SUBJECT: Summary of Tax Credits Available to Taxpayers Who File Income Tax Returns

REFERENCES: IC 6-2.5-3-5; IC 6-3-3; IC 6-3-4-8; IC 6-3.1; IC 6-5.5-2

DISCLAIMER: Information bulletins are intended to provide nontechnical assistance to the general public. Every attempt is made to provide information that is consistent with the appropriate statutes, rules, and court decisions. Any information that is inconsistent with the law, regulations, or court decisions is not binding on either the department or the taxpayer. Therefore, information provided in this bulletin should serve only as a foundation for further investigation and study of the current law and procedures related to its subject matter.

SUMMARY OF CHANGES
Aside from formatting changes, this bulletin removes a reference to Commissioner’s Directive #13 and substitutes it with General Tax Information Bulletin #100, the document that replaced it.

I. INTRODUCTION

Numerous Indiana tax credits are available for individual, fiduciary, partnership, and corporate taxpayers. This bulletin classifies all the various credits into a combined summary. It includes the credits that may be claimed when the annual income tax return or other applicable tax form is filed. In the case of partnerships, limited liability partnerships, S corporations, and limited liability companies, some credits are allocated to pass through to the partners, shareholders, or members of the entity.

You can obtain detailed information on selected credits by searching on the department’s website at http://www.in.gov/dor/3650.htm.
II. TYPES OF CREDITS

Credits are divided into two types:

- Nonrefundable credits that may be applied against certain tax liabilities
- Refundable credits, which are available for a refund after all tax liabilities are offset

**Type 1: Nonrefundable Credits and Carryovers**

Some of the nonrefundable credits may be used only to reduce specific current-year tax liabilities. The unused portion of the credit cannot be refunded or applied against other outstanding tax liabilities. However, other nonrefundable credits have provisions stipulating that if the credit exceeds the total of the current amount of tax due, the unused portion may be carried forward to the taxpayer’s future tax liabilities for the same tax type.

**Type 2: Refundable Credits**

Refundable credits have a limited period of time in which they may be claimed to be eligible for refund. Also, at the taxpayer’s election, all or a portion of a current year’s eligible refund can carry over toward the next year’s income tax liability. However, the department may reduce or apply an eligible refund toward the taxpayer’s other unpaid tax liabilities according to IC 6-8.1-9-2 and for a debtor’s offset of refunds under IC 6-8.1-9.5.

III. CREDITS AVAILABLE TO TAXPAYERS

The chart titled Tax Liability Credits on page 4 lists all the available nonrefundable and refundable credits. Each credit is classified into one of the following five categories.

**Type 1 Credits**
- 1-A. Nonrefundable credits for certain charitable contributions made within Indiana
- 1-B. Nonrefundable credits for qualified investments made within Indiana
- 1-C. Nonrefundable credits for income and business activities of Indiana taxpayers

**Type 2 Credits**
- 2-D. Refundable credits for personal and business activities of Indiana taxpayers
- 2-E. Refundable credits for estimated and withholding taxes paid to Indiana

Each credit has been assigned a three-digit code or label identifier to be used when claiming credits on the Indiana tax return. The chart includes these codes and a listing of required enclosures for claiming the credit on a tax return.

For filing requirements, eligibility, amount of credit, effective dates, carryback/carryforward application, and other detailed information, see the specific income tax information bulletin issued by the Department of Revenue or contact the agency administering the tax credit for instructions. Claims for credits should be supported by filing all applicable schedules and forms.
or by a separate calculation and certification from the appropriate agency of the amounts eligible for credit.

**Restrictions and Limitations**

The credits are to be applied against the claimant’s tax due in the following order:

- Credits classified as nonrefundable credits are to be applied first.
- Those credits with carryover allowances are to be applied second.
- Refundable credits are to be applied last.

The type of tax to which the credit may be applied is also listed. If the credit can be applied against more than one tax type, the additional tax types are listed in the order to be applied.

**Additional Restriction**

A taxpayer, pass-through entity, shareholder, partner, or member of a pass-through entity cannot be granted more than one tax credit for the same project. This restriction applies to the following credits:

- Community Revitalization Enhancement District Tax Credit (808)
- Enterprise Zone Investment Credit (813)
- Hoosier Alternative Fuel Vehicle Manufacturer Tax Credit (845)
- Hoosier Business Investment Tax Credit (820)
- Industrial Recovery Tax Credit (824)
- Venture Capital Investment Tax Credit (835)

**Amount of Credit Available**

The amount of credit available to be granted may be limited by the statute creating the credit. The following describes those limitations:

- **Unlimited**—There is no limit other than the provisions governing the calculation of an allowable credit up to the amount of tax available to be offset.
- **Limited**—The sum of all approved credits is limited to either the annual amount of the grant money available or the total of all credits that are allowed by the tax credit program.

**Key for Tax Types**

<table>
<thead>
<tr>
<th>Identifier</th>
<th>Tax Type</th>
<th>Indiana Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGIT</td>
<td>Adjusted Gross Income Tax *</td>
<td>IC 6-3-1 through 6-3-7</td>
</tr>
<tr>
<td>CAGIT</td>
<td>County Adjusted Gross Income Tax</td>
<td>IC 6-3.5-1.1</td>
</tr>
<tr>
<td>CEDIT</td>
<td>County Economic Development Income Tax</td>
<td>IC 6-3.5-7</td>
</tr>
<tr>
<td>COIT</td>
<td>County Option Income Tax</td>
<td>IC 6-3.5-6</td>
</tr>
<tr>
<td>Identifier</td>
<td>Tax Liability Credits</td>
<td>Tax Offset</td>
</tr>
<tr>
<td>------------</td>
<td>-----------------------------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>New 859</td>
<td>Adoption Credit</td>
<td>AGIT</td>
</tr>
<tr>
<td>CC 807</td>
<td>Charitable Contributions to Higher Education Institutions (College Credit)</td>
<td>AGIT</td>
</tr>
<tr>
<td>834</td>
<td>Twenty-First Century Scholars Program Support Fund</td>
<td>AGIT</td>
</tr>
</tbody>
</table>

**Nonrefundable Credits**

**Type 1-A Credit for certain charitable contributions within Indiana**

*May include other Indiana state taxes and fees collected on the annual return.*
# Type 1-B Credit for qualified investments (expenditures) made within Indiana

<table>
<thead>
<tr>
<th>Identifier</th>
<th>Tax Liability Credits</th>
<th>Tax Offset</th>
<th>Required Enclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>806</td>
<td>Coal Gasification Technology Investment Credit</td>
<td>AGIT, FIT, INSUR, URT</td>
<td>Certification by IURC; IN K-1 pass-through</td>
</tr>
<tr>
<td>808*</td>
<td>Community Revitalization Enhancement District Credit (CRED credit)</td>
<td>AGIT, CAGIT, COIT, CEDIT, INSUR, FIT</td>
<td>Certification by IEDC; IN K-1 pass-through</td>
</tr>
<tr>
<td>812</td>
<td>Enterprise Zone Employment Expense Credit</td>
<td>AGIT, INSUR, FIT</td>
<td>Schedule EZ 1, 2, 3; IN K-1 pass-through</td>
</tr>
<tr>
<td>813*</td>
<td>Enterprise Zone Investment Cost Credit (for individuals and LLCs)</td>
<td>AGIT</td>
<td>Certification by IEDC; IN K-1 pass-through</td>
</tr>
<tr>
<td>818</td>
<td>Headquarters Relocation Credit (availability beginning in 2006)</td>
<td>AGIT, FIT, INSUR</td>
<td>Proof of investment; IN K-1 pass-through</td>
</tr>
<tr>
<td>820*</td>
<td>Hoosier Business Investment Credit</td>
<td>AGIT, INSUR, FIT</td>
<td>Certification by IEDC and proof of investment; IN K-1 pass-through; Schedule IN-OCC</td>
</tr>
<tr>
<td>822</td>
<td>Indiana Research Expense Credit</td>
<td>AGIT</td>
<td>Schedule IT-20REC; IN K-1 pass-through</td>
</tr>
<tr>
<td>824*</td>
<td>Industrial Recovery Credit</td>
<td>AGIT, INSUR, FIT</td>
<td>Certification by IEDC and credit assignment</td>
</tr>
</tbody>
</table>

*Limited (Approved credits are limited to the amount of grant money available.)*

<table>
<thead>
<tr>
<th>Identifier</th>
<th>Tax Liability Credits</th>
<th>Tax Offset</th>
<th>Required Enclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>835*</td>
<td>Venture Capital Investment Credit</td>
<td>SALES, AGIT, INSUR, FIT</td>
<td>Certification by IEDC, credit assignment, and proof of investment; IN K-1 pass-through</td>
</tr>
<tr>
<td>845</td>
<td>Alternative Fuel Vehicle Manufacturer Tax Credit</td>
<td>AGIT, INSUR, FIT</td>
<td>Certification by IEDC</td>
</tr>
</tbody>
</table>

**New**

<table>
<thead>
<tr>
<th>Identifier</th>
<th>Tax Liability Credits</th>
<th>Tax Offset</th>
<th>Required Enclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Natural Gas-powered Vehicles Tax Credit</td>
<td>AGIT, INSUR, FIT</td>
<td>Schedule NGV-C; Schedule IN-OCC</td>
</tr>
</tbody>
</table>

*Additional restriction: Only one credit is allowed for the same project.*
### Type 1-C  Credits for income and business activities of Indiana taxpayers

<table>
<thead>
<tr>
<th>Identifier</th>
<th>Tax Liability Credits</th>
<th>Tax Offset</th>
<th>Required Enclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>OOL</td>
<td>Credit for Local Taxes Paid Outside Indiana (for individuals only)</td>
<td>CAGIT, COIT</td>
<td>Complete worksheet in IT-40/IT-40PNR Booklet</td>
</tr>
<tr>
<td>810</td>
<td>OOS</td>
<td>AGIT</td>
<td>Signed copy of return from other state</td>
</tr>
<tr>
<td>OOS</td>
<td>Credit for Taxes Paid to Other States (for individuals only)</td>
<td>AGIT</td>
<td>Complete worksheet in IT-40/IT-40PNR Booklet</td>
</tr>
<tr>
<td>811</td>
<td>Enterprise Zone Loan Interest Credit</td>
<td>AGIT, INSUR, FIT</td>
<td>Complete worksheet in IT-40/IT-40PNR Booklet</td>
</tr>
<tr>
<td>814</td>
<td>Indiana College Choice 529 Savings Plan Credit (for individuals filing single or married couples filing a joint return)</td>
<td>AGIT</td>
<td>Schedule LIC; IN K-1 pass-through</td>
</tr>
<tr>
<td>837</td>
<td>Proof of contribution to Indiana College Choice 529 Plan account</td>
<td></td>
<td></td>
</tr>
<tr>
<td>821</td>
<td>Indiana Comprehensive Health Insurance Association Credit (for insurance companies only)</td>
<td>INSUR, AGIT</td>
<td>Complete IT-20 Schedule H when claiming credit on Form IT-20</td>
</tr>
<tr>
<td>817</td>
<td>Indiana Insurance Guaranty Association Credit (for insurance companies only)</td>
<td>INSUR, AGIT</td>
<td>Complete Schedule H when claiming credit on Form IT-20</td>
</tr>
<tr>
<td>816</td>
<td>Nonresident Taxpayer Credit (for financial institutions only)</td>
<td>FIT</td>
<td>Schedule FIT-NRTC</td>
</tr>
<tr>
<td>ST</td>
<td>Teacher Purchase of Classroom Supplies</td>
<td>AGIT</td>
<td>Effective Jan. 1, 2015</td>
</tr>
<tr>
<td></td>
<td>Use Tax Credit</td>
<td>SALES</td>
<td>Complete Sales/Use Tax Worksheet in tax instruction booklets or file Form ST-115</td>
</tr>
</tbody>
</table>

**Limited (Approved credits are limited to the amount of grant money available.)**

<table>
<thead>
<tr>
<th>Identifier</th>
<th>Tax Liability Credits</th>
<th>Tax Offset</th>
<th>Required Enclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>831</td>
<td>Residential Historic Rehabilitation Credit (for individuals only)</td>
<td>AGIT</td>
<td>Certification by Office of Community and Rural Affairs</td>
</tr>
</tbody>
</table>
Refundable Credits

Type 2-D  Credits for personal and business activities of Indiana taxpayers

<table>
<thead>
<tr>
<th>Identifier</th>
<th>Tax Liability Credits</th>
<th>Tax Offset</th>
<th>Required Enclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>EIC</td>
<td>Earned Income Credit</td>
<td>AGIT</td>
<td>Schedule IN-EIC</td>
</tr>
<tr>
<td></td>
<td>(for individuals only)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LAKE</td>
<td>Income Tax Credit for Property Taxes Paid on Homesteads in Lake County (for individuals only)</td>
<td>AGIT</td>
<td>Complete worksheet in IT-40/IT-40PNR Booklet</td>
</tr>
<tr>
<td>UTCE</td>
<td>Unified Tax Credit for the Elderly (for individuals only)</td>
<td>AGIT</td>
<td>Effective Jan. 1, 2016</td>
</tr>
<tr>
<td></td>
<td>[Restriction – Tax credit allowed only if claim is timely filed within six months from the end of the tax year or by the extended due date for filing the annual IT-40 return.]</td>
<td></td>
<td>Follow instructions on IT-40/IT-40PNR return unless qualified to file claim on Form SC-40</td>
</tr>
</tbody>
</table>

Limited (Approved credits are limited to the amount of grant money available.)

Type 2-E  Credit for estimated and withholding taxes paid to Indiana

<table>
<thead>
<tr>
<th>Identifier</th>
<th>Tax Liability Credits</th>
<th>Tax Offset</th>
<th>Required Enclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>EST</td>
<td>Credit for Estimated Tax Paid (Refundable if claimed within three years of the due date, including extensions.)</td>
<td>AGIT, FIT, URT</td>
<td>Follow instructions on annual income tax return to claim amount of estimated taxes paid for the taxable year</td>
</tr>
</tbody>
</table>
IV. HOW TO CLAIM CREDIT

To claim credits, you must follow application or claim procedures specified by each tax credit program. Complete the appropriate forms and provide all required supporting documentation. See www.in.gov/dor/3650.htm for additional information issued by the Department of Revenue, or contact the agency administering the credit to verify eligibility requirements and filing instructions.

The following is a list of tax credits and contact information for the administering agency of each credit. For credits directly administered by other agencies, contact the state agency listed that administers the tax credit in cooperation with the Department of Revenue.

<table>
<thead>
<tr>
<th>Administering Agency</th>
<th>Tax Credit</th>
</tr>
</thead>
</table>
| Indiana Department of Revenue Taxpayer Services Division | • Charitable Contributions to Higher Education Institutions  
• Credit for Estimated Tax Paid  
• Credit for Local Taxes Paid Outside Indiana  
• Credit for Taxes Paid to Other States  
• Credit for Taxes Withheld  
• Earned Income Credit  
• Income Tax Credit for Property Taxes Paid by a For Profit Hospital  
• Indiana Research Expense Credit  
• Income Tax Credit for Property Taxes Paid on Homesteads in Lake County  
• Natural Gas-Powered Vehicle Credit  
• Nonresident Taxpayer Credit  
• Teacher Classroom Supplies Tax Credit  
• Unified Tax Credit for the Elderly  
• Use Tax Credit |
| 100 N. Senate Ave.  
Indianapolis IN 46204  
(317) 232-2240  
www.in.gov/dor |
Indiana Economic Development Corporation
One North Capitol, Suite 700
Indianapolis, IN 46204
(317) 232-8800
www.in.gov/iedc

- Alternative Fuel Vehicle Manufacturer Credit
- Coal Gasification Technology Investment
- Community Revitalization Enhancement District Credit (CRED)
- Economic Development for a Growing Economy (Job Retention Credit)
- Enterprise Zone Employment Expense Credit
- Enterprise Zone Investment Cost Credit
- Enterprise Zone Loan Interest Credit (LIC)
- Headquarters Relocation Credit
- Hoosier Business Investment Credit
- Indiana Research Expense Credit (with regard to aerospace industry)
- Industrial Recovery Credit
- Venture Capital Investment Credit
- Indiana College Choice 529 Savings Plan Credit

Indiana Educational Savings Authority
One North Capitol, Suite 444
Indianapolis, IN 46204
(317) 232-5259
www.in.gov/iesa
www.collegechoiceplan.com

- Indiana Comprehensive Health Insurance Association Credit

Indiana Comprehensive Health Insurance Association
4550 Victory Lane
P.O. Box 33730
Indianapolis, IN 46203
(317) 614-2018

- Indiana Insurance Guaranty Association Credit

Indiana Life and Health Insurance Guaranty Association
251 E. Ohio St., Suite 1070
Indianapolis, IN 46204
www.inlifega.org/

- Neighborhood Assistance Credit

Indiana Housing and Community Development Authority
Neighborhood Assistance Program
30 S. Meridian St., Suite 1000

- Indiana Comprehensive Health Insurance Association Credit

- Indiana Insurance Guaranty Association Credit

- Neighborhood Assistance Credit
Indianapolis, IN 46204
(317) 232-7777
(800) 872-0371 (outside Indianapolis)

Office of Community and Rural Affairs
One North Capitol, Suite 600
Indianapolis, IN 46204
(317) 233-3762

www.in.gov/ocra

Division of Student Financial Aid
Commission for Higher Education
101 W. Ohio St.
Indianapolis, IN 46204
(888) 528-4719

- Residential Historic Rehabilitation Credit
- Twenty-First Century Scholars Program Support Fund

Adam Krupp
Commissioner