC. 5

Summary: Makes technical correction to references to IC 4-33-12. Makes other conforming technical corrections to internal references.

Effective Date: July 1, 2016
Code: IC 4-33-12.5-6
Enrolled Act: HEA 1290, SEC. 4

SALES AND USE TAX (IC 6-2.5)

Summary: Defines “construction material” to mean any tangible personal property to be converted into real property.

Effective Date: January 1, 2010 (RETROACTIVE)
Code: IC 6-2.5-1-14.7
Enrolled Act: SEA 309, SEC. 14

Summary: Defines “contractor” to mean any person engaged in converting construction material into real property on behalf of another person. The term includes, but is not limited to, general or prime contractors, subcontractors, and specialty contractors.

Effective Date: January 1, 2010 (RETROACTIVE)
Code: IC 6-2.5-1-14.9
Enrolled Act: SEA 309, SEC. 15

Summary: Defines “facilitator” to mean a person who:
(1) contracts or otherwise enters into an agreement: (A) with a person who rents or furnishes rooms, lodgings, or accommodations for consideration; and (B) to market rooms, lodgings, or accommodations through the Internet; and
(2) accepts payment from the consumer for the room, lodging, or accommodation. The term does not include a licensee (as defined in IC 25-34.1-1-2(6)) under the real estate broker licensing act (IC 25-34.1) or the owner of the room, lodging, or accommodation.

Effective Date: July 1, 2017
Code: IC 6-2.5-1-19.5
Enrolled Act: SEA 309, SEC. 16

Summary: Defines “time and material contract” to mean a contract in which the cost of construction material and the cost of labor or other charges are stated separately.

Effective Date: January 1, 2010 (RETROACTIVE)
Code: IC 6-2.5-1-27.7
Enrolled Act: SEA 309, SEC. 17
Summary: Clarifies that the use tax is imposed on a contractor's conversion of construction material into real property if that construction material was purchased by the contractor. Provides that a contractor's conversion of construction material into real property is exempt from the use tax if: (1) the state gross retail or use tax was previously imposed on the contractor's acquisition or use of that construction material; (2) the person for whom the construction material is being converted could have purchased the material exempt, as evidenced by a properly completed exemption certificate; or (3) the conversion of the construction material into real property was governed by a time and material contract as described in IC 6-2.5-4-9(b).

Effective Date: JANUARY 1, 2010 (RETROACTIVE)
Code: IC 6-2.5-3-2
Enrolled Act: SEA 309, SEC. 18

Summary: Provides that a retail merchant who obtains an exemption certificate from a person purchasing tangible personal property for use or consumption in providing public transportation under IC 6-2.5-5-27 is entitled to assume that the person purchasing the tangible personal property will use the tangible personal property for an exempt purpose or pay any use tax that is due on the storage, use, or consumption of the tangible personal property. The retail merchant is not liable for a failure to collect any use tax that may be due on the storage, use, or consumption of the tangible personal property unless the retail merchant's reliance on the information described in IC 6-2.5-3-7(c)(1)-(3) and the signed affirmation required under IC 6-2.5-3-7(c)(3) was unreasonable. The department has the burden of proving that a facilitator fails to separately state the information required.

Effective Date: July 1, 2016
Code: IC 6-2.5-3-7.5
Enrolled Act: HEA 1290, SEC. 14

Summary: Specifies that a person is a retail merchant making a retail transaction when the person rents or furnishes rooms, lodgings, or other accommodations if those rooms, lodgings, or other accommodations are located in a house, condominium, or apartment in which rooms, lodgings, or accommodations are rented or furnished for transient residential housing. Specifies that a contractor is a retail merchant making a retail transaction when the contractor accepts payment from the consumer for a room, lodging, or accommodation rented or furnished in Indiana.

Effective Date: JULY 1, 2017
Code: IC 6-2.5-4-4
Enrolled Act: SEA 309, SEC. 19

Summary: Requires that retail merchants making retail transactions under IC 6-2.5-4-4 provide to the consumer of the accommodation an itemized statement. The itemized statement shall include: (1) the part of the gross retail income that is charged by the retail merchant for renting or furnishing the accommodation; (2) any amount collected by the retail merchant for the state gross retail or use tax and any innkeeper's tax due under IC 6-8; and (3) any part of the gross retail income that is a fee, commission, or other charge of the facilitator. Imposes a penalty of twenty-five dollars ($25) on each retail transaction in which a facilitator fails to separately state the information required.

Effective Date: JULY 1, 2017
Code: IC 6-2.5-4-4.2
Enrolled Act: SEA 309, SEC. 20

Summary: Requires that retail merchants making retail transactions under IC 6-2.5-4-4 provide to the consumer of the accommodation an itemized statement. The itemized statement shall include: (1) the part of the gross retail income that is charged by the retail merchant for renting or furnishing the accommodation; (2) any amount collected by the retail merchant for the state gross retail or use tax and any innkeeper's tax due under IC 6-8; and (3) any part of the gross retail income that is a fee, commission, or other charge of the facilitator. Imposes a penalty of twenty-five dollars ($25) on each retail transaction in which a facilitator fails to separately state the information required.

Effective Date: JULY 1, 2017
Code: IC 6-2.5-4-4.2
Enrolled Act: SEA 309, SEC. 20

Summary: Specifies that a person is a retail merchant making a retail transaction when the person rents or furnishes rooms, lodgings, or other accommodations if those rooms, lodgings, or other accommodations are located in a house, condominium, or apartment in which rooms, lodgings, or accommodations are rented or furnished for transient residential housing. Specifies that a contractor is a retail merchant making a retail transaction when the contractor accepts payment from the consumer for a room, lodging, or accommodation rented or furnished in Indiana.

Effective Date: JULY 1, 2017
Code: IC 6-2.5-4-4
Enrolled Act: SEA 309, SEC. 19

Summary: Requires that retail merchants making retail transactions under IC 6-2.5-4-4 provide to the consumer of the accommodation an itemized statement. The itemized statement shall include: (1) the part of the gross retail income that is charged by the retail merchant for renting or furnishing the accommodation; (2) any amount collected by the retail merchant for the state gross retail or use tax and any innkeeper's tax due under IC 6-8; and (3) any part of the gross retail income that is a fee, commission, or other charge of the facilitator. Imposes a penalty of twenty-five dollars ($25) on each retail transaction in which a facilitator fails to separately state the information required.

Effective Date: JULY 1, 2017
Code: IC 6-2.5-4-4.2
Enrolled Act: SEA 309, SEC. 20

Summary: Provides that a retail merchant who obtains an exemption certificate from a person purchasing tangible personal property for use or consumption in providing public transportation under IC 6-2.5-5-27 is entitled to assume that the person purchasing the tangible personal property will use the tangible personal property for an exempt purpose or pay any use tax that is due on the storage, use, or consumption of the tangible personal property. The retail merchant is not liable for a failure to collect any use tax that may be due on the storage, use, or consumption of the tangible personal property unless the retail merchant's reliance on the information described in IC 6-2.5-3-7(c)(1)-(3) and the signed affirmation required under IC 6-2.5-3-7(c)(3) was unreasonable. The department has the burden of proving that a facilitator fails to separately state the information required.

Effective Date: July 1, 2016
Code: IC 6-2.5-3-7.5
Enrolled Act: HEA 1290, SEC. 14

Summary: Provides that a contractor is a retail merchant making a retail transaction when the contractor: (1) disposes of tangible personal property; or (2) converts tangible personal property into real property; under a time and material contract for purposes of the sales tax exemption for manufacturing machinery, tools, and equipment acquired for direct use in direct production.

Effective Date: JANUARY 1, 2017
Code: IC 6-2.5-5-3
Enrolled Act: SEA 309, SEC. 22

Summary: Exempts transactions involving the sale of or the lease or rental of storage for bullion or currency from the state gross retail tax if: (1) the coins are permitted investments by an individual retirement account or by an individually-directed account under 26 U.S.C. 408(m); (2) the bullion is a permitted investment by an individual retirement account or by an individually-directed account under 26 U.S.C. 408(m); or (3) the coins are legal tender.

Effective Date: July 1, 2016
Code: IC 6-2.5-5-47
Enrolled Act: HEA 1046, SEC. 1

Summary: Makes significant changes to the way in which the department deposits collections of the Gasoline Use Tax (“GUT”). Amounts collected under GUT shall be determined separately from the collection of sales and use taxes under IC 6-2.5. Money collected shall be deposited from two pools of money (GUT collections and all other sales and use tax collections) instead of one. Also changes the general allocation of sales and use tax collections.

Effective Date: July 1, 2016
Code: IC 6-2.5-10-1
Enrolled Act: HEA 1001, SEC. 4
**ADJUSTED GROSS INCOME TAX (IC 6-3)**

**Summary:** Expands the $1,500 deduction for dependent children to include certain individuals for whom the taxpayer is the legal guardian, but not the parent.

**Effective Date:** January 1, 2017

**Code:** IC 6-3-1-3.5

**Enrolled Act:** SEA 309, SEC. 23

**Summary:** Updates references to Internal Revenue Code to that in effect on January 1, 2016, instead of January 1, 2015.

**Effective Date:** January 1, 2016 (RETROACTIVE)

**Code:** IC 6-3-1-11

**Enrolled Act:** HEA 1290, SEC. 15

**Summary:** Clarifies that a taxpayer who makes a contribution to a college choice 529 education savings plan is considered to have made the contribution on the date that: (1) the taxpayer’s contribution is postmarked or accepted by a delivery service, for contributions that are submitted to a college choice 529 education savings plan by mail or delivery service; or (2) the taxpayer’s electronic funds transfer is initiated, for contributions that are submitted to a college choice 529 education savings plan by electronic funds transfer.

**Effective Date:** January 1, 2016

**Code:** IC 6-3-3-12

**Enrolled Act:** SEA 309, SEC. 25

**Summary:** Provides that the credit a hospital is entitled to against the hospital’s adjusted gross income tax liability for the taxable year equal to ten percent of the property taxes paid in Indiana for the taxable year on property used as a hospital may be carried forward to a succeeding tax year.

**Effective Date:** July 1, 2016

**Code:** IC 6-3-3-14.6

**Enrolled Act:** SEA 309, SEC. 26

**Summary:** Makes rules, guidelines, or other instructions adopted by the department under IC 6-3-2-3.2(d) apply to taxable years beginning after December 31, 2013. Provides that this section expires July 1, 2019.

**Effective Date:** January 1, 2014 (RETROACTIVE)

**Code:** IC 6-3-2-3.2

**Enrolled Act:** SEA 173, SEC. 2

**Summary:** Eliminates the credit against adjusted gross income for contributions to the twenty-first century scholars program.

**Effective Date:** January 1, 2017

**Code:** IC 6-3-3-5.1

**Enrolled Act:** SEA 309, SEC. 24

**Summary:** Provides that if a partnership fails to withhold and pay any amount of tax required to be withheld and thereafter the tax is paid by the partners, the amounts of tax as paid by the partners shall not be collected from the partnership but it may not be relieved from liability for interest or penalty otherwise due in respect to the failure to withhold under IC 6-8.1-10.

**Effective Date:** July 1, 2016

**Code:** IC 6-3-4-12

**Enrolled Act:** SEA 309, SEC. 27
Summary: Provides that if a trust or estate fails to withhold and pay any amount of tax required to be withheld and thereafter the tax is paid by the beneficiaries, the amounts of tax paid by the beneficiaries shall not be collected from the trust or estate but it may not be relieved from liability for interest or penalty otherwise due in respect to the failure to withhold under IC 6-8.1-10.

Effective Date: July 1, 2016
Code: IC 6-3-4-15
Enrolled Act: SEA 309, SEC. 28

Summary: Makes alterations to rules governing the claim of industrial recovery tax credits.

Effective Date: January 1, 2017
Code: IC 6-3.1-11-1
Enrolled Act: HEA 1290, SEC. 16

Summary: Eliminates the definition of “executive” for purposes of IC 6-3.1-11.

Effective Date: January 1, 2017
Code: IC 6-3.1-11-3
Enrolled Act: HEA 1290, SEC. 17

Summary: Changes the definition of “industrial recovery site” for purposes of IC 6-3.1-11.

Effective Date: January 1, 2017
Code: IC 6-3.1-11-5
Enrolled Act: HEA 1290, SEC. 18

Summary: Eliminates the definition of “municipality” for purposes of IC 6-3.1-11.

Effective Date: January 1, 2017
Code: IC 6-3.1-11-7
Enrolled Act: HEA 1290, SEC. 20

Summary: Eliminates the definition of “vacant industrial facility” for purposes of IC 6-3.1-11.

Effective Date: January 1, 2017
Code: IC 6-3.1-11-15
Enrolled Act: HEA 1290, SEC. 21

Summary: Requires that a taxpayer enter into an agreement with IEDC in order to claim the industrial recovery tax credit.

Effective Date: January 1, 2017
Code: IC 6-3.1-11-16
Enrolled Act: HEA 1290, SEC. 22

Summary: Defines “qualified contribution” to mean a contribution to a fund for which a community development corporation has received an allocation of tax credits under IC 4-4-28-13.

Effective Date: January 1, 2016 (RETROACTIVE)
Code: IC 6-3.1-18-4.5
Enrolled Act: SEA 325, SEC. 10

Summary: Clarifies that the Department of Revenue shall grant a tax credit against any state liability due equal to fifty percent of the amount of a “qualified contribution” made in the taxable year if the contribution is not less than $100 and not more than $50,000.

Effective Date: January 1, 2016 (RETROACTIVE)
Code: IC 6-3.1-18-6
Enrolled Act: SEA 325, SEC. 11
Summary: Changes the formula the department shall use for determining how much property tax credits shall be deducted from riverboat admissions tax revenues before payments and supplemental distributions are made to cities in Lake County.
Effective Date: July 1, 2016
Code: IC 6-3.1-20-7
Enrolled Act: HEA 1290, SEC. 26

Summary: Requires that a person or an individual who desires to claim a tax credit under IC 6-3.1-18 shall file with the Department of Revenue, in the form approved by the department, an application stating the amount of the qualified contribution that the person or individual proposes to make and the amount sought to be claimed as a credit.
Effective Date: January 1, 2016 (RETOACTIVE)
Code: IC 6-3.1-18-9
Enrolled Act: SEA 325, SEC. 12

Summary: Defines “Transportation asset management plan.”
Effective Date: July 1, 2016
Code: IC 6-3.5-4-1
Enrolled Act: HEA 1001, SEC. 5

Summary: Allows counties using a transportation asset management plan approved by INDOT to impose an annual license excise surtax on motor vehicles. The tax may be imposed at a rate of at least two percent (2%) and not more than twenty percent (20%), or at a specific amount of at least seven dollars and fifty cents ($7.50) and not more than ($50).
Effective Date: July 1, 2016
Code: IC 6-3.5-4-2
Enrolled Act: HEA 1001, SEC. 6

Summary: Allows counties using a transportation asset management plan approved by INDOT to impose a wheel tax on each vehicle registered in the county. The tax may not be less than five dollars ($5) and may not exceed eighty dollars ($80).
Effective Date: July 1, 2016
Code: IC 6-3.5-5-2
Enrolled Act: HEA 1001, SEC. 9

Summary: Allows eligible municipalities to adopt an ordinance to impose an annual license excise surtax on each motor vehicle registered in the eligible municipality. Ordinances shall be sent to the Commissioner of the Bureau of Motor Vehicles.
Effective Date: UPON PASSAGE
Code: IC 6-3.5-10
Enrolled Act: HEA 1001, SEC. 11
Summary: Allows eligible municipalities that have adopted an ordinance to impose an annual license excise tax to impose a municipal wheel tax. Ordinances shall be sent to the Commissioners of the Bureau of Motor Vehicles and the Department of State Revenue. If the wheel tax for a commercial vehicle is collected directly by the department, the Commissioner of the department shall: (1) remit the wheel tax to, and file a wheel tax collections report with, the fiscal officer of the appropriate municipality; and (2) file a wheel tax collections report with the fiscal officer of the appropriate municipality in the same manner and at the same time that a branch office manager is required to remit and report under section 12 of this chapter.

Effective Date: UPON PASSAGE
Code: IC 6-3.5-11
Enrolled Act: HEA 1001, SEC. 12

Summary: Relocates the department’s authority to impose a service charge of fifteen cent ($0.15) on the collection of the county motor vehicle excise surtax, which will be deposited in the motor carrier regulation fund.

Effective Date: July 1, 2016
Code: IC 6-3.5-4-15.5
Enrolled Act: HEA 1087, SECTION 23

Summary: Relocates the department’s authority to impose a service charge of fifteen cent ($0.15) on the collection of the county wheel tax, which will be deposited in the motor carrier regulation fund.

Effective Date: July 1, 2016
Code: IC 6-3.5-5-9
Enrolled Act: HEA 1087, SECTION 25

Summary: Clarifies that the department must remit the wheel tax and file a collections report with the county auditor in the same manner and time as the bureau of motor vehicles.

Effective Date: July 1, 2016
Code: IC 6-3.5-5-13
Enrolled Act: HEA 1087, SECTION 26

INHERITANCE AND ESTATE TAXES
(IC 6-4.1)

Summary: Directs that inheritance tax returns filed after March 31, 2016 be filed with the Department of Revenue.

Effective Date: Upon Passage
Code: IC 6-4.1-4-1
Enrolled Act: SEA 371, SEC. 2
**Summary:** Provides that if the Department of Revenue finds that because of an unavoidable delay an inheritance tax return cannot be filed before the deadline established by the appropriate probate court or the department, the department may extend the period for filing the return. After the expiration of the first extension period, the department may grant a subsequent extension if the person seeking the extension files a written petition that states the reason for the delay in filing the return.

**Effective Date:** Upon Passage  
**Code:** IC 6-4.1-4-2  
**Enrolled Act:** SEA 371, SEC. 3

**Summary:** Provides that except in cases where the Department of Revenue finds that the person had a justifiable excuse for not filing the return on or before the due date, the department shall charge a person who fails to file an inheritance tax return on or before the due date a penalty in an amount that equals: (1) fifty cents ($0.50) per day for each day that the return is delinquent; or (2) fifty dollars ($50); whichever is less.

**Effective Date:** Upon Passage  
**Code:** IC 6-4.1-4-6  
**Enrolled Act:** SEA 371, SEC. 4

**Summary:** Eliminates the requirement, for inheritance tax returns filed after March 31, 2016, for the probate court to refer filed inheritance tax returns to the county inheritance tax appraiser.

**Effective Date:** Upon Passage  
**Code:** IC 6-4.1-5-2  
**Enrolled Act:** SEA 371, SEC. 5

**Summary:** Provides that for inheritance tax returns that would otherwise have been due after March 31, 2016, the personal representative of a decedent's estate or trustee may file a verified petition with the Department of Revenue requesting that the department enter an order stating that no inheritance tax is due.

**Effective Date:** Upon Passage  
**Code:** IC 6-4.1-5-7  
**Enrolled Act:** SEA 371, SEC. 10

**Summary:** Provides guidance for how the Department of Revenue shall conduct a hearing on the petition for an order of no inheritance tax due under section IC 6-4.1-5-7(1).

**Effective Date:** Upon Passage  
**Code:** IC 6-4.1-5-8  
**Enrolled Act:** SEA 371, SEC. 11

**Summary:** Provides that if the Department of Revenue finds that because of an unavoidable delay an inheritance tax return due as a result of the death of a decedent who died before January 1, 2013, has not been issued as of the close of business on March 31, 2016, the Department of Revenue shall determine the fair market value of the property interests transferred by the resident decedent and the amount of inheritance tax due as a result of the decedent's death. The department shall then enter an order stating the amount of inheritance tax due and the fees due witnesses under section 4 of this chapter. If the department finds that no inheritance tax is due, the department shall include a statement to that effect in the order. The department shall prepare the order required by this subsection on a form prescribed by the department. The department shall include in the order a description of all Indiana real property owned by the resident decedent at the time of the decedent's death. The department shall spread the order of record in the office of the clerk of the appropriate circuit court. The clerk shall maintain the orders in a loose-leaf ledger.

**Effective Date:** Upon Passage  
**Code:** IC 6-4.1-5-10  
**Enrolled Act:** SEA 371, SEC. 13

**Summary:** Provides that the Department of Revenue shall immediately mail a copy of its determination of the fair market value of the property interests transferred by a resident decedent and the inheritance tax due as a result of the person's death to each interested person who filed a request for notice and provided a mailing address under IC 6-4.1-5-3(b).

**Effective Date:** Upon Passage  
**Code:** IC 6-4.1-5-11  
**Enrolled Act:** SEA 371, SEC. 14

**Summary:** Provides that for inheritance tax returns filed after March 31, 2016, for purposes of determining the inheritance tax imposed on a decedent's transfer of specific property, the Department of Revenue shall, so far as possible, determine the manner in which the property will probably be distributed if: (1) a contingency makes it impossible to determine each transferee's exact interest in the property; and (2) the department and the taxpayer fail, within a reasonable time, to enter into an agreement under section 3 of this chapter.

**Effective Date:** Upon Passage  
**Code:** IC 6-4.1-6-4  
**Enrolled Act:** SEA 371, SEC. 17

**Summary:** Provides that for an inheritance tax return filed after March 31, 2016, a person who is dissatisfied with an inheritance tax determination made by the Department of Revenue with respect to a resident decedent's estate may obtain a hearing on the determination. To obtain the hearing, the person must file a petition for a hearing with the appropriate probate court within one hundred twenty (120) days after the determination is made. In the petition, the person must state the grounds for the hearing. The probate court shall base the hearing on evidence presented to the department plus any additional evidence which the court elects to hear.

**Effective Date:** Upon Passage  
**Code:** IC 6-4.1-7-1  
**Enrolled Act:** SEA 371, SEC. 19
**Summary:** Provides that for an inheritance tax return filed after March 31, 2016, a person who is dissatisfied with an appraisal made by the Department of Revenue with respect to a resident decedent’s estate may obtain a reappraisal of the property interest involved. To obtain the reappraisal, the person must file a petition for reappraisal with the probate court within one (1) year after the department enters an order determining the inheritance tax due as a result of the decedent’s death. However, if the original appraisal is fraudulently or erroneously made, the person may file the reappraisal petition within two (2) years after the department enters the order.

**Effective Date:** Upon Passage

**Code:** IC 6-4.1-7-2

**Enrolled Act:** SEA 371, SEC. 20

---

**Summary:** Provides that an inheritance tax determination or an appraisal made by the Department of Revenue may not be directly appealed to the tax court. A person dissatisfied with an inheritance tax determination or an appraisal made by the department must have the inheritance tax determination or appraisal reviewed by the appropriate probate court under IC 6-4.1-7-1, IC 6-4.1-7-2 or IC 6-4.1-7-5, whichever is applicable. The probate court’s action on the inheritance tax determination or an appraisal made by the department may be appealed to the tax court under IC 6-4.1-7-7.

**Effective Date:** Upon Passage

**Code:** IC 6-4.1-7-6.5

**Enrolled Act:** SEA 371, SEC. 23

---

**Summary:** Provides that effective April 1, 2016, the Department of Revenue may reduce the interest rate from ten percent to six percent for all decedents.

**Effective Date:** Upon Passage

**Code:** IC 6-4.1-9-1

**Enrolled Act:** SEA 371, SEC. 24

---

**Summary:** Provides that for all inheritance tax returns filed after March 31, 2016, a person who is liable for inheritance tax imposed as a result of a resident decedent’s death shall pay the tax to the Department of Revenue.

**Effective Date:** Upon Passage

**Code:** IC 6-4.1-9-5

**Enrolled Act:** SEA 371, SEC. 25

---

**Summary:** Provides how the Department of Revenue shall distribute inheritance tax revenues collected after March 31, 2016. The department shall distribute inheritance taxes collected as the result of the death of a resident decedent as follows: (1) retain ninety-two percent (92%) of the taxes collected for deposit in the state general fund; (2) retain any interest or penalties collected by the department for deposit in the state general fund; and (3) subject to provisions in subsection (c) pertaining to consolidated cities, the department shall distribute eight percent (8%) of the taxes collected to the county treasurer of the county in which the resident decedent lived at the time of the resident decedent’s death for deposit in the county general fund.

**Effective Date:** Upon Passage

**Code:** IC 6-4.1-9-6

**Enrolled Act:** SEA 371, SEC. 26

---

**Summary:** Eliminates the requirement for county treasurers to send quarterly reports of inheritance tax collections to the Department of Revenue.

**Effective Date:** Upon Passage

**Code:** IC 6-4.1-9-7

**Enrolled Act:** SEA 371, SEC. 27
**Summary:** Provides that in the case of an inheritance tax return filed after March 31, 2016, the probate court having jurisdiction does not have the power to make original inheritance tax determinations. The probate court may hear the following matters with respect to an inheritance tax return filed after March 31, 2016, for a resident decedent: (1) any matter subject to IC 6-4.1-4-3 through IC 6-4.1-4-5; (2) any matter subject to IC 6-4.1-5-13; (3) petitions for a redetermination of inheritance tax due or a reappraisal of a property interest under IC 6-4.1-7; and (4) an appeal of a refund order under IC 6-4.1-10-4.

**Effective Date:** Upon Passage  
**Code:** IC 6-4.1-12-1  
**Enrolled Act:** SEA 371, SEC. 29

**Summary:** Provides that in the case of an inheritance tax return filed after March 31, 2016, the Department of Revenue shall have the power to appraise property interest for a resident decedent.

**Effective Date:** Upon Passage  
**Code:** IC 6-4.1-12-2  
**Enrolled Act:** SEA 371, SEC. 30

**MISCELLANEOUS AND VEHICLE EXCISE TAXES**  
**(IC 6-6)**

**Summary:** Extends the entitlement to a refund of gasoline tax paid on gasoline purchased or used to create racing fuel that: (A) consists of a fuel blend nominally consisting of more than eighty-nine percent (89%) ethanol and less than eleven percent (11%) gasoline; (B) will not be blended to become a fuel that can be used for propelling a motor vehicle operated in whole or in part on an Indiana public highway; and (C) will be resold by the person purchasing the fuel to a purchaser that is located in another state, territory, or foreign country.

**Effective Date:** July 1, 2016  
**Code:** IC 6-6-1.1-903  
**Enrolled Act:** HEA 1290, SEC. 27

**Summary:** Provides that for purposes of the special fuel tax refund available to intercity bus operators, the term “intercity bus” has been replaced by the term “for-hire bus,” which is a new term defined at IC 9-13-2-66.7 and created elsewhere in HEA 1087 to replace “intercity bus.”

**Effective Date:** July 1, 2016  
**Code:** IC 6-6-2.5-32.5  
**Enrolled Act:** HEA 1087, SECTION 27

**Summary:** Clarifies that the motor carrier fuel tax does not apply to any bus type. Further, specifies that reference to IC 9-18 will be replaced with reference to IC 9-18.1, the new Article created by HEA 1087, once IC 9-18 expires.

**Effective Date:** July 1, 2016  
**Code:** IC 6-6-4.1-2  
**Enrolled Act:** HEA 1087, SECTION 28

**Summary:** Provides the definition of “yard tractor” to be tractor used to move semitrailers within a terminal, loading, or spotting facility.

**Effective Date:** July 1, 2016  
**Code:** IC 6-6-4.1-13  
**Enrolled Act:** HEA 1087, SECTION 29

**Summary:** Replaces reference to IC 9-14-3-1 with reference to 9-14-12-1, as IC 9-14-3 is repealed elsewhere in HEA 1087.

**Effective Date:** July 1, 2016  
**Code:** IC 6-6-4.1-27  
**Enrolled Act:** HEA 1087, SECTION 30

**Summary:** Clarifies that the motor vehicle excise tax does not apply to special machinery, buses, and vehicle subject to taxation under IC 6-6-5.1 and IC 6-6-5.5.

**Effective Date:** July 1, 2016  
**Code:** IC 6-6-5-1  
**Enrolled Act:** HEA 1087, SECTION 31

**Summary:** Provides that the calculation of prorating the motor vehicle excise tax will change to a new formula after December 31, 2016.

**Effective Date:** July 1, 2016  
**Code:** IC 6-6-5-7.2  
**Enrolled Act:** HEA 1087, SECTION 33
### LEGISLATIVE CHANGES

**Summary:** Specifies that references to IC 9-18 will be replaced with references to IC 9-18.1, the new Article created by HEA 1087, once IC 9-18 expires for the purposes of the department applying penalty or interest to a person who did not register their vehicle and pay the tax.

**Effective Date:** July 1, 2016  
**Code:** IC 6-6-5-9  
**Enrolled Act:** HEA 1087, SECTION 35

**Summary:** Provides that the calculation of prorating the excise tax on recreational vehicles will change to a new formula after December 31, 2016.

**Effective Date:** July 1, 2016  
**Code:** IC 6-6-5.1-15  
**Enrolled Act:** HEA 1087, SECTION 40

**Summary:** Specifies that references to IC 9-18 will be replaced with references to IC 9-18.1, the new Article created by HEA 1087, once IC 9-18 expires for the purposes of the department applying penalty or interest to a person who did not register their vehicle and pay the tax.

**Effective Date:** July 1, 2016  
**Code:** IC 6-6-5.1-21  
**Enrolled Act:** HEA 1087, SECTION 42

**Summary:** Clarifies that any person that recklessly issues a registration, not just an employee of the bureau of motor vehicles or a branch manager commits a Class B misdemeanor.

**Effective Date:** July 1, 2016  
**Code:** IC 6-6-5.1-25  
**Enrolled Act:** HEA 1087, SECTION 44

**Summary:** Provides that for purposes of the commercial vehicle excise tax, “declared gross weight” means the weight of a vehicle registered with the department. Further, specifies that all references to IC 9-18 will be replaced with references to IC 9-18.1, the new Article created by HEA 1087, once IC 9-18 expires.

**Effective Date:** July 1, 2016  
**Code:** IC 6-6-5.5-1  
**Enrolled Act:** HEA 1087, SECTION 45

### CIGARETTE AND OTHER TOBACCO PRODUCTS TAX  
**IC 6-7**

**Summary:** Removes “cigarette papers” and “wrappers” from the definition of “cigarettes” for purposes of the cigarette tax.

**Effective Date:** July 1, 2016  
**Code:** IC 6-7-1-2  
**Enrolled Act:** SEA 381, SEC. 1

**Summary:** Removes “books and sets of papers,” “wrappers” and “tubes” from the definition of “individual package” for purposes of the cigarette tax.

**Effective Date:** July 1, 2016  
**Code:** IC 6-7-1-3  
**Enrolled Act:** SEA 381, SEC. 2

**Summary:** Clarifies that cigarette stamps shall not be imprinted upon individual packages of cigarette papers or tubes.

**Effective Date:** July 1, 2016  
**Code:** IC 6-7-1-9  
**Enrolled Act:** SEA 381, SEC. 3

**Summary:** Clarifies the methodology for calculating the commercial vehicle excise tax on vehicles registered under the International Registration Plan. Specifies that all references to IC 9-18 will be replaced with references to IC 9-18.1, the new Article created by HEA 1087, once IC 9-18 expires.

**Effective Date:** July 1, 2016  
**Code:** IC 6-6-5.5-10  
**Enrolled Act:** HEA 1087, SECTION 49

**Summary:** Clarifies that all references to IC 9-18 will be replaced with references to IC 9-18.1, the new Article created by HEA 1087, once IC 9-18 expires. Clarifies that the commercial vehicle excise tax does not apply to vehicles subject to taxation under IC 6-6-5.1 and special machinery.

**Effective Date:** July 1, 2016  
**Code:** IC 6-6-5.5-2  
**Enrolled Act:** HEA 1087, SECTION 46

**Summary:** Specifies that all references to IC 9-18 will be replaced with references to IC 9-18.1, the new Article created by HEA 1087, once IC 9-18 expires. Further, replaces reference to the “motor carrier services division” with reference to the “department.”

**Effective Date:** July 1, 2016  
**Code:** IC 6-6-5.5-7  
**Enrolled Act:** HEA 1087, SECTION 47

**Summary:** Specifies that a reference to IC 9-29 will be replaced with a reference to IC 9-18.1, the new Article created by HEA 1087, once IC 9-29 expires.

**Effective Date:** July 1, 2016  
**Code:** IC 6-6-5.5-7.5  
**Enrolled Act:** HEA 1087, SECTION 48

**Summary:** Clarifies the methodology for calculating the commercial vehicle excise tax on vehicles registered under the International Registration Plan. Specifies that all references to IC 9-18 will be replaced with references to IC 9-18.1, the new Article created by HEA 1087, once IC 9-18 expires.

**Effective Date:** July 1, 2016  
**Code:** IC 6-6-5.5-10  
**Enrolled Act:** HEA 1087, SECTION 49

**Summary:** Specifies that references to IC 9-29 will be replaced with references to IC 9-18.1, the new Article created by HEA 1087, once IC 9-18 expires. Further, replaces reference to the “motor carrier services division” with reference to the “department.”

**Effective Date:** July 1, 2016  
**Code:** IC 6-6-5.5-7.5  
**Enrolled Act:** HEA 1087, SECTION 48

**Summary:** Clarifies the methodology for calculating the commercial vehicle excise tax on vehicles registered under the International Registration Plan. Specifies that all references to IC 9-18 will be replaced with references to IC 9-18.1, the new Article created by HEA 1087, once IC 9-18 expires.

**Effective Date:** July 1, 2016  
**Code:** IC 6-6-5.5-10  
**Enrolled Act:** HEA 1087, SECTION 49
Summary: Removes subsection of pre-existing law that enumerated the tax rates to be charged on cigarette papers, wrappers and tubes.

Effective Date: July 1, 2016
Code: IC 6-7-1-14
Enrolled Act: SEA 381, SEC. 5

Summary: Increases the discount at which distributors who hold certificates shall be entitled to purchase cigarette tax stamps from $0.012 to $0.013 per individual package of cigarettes.

Effective Date: July 1, 2016
Code: IC 6-7-1-17
Enrolled Act: SEA 381, SEC. 6

Summary: Revises how one-sixth of the money in the cigarette tax fund is annually appropriated to the Department of Natural Resources and to the Division of Soil Conservation of the Department of Agriculture.

Effective Date: July 1, 2016
Code: IC 6-7-1-29.1
Enrolled Act: SEA 238, SEC. 2

Summary: Increases the collection allowance distributors are entitled to retain from the collection of cigarette tax from .006 to .007 of the amount due.

Effective Date: July 1, 2016
Code: IC 6-7-2-13
Enrolled Act: SEA 381, SEC. 7

Summary: Provides that employees may withdraw money contributed after December 31, 2015, to an employee medical savings account plan without penalty and without the withdrawn principal amount being subject to income tax provided that no exemption applies to the employer contribution under IC 6-3-2-18(c) and no exemption or exclusion applied under the Internal Revenue Code at the time of contribution.

Effective Date: January 1, 2016 (RETROACTIVE)
Code: IC 6-8-11-1.5
Enrolled Act: SEA 23, SEC. 8

Summary: Makes technical corrections to internal references in IC 6-8-11.

Effective Date: January 1, 2016 (RETROACTIVE)
Code: IC 6-8-11-17
Enrolled Act: SEA 23, SEC. 9

Summary: Makes technical corrections to internal references in IC 6-8-11.

Effective Date: January 1, 2016 (RETROACTIVE)
Code: IC 6-8-11-23
Enrolled Act: SEA 23, SEC. 10
TAX ADMINISTRATION

(IC 6-8.1)

Summary: Provides for space on state income tax forms to enable a taxpayer to donate all or part of the taxpayer’s tax refund to the military family relief fund. Provides that if a taxpayer is not entitled to a refund or has designated all of the taxpayer’s refund be directed to one of the allowable funds, the taxpayer may make an additional contribution on the taxpayer’s income tax return to the military family relief fund.

Effective Date: July 1, 2016
Code: IC 6-8.1
Enrolled Act: SEA 233, SECTION 1

Summary: Specifies that reference to IC 9-30 will be replaced with references to IC 9-20-18 for purposes of the listed taxes.

Effective Date: July 1, 2016
Code: IC 6-8.1-1-1
Enrolled Act: HEA 1081, SECTION 57

Summary: Specifies that the local income tax is a listed tax. Also repeals the regional development improvement income tax and the emergency and hazardous chemical inventory for fee as listed taxes.

Effective Date: July 1, 2017
Code: IC 6-8.1-1-1
Enrolled Act: HEA 1081, SECTION 74

Summary: Dictates the manner in which amounts collected by the department under tax amnesty shall be distributed.

Effective Date: UPON PASSAGE
Code: IC 6-8.1-3-25
Enrolled Act: HEA 1001, SEC. 13

INNKEEPERS AND OTHER LOCAL TAXES

(IC 6-9)

Summary: Provides that if an ordinance has been adopted requiring the payment of the innkeeper’s tax to the county treasurer instead of the Department of Revenue, the county treasurer has the same rights and powers with respect to collecting and refunding the county innkeeper’s tax as the department.

Effective Date: July 1, 2016
Code: IC 6-9-29-3
Enrolled Act: SEA 309, SEC. 31

Summary: Specifies that all references to IC 9-18 will be replaced with references to IC 9-18.1, the new Article created by HEA 1087, once IC 9-18 expires, and changes reference from IC 6-5.5-6-6(d) to IC 6-5.5-6-6(e).

Effective Date: July 1, 2016
Code: IC 6-8.1-5-2
Enrolled Act: HEA 1081, SECTION 58

Summary: Specifies that the Department of Revenue has six years to issue a proposed assessment against a person who underreports local income tax by at least twenty-five percent (25%).

Effective Date: July 1, 2017
Code: IC 6-8.1-5-2
Enrolled Act: HEA 1081, SECTION 76

Summary: Provides that a taxpayer has twenty (20), instead of the previous ten (10), days from the date the department mails a demand notice for the payment of a tax and any interest or penalties accrued on the tax, to either pay the amount demanded or show reasonable cause for not paying the amount demanded.

Effective Date: July 1, 2016
Code: IC 6-8.1-8-2
Enrolled Act: SEA 225, SEC. 29

Summary: Requires that the Department of Revenue modify state income tax forms to enable a taxpayer to donate all or part of the taxpayer’s refund to the military family relief fund.

Effective Date: July 1, 2016
Code: IC 6-8.1-9-4
Enrolled Act: SEA 295, SEC. 1

Summary: Makes technical corrections to internal references to IC-6-3-4-12.

Effective Date: July 1, 2016
Code: IC 6-8.1-10-2.1
Enrolled Act: SEA 309, SEC. 30

Summary: Authorizes the fiscal officer of any municipality within Allen County to request the county auditor to determine the percentage amount of the county supplemental food and beverage tax that is collected in the preceding year in: (1) each municipality; and (2) the unincorporated territory of the county. The county auditor shall compile and report to the requesting fiscal officer using data provided by the Department of Revenue pursuant to IC 6-8.1-3-7.1.

Effective Date: July 1, 2016
Code: IC 6-9-33-7.5
Enrolled Act: HEA 1040, SEC. 4
**MISCELLANEOUS PROVISIONS**

**Summary:** Replaces reference to IC 9-14-3-7 with reference to 9-14-12-3, as IC 9-14-3 is repealed elsewhere in HEA 1087 for the purpose of transportation network company (TNC) requirements for TNC drivers.

**Effective Date:** July 1, 2016

**Code:** IC 8-2.1-23-2

**Enrolled Act:** HEA 1087, SECTION 60

**Summary:** Clarifies that the treasurer of the state shall deposit in the motor carrier regulation fund amounts collected by the department from fuel tax special trip permits, the annual registration fees for special weight permits and corresponding trip permit fees.

**Effective Date:** July 1, 2016

**Code:** IC 8-2.1-23-2

**Enrolled Act:** HEA 1087, SECTION 61

**Summary:** Specifies that a reference to IC 9-29 will be replaced with a reference to IC 9-18.1, the new Article created by HEA 1087, once IC 9-29 expires. Removes references to the federal laws Motor Carrier Safety Improvement Act (MCSIA) and Moving Ahead for Progress in the Twenty-first Century Act (MAP-21) that expired in October 2015. Clarifies that person who operated a vehicle for hire prior to September 1, 1985, is exempt from 49 CFR 391 instead of a “chauffeur.”

**Effective Date:** July 1, 2016

**Code:** IC 8-2.1-24-18

**Enrolled Act:** HEA 1087, SECTION 62

**Summary:** Makes technical corrections to internal references to IC 6-2.5-4-9.

**Effective Date:** January 1, 2010 (RETROACTIVE)

**Code:** IC 8-15-3-23

**Enrolled Act:** SEA 309, SEC. 32

**Summary:** Removes the definition of “auxiliary power unit” and relocates the definition in IC 9-20-4-1.

**Effective Date:** July 1, 2016

**Code:** IC 9-13-2-10.2

**Enrolled Act:** HEA 1087, SECTION 84

**Summary:** Amends the term “bus” to include all bus types.

**Effective Date:** July 1, 2016

**Code:** IC 9-13-2-17

**Enrolled Act:** HEA 1087, SECTION 85

**Summary:** Removes the definition of “Class A recovery vehicle.”

**Effective Date:** July 1, 2016

**Code:** IC 9-13-2-26

**Enrolled Act:** HEA 1087, SECTION 88

**Summary:** Removes the definition of “Class B recovery vehicle.”

**Effective Date:** July 1, 2016

**Code:** IC 9-13-2-27

**Enrolled Act:** HEA 1087, SECTION 89

**Summary:** Clarifies that the definition of “commercial motor vehicle” has the same meaning as set forth in 49 CFR 383.5.

**Effective Date:** July 1, 2016

**Code:** IC 9-13-2-31

**Enrolled Act:** HEA 1087, SECTION 95

**Summary:** Provides a definition for the term “for-hire bus,” a term that essentially replaces “intercity bus” in the Indiana Code.

**Effective Date:** July 1, 2016

**Code:** IC 9-13-2-66.7

**Enrolled Act:** HEA 1087, SECTION 110

**Summary:** Removes the definition of the term “gross combination weight.”

**Effective Date:** July 1, 2016

**Code:** IC 9-13-2-70.1

**Enrolled Act:** HEA 1087, SECTION 112

**Summary:** Removes the definition of the term “gross combination weight rating.”

**Effective Date:** July 1, 2016

**Code:** IC 9-13-2-70.2

**Enrolled Act:** HEA 1087, SECTION 113

**Summary:** Removes the definition of the term “heavy duty vehicle” and relocates the definition in IC 9-20-4-1.

**Effective Date:** July 1, 2016

**Code:** IC 9-13-2-72.5

**Enrolled Act:** HEA 1087, SECTION 119

**Summary:** Provides an expanded definition of the term “implement of agriculture.”

**Effective Date:** July 1, 2016

**Code:** IC 9-13-2-77

**Enrolled Act:** HEA 1087, SECTION 119

**Summary:** Amends the definition of the term “Indiana resident” to include: a person that maintains a main office, branch office, warehouse, or business facility in Indiana; a person that bases and operates vehicles in Indiana; and a person that operates vehicles in intrastate haulage in Indiana.

**Effective Date:** July 1, 2016

**Code:** IC 9-13-2-78

**Enrolled Act:** HEA 1087, SECTION 121

**Summary:** Removes the definition of the term “intercity bus.”

**Effective Date:** July 1, 2016

**Code:** IC 9-13-2-83

**Enrolled Act:** HEA 1087, SECTION 123

**Summary:** Removes the definition of the term “intracity bus.”

**Effective Date:** July 1, 2016

**Code:** IC 9-13-2-87

**Enrolled Act:** HEA 1087, SECTION 124
Summary: Provides a definition for the term “not-for-hire bus,” a term that essentially includes a school bus, a church bus, a private bus, and a bus used to provide incidental transportation to a passenger at no additional charge to the passenger.

Effective Date: July 1, 2016
Code: IC 9-13-2-113.5
Enrolled Act: HEA 1087, SECTION 137

Summary: Removes expired verbiage from the definition of the term “overweight divisible load.”

Effective Date: July 1, 2016
Code: IC 9-13-2-120.7
Enrolled Act: HEA 1087, SECTION 141

Summary: Expands the definition of the term “person” to include a sole proprietorship, a trust, an estate, or another entity.

Effective Date: July 1, 2016
Code: IC 9-13-2-124
Enrolled Act: HEA 1087, SECTION 145

Summary: Amends the definition of “recovery vehicle” to remove the repealed definitions of Class A and Class B recovery vehicles.

Effective Date: July 1, 2016
Code: IC 9-13-2-149.8
Enrolled Act: HEA 1087, SECTION 158

Summary: Removes reference to a vehicle used exclusively to carry passengers in the definition of “semitrailer.”

Effective Date: July 1, 2016
Code: IC 9-13-2-164
Enrolled Act: HEA 1087, SECTION 165

Summary: Simplifies the definition of “vehicle.”

Effective Date: July 1, 2016
Code: IC 9-13-2-196
Enrolled Act: HEA 1087, SECTION 176

Summary: Removes the definition of “yard tractor” and relocates the definition in IC 6-6-4.1-13.

Effective Date: July 1, 2016
Code: IC 9-13-2-201
Enrolled Act: HEA 1087, SECTION 179

Summary: Replaces prior statute that required department to create rules regarding providing a registrant list under the International Registration Plan (IRP).

Effective Date: July 1, 2016
Code: IC 9-14-13-4
Enrolled Act: HEA 1087, SECTION 193

Summary: Clarifies the titling exemption for a nonresident that wishes to declare Indiana as their base state, which is that they do not need to title their vehicle in Indiana if their state of residence is not a member of the International Registration Plan (IRP).

Effective Date: July 1, 2016
Code: IC 9-17-2-1
Enrolled Act: HEA 1087, SECTION 201

Summary: Repeals statute that permitted vehicles registered under the International Registration Plan (IRP) in another jurisdiction from operating in Indiana without an Indiana certificate of title. This guidance is replaced by new statutory language in IC 9-17-1-1, IC 9-18.1-2-4 and IC 9-18.1-2-9.

Effective Date: July 1, 2016
Code: IC 9-17-2-13
Enrolled Act: HEA 1087, SECTION 213

Summary: Removes expired verbiage from the registration dates for commercial motor vehicles registered by the department as part of the base plate program or the International Registration Plan.

Effective Date: July 1, 2016;
Expires December 31, 2016
Code: IC 9-18-2-7
Enrolled Act: HEA 1087, SECTION 265

Summary: Clarifies that vessels are registered according to the declared gross weight. Defines declared gross weight for for-hire buses, trailers, trucks, and tractors used with semitrailers. Clarifies that any indication of registration issued by the department including a cab card is included in the term “proof of registration.” Provides the requirements and procedures for the department for titling, registering, and plating commercial vehicles. Collapses the number of weight classes for vehicles and provides the corresponding fees and distributions for registration. Provides that vehicles may be registered for a period of not less than three (3) months and not more than twenty-four (24) months. Clarifies that vehicles registered for a period other than twelve (12) months are subject to a prorated registration fee formula. Provides the process, fees, and distributions for other registration-related transactions including amendments and transfers. Creates a specific chapter for the department that clarifies the department has the same authority granted to the Bureau of Motor Vehicles in carrying out its titling, registration, and plating functions. Relocates the authority for trip permits and hunter’s permits.

Effective Date: July 1, 2016
Code: IC 9-18-1
Enrolled Act: HEA 1087, SECTION 326
Summary: Includes the definitions of “auxiliary power units” and “heavy duty vehicles,” which were formerly defined in individual statutes that are repealed as a result of HEA 1087.
   Effective Date: July 1, 2016
   Code: IC 9-20-4-1
   Enrolled Act: HEA 1087, SECTION 339

Summary: Clarifies the fee amount for the annual registration and trip permit for an extra heavy duty vehicle, and that the fees are to be deposited in the motor carrier regulation fund.
   Effective Date: July 1, 2016
   Code: IC 9-20-5-7
   Enrolled Act: HEA 1087, SECTION 341

Summary: Clarifies the fee amount for the annual toll road gate permit.
   Effective Date: July 1, 2016
   Code: IC 9-20-6-3
   Enrolled Act: HEA 1087, SECTION 342

Summary: Clarifies the fee a public utility must pay is one referenced in IC 9-20, not IC 9-29.
   Effective Date: July 1, 2016
   Code: IC 9-20-6-5
   Enrolled Act: HEA 1087, SECTION 343

Summary: Clarifies the fee amount for the permit issued for vehicles being transported from the manufacturing facility to the person taking title.
   Effective Date: July 1, 2016
   Code: IC 9-20-6-6
   Enrolled Act: HEA 1087, SECTION 344

Summary: Clarifies the fee amount for special permits.
   Effective Date: July 1, 2016
   Code: IC 9-20-6-13
   Enrolled Act: HEA 1087, SECTION 345

Summary: Clarifies that maximum length limitations for buses applies to school buses, as transit school bus is no longer a defined term in Title 9.
   Effective Date: July 1, 2016
   Code: IC 9-20-8-2
   Enrolled Act: HEA 1087, SECTION 346

Summary: Clarifies the fee amount for special towing permits.
   Effective Date: July 1, 2016
   Code: IC 9-20-9-10
   Enrolled Act: HEA 1087, SECTION 348

Summary: Defines “person” for the purposes of the special tractor-mobile home rig permit requirements.
   Effective Date: July 1, 2016
   Code: IC 9-20-14-2
   Enrolled Act: HEA 1087, SECTION 349

Summary: Clarifies the fee amount for special tractor-mobile home rig permits.
   Effective Date: July 1, 2016
   Code: IC 9-20-15-2.1
   Enrolled Act: HEA 1087, SECTION 356
Summary: Clarifies the fee amount for extra wide manufactured home rig permits.
Effective Date: July 1, 2016
Code: IC 9-20-15-6
Enrolled Act: HEA 1087, SECTION 357

Summary: Clarifies that the fee referenced is found in IC 9-20-15-1, not IC 9-29.
Effective Date: July 1, 2016
Code: IC 9-20-14-6
Enrolled Act: HEA 1087, SECTION 358

Summary: Increases from $10,000 to $25,000 the required proof of ability to respond in damages for each motor vehicle registered for liability that arises out of the ownership, maintenance, or use of the motor vehicle because of injury to or destruction of property in any one accident.
Effective Date: July 1, 2016
Code: IC 9-25-2-3
Enrolled Act: SEA 40, SEC. 1

Summary: Beginning July 1, 2017, increases the proof of financial responsibility requirements for motor vehicle registration from $10,000 to $25,000 for damages to or destruction of property in any one accident.
Effective Date: July 1, 2016
Code: IC 9-25-4-5
Enrolled Act: SEA 40, SEC. 2

Summary: Beginning July 1, 2017, increases the proof of self-insurance for financial responsibility requirements for motor vehicle registration from $40,000 to $50,000 in cash or securities that may legally be purchased by savings banks or trust funds with a market value of the same amount.
Effective Date: July 1, 2016
Code: IC 9-25-4-10
Enrolled Act: SEA 40, SEC. 3

Summary: Establishes the Achieving a Better Life Experience (ABLE) Program, a federal tax-preferred savings account program that must be established by a state in order for its residents to participate. The ABLE program aims to ease financial strains faced by individuals with disabilities by making tax-free savings accounts available to cover qualified expenses such as education, housing, and transportation.
Effective Date: July 1, 2016
Code: IC 12-11-14
Enrolled Act: SEA 11, SEC. 8

Summary: Expires Title 9, Article 29, Chapter 5, dealing with fees for vehicle registrations after December 31, 2016.
Effective Date: July 1, 2016
Code: IC 9-29-5-47.2
Enrolled Act: HEA 1087, SECTION 579

Summary: Defines “eligible telecommunications carrier” to be a provider that is designated by the Indiana utility regulatory commission as an eligible telecommunications carrier for purposes of receiving Lifeline reimbursement from the universal service fund through the administrator designated by the Federal Communications Commission.
Effective Date: Upon Passage
Code: IC 36-8-16.6-9
Enrolled Act: SEA 213, SECTION 2

Summary: Defines “retail transaction” to mean the purchase of prepaid wireless telecommunications service from a seller for any purpose other than resale. The term shall not include a transaction in which an eligible telecommunications carrier receives Lifeline reimbursement from the universal service fund.
Effective Date: Upon Passage
Code: IC 36-8-16.6-9
Enrolled Act: SEA 213, SECTION 2
**Summary:** Requires the Statewide 9-1-1 Board to impose an enhanced prepaid wireless charge on each retail transaction. The charge is not required to be paid by an eligible telecommunications carrier that is required to pay the monthly statewide 911 fee under IC 36-8-16.7-32 for the same transaction.

**Effective Date:** Upon Passage  
**Code:** IC 36-8-16.6-11  
**Enrolled Act:** SEA 213, SECTION 3

---

**Summary:** Established that the enhanced prepaid wireless charge is the liability of the consumer and not of the seller or a provider. However, except as provided in IC 36-8-16.6-15, a seller is liable to remit to the Department of Revenue all enhanced prepaid wireless charges that the seller collects from consumers under IC 36-8-16.6-12, including all charges that the seller is considered to collect where the amount of the charge has not been separately stated on an invoice, receipt, or other similar document provided to the consumer by the seller.

**Effective Date:** Upon Passage  
**Code:** IC 36-8-16.6-13  
**Enrolled Act:** SEA 213, SECTION 4

---

**Summary:** Provides that a seller or an eligible telecommunications carrier may deduct and retain one percent (1%) of enhanced prepaid wireless charges that the seller or eligible telecommunications carrier collects from consumers under IC 36-8-16.6-11 or IC 36-8-16.6-12 to reimburse the direct costs incurred by the seller or eligible telecommunications carrier in collecting and remitting enhanced prepaid wireless the charges.

**Effective Date:** Upon Passage  
**Code:** IC 36-8-16.6-15  
**Enrolled Act:** SEA 213, SECTION 5

---

**Summary:** Requires the department to adopt rules to establish alternative methods: (1) of simplifying return filing for race team members, if the team is not based in Indiana; and (2) for a race team not based in Indiana to file a composite return on behalf of and covering more than one race team member if the same amount of tax is remitted as if individual filings had occurred. Filing a composite return under this subdivision exempts: (A) a race team member covered by the return from having an individual income tax return filing requirement with respect to the income reported on the composite return; and (B) a race team that is not based in Indiana from a filing requirement only with respect to team members included on the composite return.

**Effective Date:** January 1, 2014 (RETROACTIVE)  
**Code:** Non Code  
**Enrolled Act:** SEA 173, SEC. 1

---

**Summary:** Requires the Legislative Services Agency to study (1) the combined reporting approach to apportioning income for income tax purposes and (2) issue related to transfer pricing under the adjusted gross income tax law. The legislative services agency may request the department of state revenue to furnish information necessary to complete each required study.

**Effective Date:** Upon Passage  
**Code:** Non Code  
**Enrolled Act:** SEA 323, SEC. 1

---

**Summary:** Clarifies that the increased distributor's discount in IC 6-7-1-17 applies only to cigarette stamps purchased after June 30, 2016 and the increased collection allowance in IC 6-7-2-13 applies only to cigarette tax collected after June 30, 2016. The timing limitations for the increased distributor's discount and the increased collection allowance expire June 30, 2017.

**Effective Date:** July 1, 2016  
**Code:** Non Code  
**Enrolled Act:** SEA 381, SEC. 8
Internet Access
Access to forms, information bulletins, commissioner’s directives, tax publications, email, INfreefile (the online tax filing program), and more can be found at www.in.gov/dor.

Businesses can visit the New and Small Business Education Center, where they can find a variety of valuable resources 24/7 — such as updating information, applying for new taxes, finding forms, and much more. Visit www.smallbiz.in.gov.

Stay connected to the Indiana Department of Revenue 24/7 by:
• Following the department on Twitter at www.twitter.com/INDeptofRevenue
• Becoming a Facebook fan by searching for “Indiana Department of Revenue”
• Signing up for automatic email updates on the department’s website at www.in.gov/dor

Telephone Numbers

<table>
<thead>
<tr>
<th>Service</th>
<th>Phone Number</th>
<th>Website Link</th>
</tr>
</thead>
<tbody>
<tr>
<td>Practitioner Hotline</td>
<td>800-462-6320 (enter 4367)</td>
<td><a href="http://www.in.gov/dor/3863.htm">www.in.gov/dor/3863.htm</a></td>
</tr>
<tr>
<td>Corporate Income Tax INTax Hotline</td>
<td>317-232-2337</td>
<td><a href="http://www.in.gov/dor/3335.htm">www.in.gov/dor/3335.htm</a></td>
</tr>
<tr>
<td>e-File Questions</td>
<td>317-232-0059</td>
<td><a href="http://www.in.gov/dor/4331.htm">www.in.gov/dor/4331.htm</a></td>
</tr>
<tr>
<td>Streamlined Sales Tax</td>
<td>317-233-4015</td>
<td><a href="http://www.in.gov/dor/3341.htm">www.in.gov/dor/3341.htm</a></td>
</tr>
<tr>
<td>Automated Refund Information Line</td>
<td>317-233-4018</td>
<td><a href="http://www.in.gov/dor/4339.htm">www.in.gov/dor/4339.htm</a></td>
</tr>
<tr>
<td>Collection/Liability Inquiries</td>
<td>317-232-2165</td>
<td><a href="http://www.in.gov/dor/3959.htm">www.in.gov/dor/3959.htm</a></td>
</tr>
<tr>
<td>Motor Carrier Services</td>
<td>317-615-7200</td>
<td><a href="http://www.in.gov/dor/4106.htm">www.in.gov/dor/4106.htm</a></td>
</tr>
<tr>
<td>Tax Forms Order Line</td>
<td>317-615-2581</td>
<td><a href="http://www.in.gov/dor/3489.htm">www.in.gov/dor/3489.htm</a></td>
</tr>
<tr>
<td>Withholding Tax</td>
<td>317-233-4016</td>
<td><a href="http://www.in.gov/dor/3988.htm">www.in.gov/dor/3988.htm</a></td>
</tr>
<tr>
<td>Corporate Tax ePay</td>
<td>317-232-0129</td>
<td><a href="http://www.in.gov/dor/epay/3727.htm">www.in.gov/dor/epay/3727.htm</a></td>
</tr>
</tbody>
</table>

For a list of phone numbers by tax type, visit the department’s website at https://www.in.gov/dor/contact-us/. For a list of the department’s P.O. boxes, visit www.in.gov/dor/3484.htm.
BICENTENNIAL FACT

Between 1963 and 1964, the first Department of Revenue district offices were established. The original offices were initially located in Bloomington, East Chicago, Evansville, Fort Wayne, Greensburg, Huntingburg, Indianapolis, Jeffersonville, Lafayette, Marion, Michigan City, New Castle, Peru, Seymour, South Bend, Terre Haute, and Vincennes. District offices were originally staffed by sales tax investigators, the present-day equivalent of field reps, field examiners, and audits. In 1964, district office phone numbers were listed in income tax booklets for the first time.

Note: Addresses and telephone numbers are subject to change. Check local listings.