



THE INDIANA DEPARTMENT OF REVENUE

ANNUAL REPORT 2025

Ask Indy



Ask Indy, the Indiana Department of Revenue's (DOR) virtual assistant, is the way to go for a fast, easy, and hassle free INTIME experience. A simple click on the racecar icon at the INTIME login page allows customers to type simple questions and get instant guidance on where to find what they need. As a result, customers spend less time searching and more time doing what matters.



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PEOPLE, PURPOSE & MISSION:

HARMONIZING LEADERSHIP, INNOVATION, & SELF-REFLECTION

Excellence happens when three key elements align: great people, clear purpose, and focused mission. These pillars guide our commitment to serving Hoosiers with integrity and efficiency.



PEOPLE

Behind every refund, INTIME message, and semi registration, our people weave complex requirements into advanced solutions that consider real human impacts. When team members feel their contributions connect to the bigger picture, innovation can grow. At every level, we ensure that through consistent engagement in skill and mindset development, we foster a team that is prepared and focused on providing great service.



PURPOSE

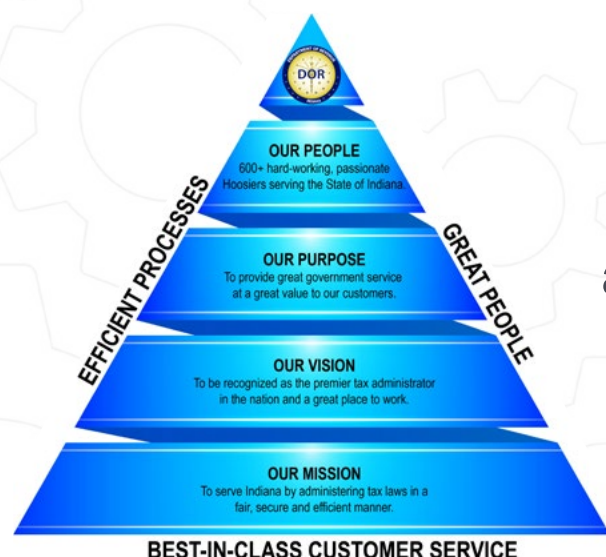
Purpose drives our daily decisions and long-term strategies. Our work supports Hoosier communities, essential services, and growth opportunities. Knowing our “why” elevates tax administration from compliance to meaningful service. We make sure our purpose shines through every customer interaction and system improvement, bringing clarity to our team and the customers we serve.



MISSION

We administer Indiana’s tax laws in a secure, efficient, and fair manner. Our dedicated team of public servants are passionate and committed to delivering exceptional customer service to all taxpayers.

PYRAMID OF EXCELLENCE



VISION

To be recognized as the premier tax administrator in the nation and a great place to work.

LETTER FROM THE COMMISSIONER

Dear Governor Braun,

It is my privilege to present to you the Indiana Department of Revenue's Annual Report for Fiscal Year 2025. This report is submitted to you pursuant to Indiana Code 6-8.1-14-3.

This report reflects the Department's commitment to excellence in tax administration, transparency, constituent service, and the continued support of Indiana's fiscal health.

Over the past fiscal year, our People processed more than 7 million individual and business tax returns, collected over \$28.8 billion in state revenue, and administered more than 65 tax types and fees. With a focus on customer service, our dedicated team managed hundreds of thousands of pieces of correspondence, INTIME digital inquiries, in-person visits, and phone calls. These achievements are the result of the hard work and dedication of over 630 employees, whose service ensures the integrity and efficiency of our tax system.

This year, we re-committed ourselves to our Purpose and made significant progress in enhancing taxpayer services, improving compliance processes, and strengthening our digital infrastructure by leveraging our recent modernization investment (Project NextDOR). These strategic initiatives have simplified tax administration for individuals and businesses while increasing operational efficiency across the agency to provide value to our customers.

As we look to the future, the Department remains focused on innovation, accessibility, and public trust. Our goals are guided by our Mission to serve Indiana by administering tax laws in a fair, secure, and efficient manner. We are Hoosiers serving Hoosiers and we remember that every day.

Thank you for your continued leadership and support of the Department of Revenue. We are proud to play a role in helping ensure a strong and stable financial foundation for our great state.

Respectfully,



M. Kevin Gulley
Commissioner

Indiana Department of Revenue



PEOPLE

WHO WE ARE

DOR is committed to serving Hoosiers. Our dedicated team members administer over 65 different tax types and process millions of tax returns and payments. With a focus on customer service, our team manages hundreds of thousands of pieces of correspondence, INTIME messages, in-person visits, and phone calls. And to ensure a healthy tax ecosystem, we complete thousands of diverse audits, and address tax protests and legal issues.

CORE VALUES

DOR's core values define our beliefs, philosophies, behaviors, and keep our culture unified. Seven pillars guide our every move, project, and process. They keep DOR committed to continuously delivering exceptional public service to Hoosiers.



Fun

Celebrate and enjoy what you do.



Leadership

Through positive actions, inspire others to become more.



Integrity

Always do what is right. Take action when it is not.



Respect

Be kind, humble and mindful.



Teamwork

Focus on we, not me.



Service

Lose yourself in the service of others.



Continuous Improvement

Be relentless about always getting better.

LEADERSHIP

KEVIN GULLEY

COMMISSIONER

Kevin was appointed Commissioner of the Indiana Department of Revenue (DOR) by Governor Braun in February 2025. Prior to his appointment, Kevin served as DOR's Chief Information Officer from 2014-2024 and led the agency's comprehensive modernization initiative Project NextDOR that created INTIME.

In his role as Commissioner, Kevin collaborates closely with DOR team members to serve the people of Indiana. He works in partnership with the Office of Management and Budget, the Governor's Office, the Indiana General Assembly, other state agencies, and tax professionals across the tax ecosystem to enhance service delivery and operational efficiency.



MARK ASHWORTH

EXECUTIVE DIRECTOR, BUSINESS SYSTEMS SUPPORT

Mark serves as the Executive Director of Business Systems Support and has been a member of DOR leadership since 2018. Mark's teams include the following:

- Communications
- Continuous Improvement
- Electronic Services
- Enterprise Project Management Office
- Internal Audit
- Organizational Development



RANDAL BOONE

EXECUTIVE DIRECTOR OF MOTOR CARRIER SERVICES

Randal has been a member of DOR leadership for 18 years. As the Executive Director of Motor Carrier Services (MCS), his teams include:

- Fuel Taxes: International Fuel Tax Agreement (IFTA) and Motor Carrier Fuel Tax (MCFT)
- Insurance and Safety: Indiana Operating Authority (IOA)
- MCS Customer Service Walk-in Branch
- Oversize/Overweight Permitting (OSOW)
- Titles Processing
- Vehicle Registrations: International Registration Plan (IRP) and Base Plate Registration (BPR)



STEVE COMBS

EXECUTIVE DIRECTOR OF AUDIT OPERATIONS

Steve serves as the Executive Director of Audit Operations and has been a member of DOR leadership since 2015. Steve's team includes the following:

- Audit Operations
- Audit Support



CHRIS RUSSELL

GENERAL COUNSEL

Chris has been a member of DOR leadership since 2017. As General Counsel, Chris oversees the Legal Division, which includes the following teams:

- Appeals
- Compliance & Ethics
- Legal Operations
- Legal Services
- Litigation
- Special Investigations Unit
- Tax Policy



ED VANCE

CHIEF FINANCIAL OFFICER

Ed serves as DOR's Chief Financial Officer and has been a member of DOR's leadership since 2017. Ed is responsible for the following teams:

- Accounting Operations & Internal Controls
- Budget, Revenue & Reporting
- Payables & Contract Management
- Tax Liability Management



EMILY WANN

CHIEF INFORMATION OFFICER

Emily serves as the Chief Information Officer and has been a member of DOR's leadership team since 2013. As the Chief Information Officer, Emily is responsible for leading the following teams:

- Application Support
- Fraud, Individual and Business Tax Compliance
- Indiana Tax System (ITS)
- Indiana Taxpayer Information Management Engine (INTIME)
- IT Operations Support
- IT Security Office
- MCS Application Support
- Returns Processing Operations
- Excise and Fuel Tax



TAMMY TSCHETTER

DIRECTOR OF CUSTOMER SERVICE

- Customer Service



TAMARA WOLFE

TAXPAYER ADVOCATE & DIRECTOR OF CUSTOMER EXPERIENCE

- Customer Experience Management
- Tax Practitioner Support
- Taxpayer Advocate Office



AGENCY GOALS:

GUIDING PRINCIPLES FOR 2025



DEEPEN OUR INVESTMENT IN CULTURE

Stay rooted in our values, anchors, and MVP (Mission, Vision, Purpose) and activate and embody “The DOR Way.”



Our People



Energy



Engagement



PREDICTABLE OUTCOMES

Reaffirm stability and credibility by going back to the basics.



Meet and enhance performance metrics and service levels



Socialize metrics up, down, and across the agency



Financial stewardship and accuracy



Continue investing in continuous improvement



DOR EFFICIENCY & EFFECTIVENESS

Through strong teamwork and a focus on continuous improvement, DOR will achieve its annual 10% budget savings commitment to the State.

TRAINING & EMPLOYEE ENGAGEMENT INITIATIVES

DOR continues to invest in the training and development of team members to ensure the learning needs of everyone are met. The use of self-led learning opportunities provides operational areas with the flexibility to implement training in ways that meet scheduling demands.

The team launched an overhaul of DOR's Security and Privacy Awareness training. The new modules contained necessary updates, and the engaging format led to a faster turnaround time for completion than previous years. Trainers across the agency worked to update existing programs for evolving processes as DOR implemented the necessary updates in NextDOR '24.

The Training team continued to enhance the agency's leadership development program, LE@DOR, providing new growth opportunities for participants.

The structure of the LE@DOR Program leverages LinkedIn training content to create modules around DOR needs and goals. These are combined with activities that enable participants to quickly implement the training.

A myriad of leadership resources, including online training and professional development opportunities, are also available on DORway via the SuccessFactors learning portal or through LinkedIn Learning.

#DORGIVESBACK

#DORGivesBack, an agencywide volunteer initiative, encourages our DOR family to give back to our customers, team members and communities. Since 2017, this program has allowed DOR team members to volunteer as a unified team while supporting various Indiana charitable organizations. Some of DOR's selected organizations have included Second Helpings, Lincoln-Central Neighborhood Family Center, Indiana Diaper Bank, White River State Park, and Gleaners.

STATE EMPLOYEES' COMMUNITY CAMPAIGN (SECC)

Giving is a huge part of DOR's culture! SECC, an annual charity campaign, administered by state employees, allows for a one-time donation or pledging a payroll deduction to any of the 1,500 charities available on the SECC giving portal.

Some DOR team members also contribute through special events hosted by our Employee Connection team or their own specific teams. A chili cookoff, bake sale, candy grams, pumpkin decorating contest, and a goody basket auction were some of the ways team members raised and donated funds to SECC last year. A sprinkle of fun while supporting a great cause!



DOR LOCATIONS

1. Bloomington
2. Clarksville
3. Columbus
4. Evansville
5. Fort Wayne
6. Indianapolis
7. Kokomo
8. Lafayette
9. Merrillville
10. Muncie
11. South Bend
12. Terre Haute



PURPOSE

GREAT SERVICE

YEAR IN REVIEW

Over 630 employees contribute to and model the agency's core values by dedicating their skills to public service and supporting Indiana taxpayers to confidently understand and meet their tax responsibilities. DOR's unwavering commitment to customer service, efficiency, and continuous improvement are foundations that keep us grounded as we administer Indiana tax laws fairly, securely, and efficiently.

KEY ACCOMPLISHMENTS

- Administered over \$28.8 billion of tax revenue
- Recognized locally and nationally as a Top Workplace and leading administrator for seven years straight
- Managed the 2025 IRS triennial audit to ensure that federal regulations are followed to safeguard Hoosier taxpayer information

CUSTOMERS SERVED



Individual
4,733,224



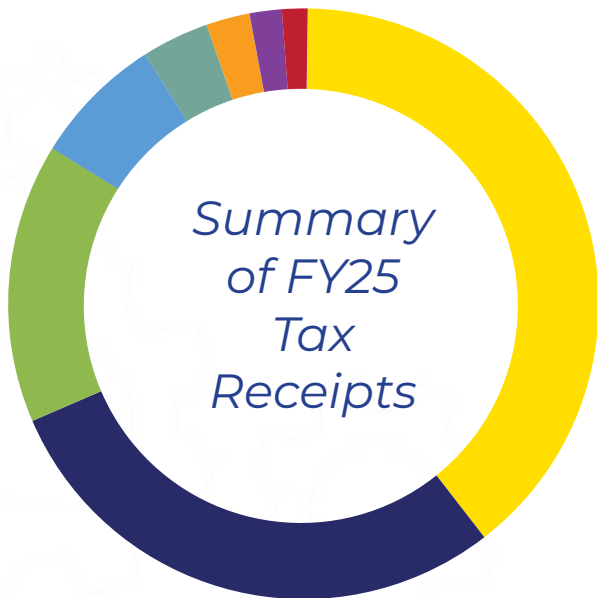
Business
500,376



Government Entities
2,369

SUMMARY OF FY25 TAX RECEIPTS

In FY 2025, DOR collected and processed over \$28.8 billion from more than 65 active tax types.



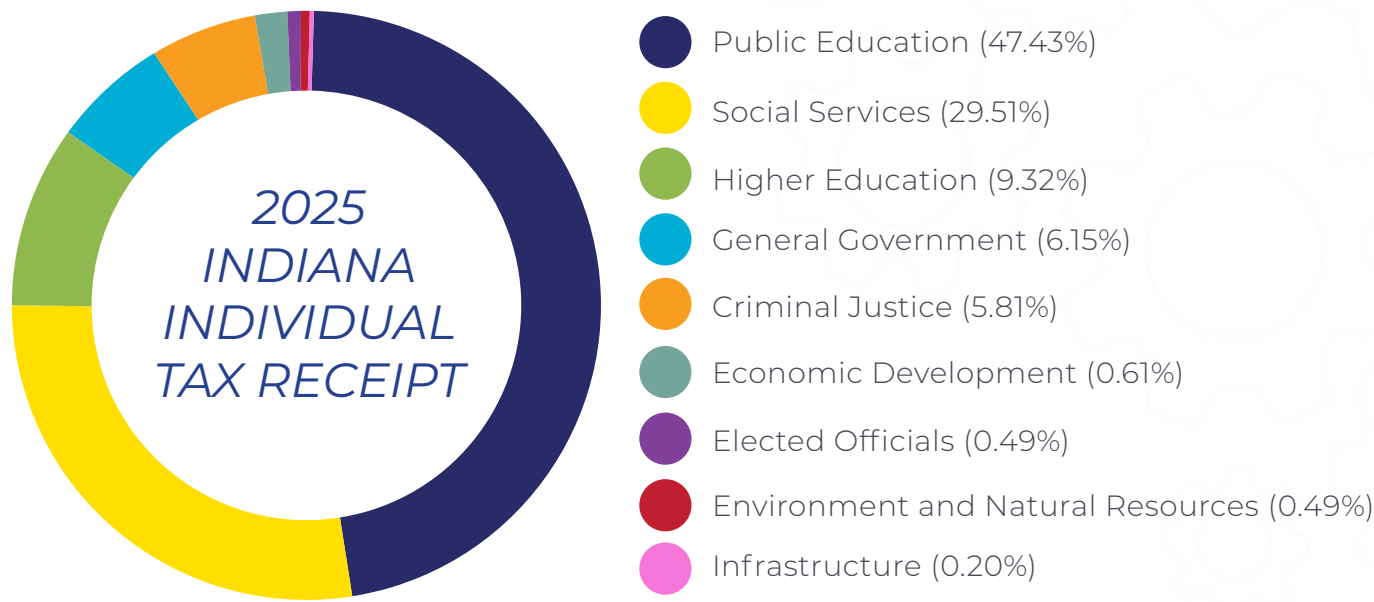
	Sales & Use Tax \$11,223,772,245
	Individual Adjusted Gross Income Tax \$8,687,237,715
	Local Option Income Taxes \$4,344,691,508
	Motor Fuel/Motor Carrier Fees \$2,054,149,903
	Corporate Income Taxes \$893,760,059
	Total Gaming Taxes \$679,913,168
	Other Taxes \$521,159,105
	Cigarette/Alcohol Taxes \$385,024,900

TOTAL TAX COLLECTED FY25

Gross Collections	\$30,636,257,349	Collections Allowance	\$70,633,545
Net Collections	\$28,789,708,604	Administrative Costs	\$85,553,469
Refunds	\$(1,846,548,745)	Delinquencies Collected	\$912,073,025

INDIVIDUAL TAXPAYER SUMMARY RECEIPT

Each year, DOR calculates the adjusted gross income tax Hoosiers have paid, and provides a breakdown by percentage to show Hoosiers in what sectors their taxes are being used. This estimated allocation tool is available on our website to view statewide spending of Individual Income taxes.



EDUCATION

Website, Publications, & Social Media

DOR’s team delivers education and timely updates to our customers, partners, and stakeholders through a variety of platforms. Our team partners with various business units to publicize information that is effective and provide solutions that promote education, compliance, and self-service.

The team manages and continuously improves DOR’s website, social media, and other publications. Our monthly Tax Bulletin e-newsletter, other news & notices, and the agency’s Legislative Synopsis (a digest of changes to Indiana Code that affects taxpayers and DOR) helps in raising awareness and transparency.

DOR’s website is its core public resource to keep taxpayers informed. To meet the needs of the people even further, the Creative team has modernized the in.gov/dor website. The upgraded design was created with the goal of increasing accessibility (ADA compliance) for people with low to no vision.

TOP VISITED WEBPAGES	
Where’s My Refund?	1,503,249 views
Home Page	1,243,864 views
INTIME	1,009,770 views
Payments and Billing	589,482 views
Contact Us	392,360 views



Social Media and Newsletter Information

DOR is committed to providing updates, and helpful resources on a variety of tax-related issues to taxpayers such as individual tax questions, small business information, and more!



DOR provides the public with a newsletter at the start of each month. Tax Bulletin is designed to give subscribers an overview of applicable tax-related updates, events, and other helpful information, working in tandem with our social media and website updates as one of the primary sources for information.



CUSTOMER SERVICE DELIVERY

Committed to serving Hoosiers with integrity, DOR's passion for public service is fueled by continuing to level up our customers' experience. The Customer Experience Management Team's dedication shines through—supporting all customer service representatives with training, workforce management, quality assurance, and timely communication.



- **Training:** develops new hires and provides continuing education
- **Workforce Management:** ensures productivity, quality, efficiency, and service excellence
- **Quality Assurance:** maintains the highest quality customer service
- **Communications:** informs Customer Service of evolving tax changes, service process updates, and monitors service-level metrics

Staying in Touch

Dedicated to responding to hundreds of thousands of customer phone calls, the Customer Contact team also processes a high volume of correspondence inquiries related to individual, business, and payment inquiries, as well as thousands of INTIME inquiries.

This team also provides in-person services to walk-in customers and receives a large volume of tax payments at our cashier windows.

Customer Service representatives regularly receive positive feedback and notes of appreciation for their attentiveness and ability to help people.

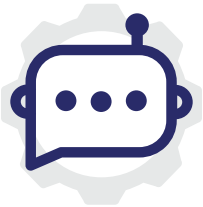
CUSTOMER ASSISTANCE	
Connection Point	Customers Served
INTIME Messages	95,762
Walk-in Visits	63,176
Phone Calls	430,321
Email, paper, fax	86,174



SATISFACTION SURVEY	
Was the Customer Service representative professional?	97.85%
Did your question or questions get resolved today?	89.4%
Were you satisfied with your overall customer experience today?	93.01%

INTIME self-service

INTIME features direct messaging, secure bill pay, and refund status lookup. Available 24/7, it allows customers to self-service common transactions, reducing the need to call, mail in payments, or visit district offices. As a result, this functionality allows Customer Service to provide more targeted support to those with more complex needs.



Keybot

DOR's keybot, Ask Indy, is a resource for taxpayers to get answers to some frequently asked questions on how to navigate INTIME. By accessing the racecar 'logo' on the INTIME login page, customers are able to type in simple questions and receive guidance on where to find their desired information.

NextDOR '24

DOR's ITS team works to identify improvements in processes and technology to enhance the customer experience. Project NextDOR has been a tremendous success for DOR, taxpayers, and tax professionals. In November 2024, the team completed NextDOR '24 which delivered new features and better user experiences. System upgrades allow DOR to keep up with technology, making future updates easier and more cost-effective for the state. Some of the upgrades in 2025 include expanded electronic filing, allowing customers the ability to add attachments to returns, and improved communication with customers. The ITS team continues to look for more ways to make it easier to do business with DOR.



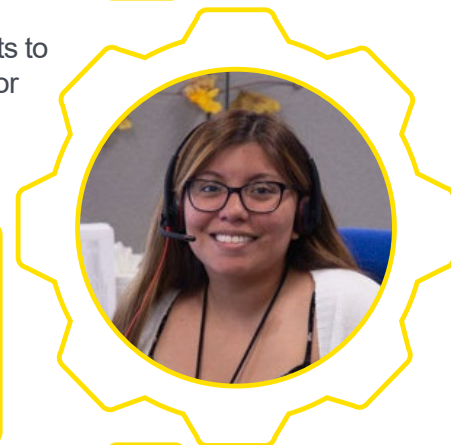
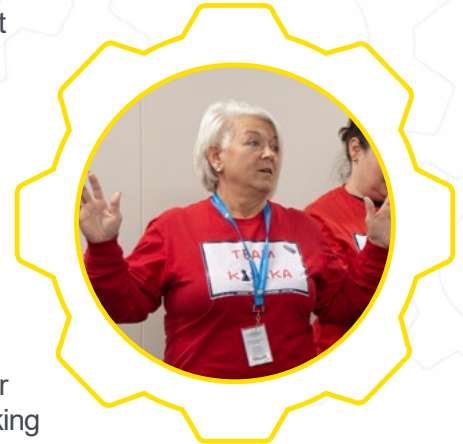
New security features for better protection of Hoosier information



Usability enhancements for more prompt and effective constituent services



INTIME payment portal upgrades for more taxpayer self-service opportunities



Letter Enhancements

Delivering meaningful service is at the core of who we are. DOR's Letters & Forms Council was created to weigh in on external communication to customers, essentially a review and approval process ensuring plain language. This approach affirms DOR's commitment to continuous improvement by bringing clarity to the customers we serve, and providing clear and concise messaging, so they know how to proceed after receiving a letter or form from DOR.

RETURNS PROCESSING OPERATIONS

As a service organization, DOR focuses on supporting Hoosier communities and everyone who comprises Indiana's tax ecosystem.

Processing for all Individual tax returns—both electronic and paper—as well as Corporate and Business tax returns are managed by DOR's Returns Processing Operations department.

From Return to Refund: Timeline Efficiency

Processing paper returns takes more time and requires more resources. After sorting and prepping, customer information is scanned to determine any discrepancies that need to be verified or corrected before moving forward. DOR's tax and fraud team specialists review and ensure all issues have been resolved before proceeding with issuing a refund.

Customers who file their taxes electronically typically receive a faster refund.

The agency's goal is to issue 90% of electronically-filed refunds within 14 days and 90% of paper-filed refunds within 60 days. From Jan. 12, 2025, to June 23, 2025, 93% of electronically-filed returns claiming a refund were issued within 14 days of receipt, while 95% of paper-filed returns claiming a refund were issued within 60 days.

Business, Corporate, Excise, and Fuel Taxes

Business, corporations, excise, and fuel tax customers (Alcohol, Cigarette and Other Tobacco Products, Fuel tax, Charity Gaming Excise, and Type II Gaming) have the ability to manage their tax accounts using INTIME, DOR's customer portal. This includes filing returns, making payments, and secure messaging with DOR Customer Service.

Tax Professionals

Tax professionals can manage Individual, Business, Withholding, and Corporate taxes using INTIME to provide increased access and functionality, including:

- Access to view and manage multiple customers under one login
- Respond to letters and view filing and payment history
- Request Electronic Power of Attorney authorization to act on behalf of clients

DOR also provides service and support to the tax practitioner community who may receive more complex questions or concerns from their clients.



INFREEFILE

Customers with lower adjusted gross incomes may use INfreefile to electronically prepare and file their federal and state tax returns for free at the same time. This software, developed by the IRS and tax preparation software vendors, has several benefits including:

- 24/7 access
- Confirmation of receipt and acceptance of returns
- Convenience of direct deposit for refunds and direct debit to pay taxes owed
- Easy to use
- Faster refunds
- Fewer errors

Although DOR does not endorse or control any of these third-party websites, customers can find all INfreefile vendors listed on [our website](#).

MOTOR CARRIER CUSTOMER SERVICE

The MCS Customer Service team supports MCS transactions, working closely with the Bureau of Motor Vehicles (BMV) to handle all Commercial Motor Vehicle-related transactions. They assist walk-in customers with various needs, from new IRP accounts to Fuel tax transactions. The team supports all areas of MCS and educates carriers on specific requirements. They served over 15,500 customers in FY25—over 2,300 were new accounts.

Commercial motor vehicles travel more than 9.7 billion miles in Indiana each year. The movement of these vehicles impacts the safety conditions and traffic patterns of Indiana roads as well as the physical demands placed on them.

These roads play an important role in the state's economic success. As a premiere provider of government services to the motor carrier industry, MCS works collaboratively with the Indiana Department of Transportation (INDOT) and the Indiana State Police's Commercial Vehicle Enforcement division to provide guidance and service to motor carrier companies, commercial drivers, and Indiana residents through the administration of state and federal laws governing the commercial use of the state's roads.

In FY25, MCS maintained its top position as one of only two states to achieve the highest possible compliance rating with the PRISM program administered by the Federal Motor Carrier Safety Administration (FMCSA). MCS's Expanded Performance and Registration Information Systems Management program (PRISM) status enhances the safety of Indiana roads by immobilizing carriers with serious safety deficiencies. MCS now serves as an expert resource for other jurisdictions that aim to improve their compliance and safety status with the FMCSA.



MISSION

DOR's mission is to serve Indiana by administering tax laws in a fair, secure and efficient manner.

STANDING BY TAXPAYERS

DOR seeks out projects that result in higher customer satisfaction, making it easier for customers to do business with us. Enhanced tools and guidance, navigation, and the layout of DOR's website allows individuals, businesses, tax professionals, and other customers to select from defined paths and calls to action that bring clarity to their choices. By harnessing user data and evolving best practices, the improvements target and answer customer needs and concerns before they turn into questions.

Taxpayer Advocate Office

The Taxpayer Advocate Office, led by the Taxpayer Rights Advocate, Tamara Wolfe, provides high-quality specialized services to the unique needs of customers and partners facing complex tax issues that cannot be resolved through other DOR channels, in accordance with IC 6-8.1-11-3.

The team is staffed with some of the agency's most senior Customer Service team members, who skillfully handle several programs and various needs such as:

- Hardship
- Needs specific to active-duty military
- Needs specific to people who are incarcerated
- Offer in compromise
- Complex problem resolution
- Tax warrant expungement

Taxpayer Protection

The Fraud, Individual, and Business Tax Compliance teams have focused on the core value of Integrity: "Always doing what is right and taking action when it is not," through training and ongoing system improvements to strengthen their ability to improve compliance.

Improved business rules, automation, and process improvements continued to drive compliance and stop attempted refund fraud. During this timeframe, the Individual Tax Compliance (ITC) team identified and stopped 4% more in attempted fraudulent returns—a good follow-up to a 33% increase last year.

Tighter staffing resources have provided a challenge for the ITC team in identifying potential fraudulent returns that needed to be reviewed for an accurate reflection on taxes owed, based on documented wages. Even with a reduction in staff, operational resilience was maintained through enhanced fraud detection protocols. The volume of returns requiring analyst review was reduced by 25%. As a result, while the window extended from 60 to 110 days, the overall impact was effectively mitigated.

By the end of FY25, the Compliance team successfully identified discrepancies in reported income and adjusted taxpayer returns that resulted in recovering \$74 million of invalid refund claims, a 100% increase in recoveries.



Taxpayer Bill of Rights

- Quality Taxpayer Service
- Preservation of Taxpayer Rights
- Taxpayer Education & Information
- Fair Collections Process
- Hearing Time & Representation
- Demand Notices
- Warrants for Collection of Tax
- Judgment Liens Against Property
- Annual Public Hearing & Report
- Taxpayer Responsibilities

[Learn more about your Taxpayer Bill of Rights](#)

The onboarding of a new Food & Beverage and County Innkeepers' tax jurisdiction was another area of focus for the team. Education was provided to taxpayers and tax authorities implementing the taxes to increase business registration and monthly revenue.

INFORMATION SECURITY

The Security Team's responsibilities are focused on information security to include policy and training development, technical security, business continuity, and logging and monitoring.

The Security Team's effort was led by:

- Developing and implementing updated technical security policies that optimized DOR's computing equipment's ability to protect taxpayer information
- Facilitating a business continuity assessment of a critical division that helped identify risks that must be mitigated to ensure uninterrupted customer service
- Helping 18 e-filing tax service providers achieve maximum security to ensure Hoosier returns are shielded from bad actors when they are submitted online
- Collaborating with other DOR divisions and state agencies to achieve the following:
 - Ensuring vendors and contractors supporting DOR comply with the highest security standards
 - Updating DOR's security and privacy awareness training to reflect the latest guidance on how to recognize and address current real-world risks
 - Scrutinizing data-sharing agreements to ensure receiving partners can meet their goals and protect DOR data
 - Preparing DOR and partners for an IRS review of the department's ability to protect taxpayer information, resulting in an overwhelming positive assessment along with earning high praise from federal auditors



INTERNAL CONTROLS AND INTERNAL AUDIT

The Internal Controls team continues to finalize all agency processes, concentrating on developing a testing strategy for the identified controls included in the documented processes. This team has continued to work on DOR's goal of "turning data into actionable information" by creating dashboards within the Workiva platform for business owners to view and assess testing, and annual documentation review. Scheduled reviews of the completed documentation ensure that documentation is up to date and accurate on an ongoing basis.

Increased communication and an Internal Controls annual training program ensure all DOR team members are equipped to play their part in supporting the effective development and operation of crucial internal controls.

DOR's Internal Audit team continues to work with leadership and the audit committee to conduct audits that promote ethical behavior, enhance operational efficiency, ensure compliance with policies and procedures, and find ways to improve the services we provide.

To this end, in the spirit of our core values, the Internal Controls and Internal Audit teams lead DOR's effort to continuously improve and keep current our control framework and environment while demonstrating integrity, by always doing what is right and taking action when it is not.

COMPLIANCE & ETHICS

To help promote public confidence and trust in state government, DOR's Security and Compliance & Ethics teams equip team members with the understanding and resources to uphold integrity and address problems when they occur.

The Compliance & Ethics team's effort was led by:

- Managing the physical aspects of the 2025 IRS triennial audit and ensuring that federal regulations are followed so taxpayer information is protected
- Launching a series of interactive training sessions for DOR teammates addressing physical security and information security requirements
- Writing guidance documents and offering mass online training through the department's Office Hours series, monthly drop-in training hosted on Microsoft Teams, and customized DOR department training
- Supporting DOR's Internal Policy Review Group to ensure all internal agency policies support DOR's mission, vision, and values
- Welcoming DOR teammates to ask nonconfidential questions, and receiving refreshers on department policies, best practices, and the laws and regulations that direct DOR operations

CREDITS & DEDUCTIONS

Numerous Indiana tax credits are available for individual, fiduciary, partnership, and corporate taxpayers. [DOR's website](#) has a list of all the credits available with brief descriptions of forms and schedules to use, and details on who is eligible. Indiana credits are used to reduce the amount of tax owed.

[DOR's website](#) also includes information regarding deductions in the same format as the 'credits' webpage. Indiana deductions are used to reduce the amount of taxable income. Details are available on each deduction to determine if a customer would be eligible to claim any of the deductions listed, and further instructions are included on how to claim deductions on an income tax return.

SENIORS

Indiana does not require seniors to file an income tax return if they maintain a legal residence in Indiana for an entire year and the total value of their personal, elderly, and blind exemptions exceeds their federal gross income before deductions.

Additionally, [DOR's website](#) outlines several organizations that aid in preparing their Individual Income taxes along with possible tax credits, deductions, and exemptions they may qualify for.



For example, the Unified Tax Credit for the Elderly provides a refundable income tax credit to individuals age 65 or older at the end of the tax year. A credit of up to \$100 for individuals and up to \$140 for couples is available to individuals whose taxable income is less than \$10,000. Individuals may claim this credit by completing Form SC-40 if they are not required to file an income tax return.

NEW & SMALL BUSINESS EDUCATION

DOR's Business Education Outreach Program helps ensure that Indiana taxpayers are informed and compliant with their tax obligations by providing free tax presentations. Audiences include tax practitioners, new small business owners, specialty businesses, volunteer tax preparers, and many more. Programming expanded this year to also include education for local government administrators and business advisors, as well as new hosts for our existing programs.

STUDENT RESOURCES

College students filing their taxes for the first time may find the process confusing. Several resources, including information on [Student Loan Forgiveness](#) and free tax workshops for international students are available. [Tax tips for students and FAQs on DOR's website](#) also serve as reference tools.

OUTREACH

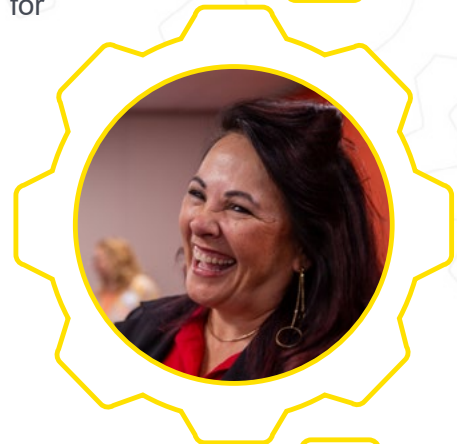
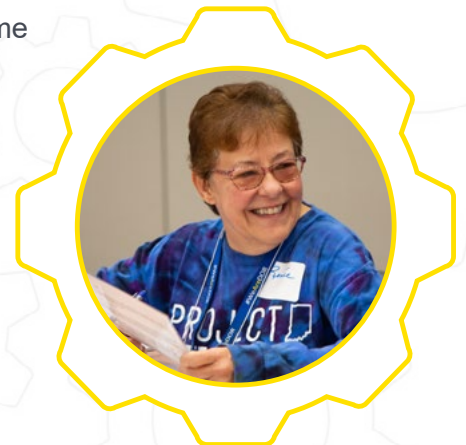
DOR is proud of our continued collaboration with Indiana's strong and dedicated community of tax professionals, business stakeholders, and advocates. In addition to sharing updates, resources and educational material to a variety of these groups, we meet semiannually with the Indiana CPA Society's Tax Resource Advisory Council, as well as the Commissioner's Tax Advisory Council.

This year, DOR's work with these groups led to improved education on Schedule C metrics and processing, combatting practitioner system breaches, and implementing new processes resulting from legislative changes. DOR values and appreciates our partnerships with Indiana's tax experts, as this community shares and helps us further our vision of supporting Hoosier taxpayers.

TAX LIBRARY

[DOR's tax library](#) is an extensive collection of resources for accurate tax filing and compliance, available to tax professionals, and the general public.

Tax professionals can utilize these resources when preparing returns or advising clients, while the general public can benefit from learning more about basic tax concepts.





IN

TIME

INTIME, DOR's customer portal, incorporates features like direct messaging, secure bill pay and refund status lookup. Available 24/7, it allows customers to self-serve, reduce the need to call, mail in payments or visit district offices for common transactions. As a result, this functionality allows Customer Service to provide more targeted support to those with more complex needs.



SIGN UP NOW!

MOTOR CARRIER SERVICES

MANAGE ACCOUNTS

MCS, recognized as the nation's premier provider of services to the motor carrier industry—public or private—serves nearly 25% of all trucks and trailers on the roads in the U.S. DOR accomplishes this by utilizing [custom-built systems for online transactions](#) and employing a unique “one-stop-shop” location with over 85 professionals dedicated to assisting customers.

Our industry-leading MCS division is comprised of six areas of business.

REGISTRATIONS

Intrastate: Base Plate Registrations

BPRs are available for companies with five or more qualified commercial vehicles that only travel within Indiana (intrastate).

In FY25, House Enrolled Act 1162 enacted amendments to the intrastate registration requirements, transitioning 2,000 motor carrier customers from the BMV to MCS, offering a streamlined commercial registration process and the benefit of automated online systems.



Interstate: International Registration Plan

The largest carriers in the nation register their fleet for travel through Indiana (interstate) using DOR's IRP system. Indiana continues to register the highest volume of commercial motor vehicles of all jurisdictions in the U.S. and Canada.



FUEL TAX

Businesses operating motor vehicles within the state that have three axles or more on the power unit, a combination of power unit and trailing unit, or any vehicle over 26,000 pounds, must file a tax return based on fuel usage.

Vehicles subject to Fuel tax must be registered and annually renewed, including decals, license cards, and quarterly returns. Customers can manage all of their IFTA and MCFT transactions online at any time using the MCS Fuel Tax System.

International Fuel Tax Association



Active Customers:
nearly 10,000



Decals issued:
nearly 540,000

Motor Carrier Fuel Tax



Active Customers:
3,900



Decals issued:
730

INDIANA OVERSIZE/OVERWEIGHT PERMITTING SYSTEM

In partnership with INDOT, MCS maintained its permitting service level agreements to customers throughout FY25, issuing nearly 425,000 specialty permits. The Indiana OSOW Permitting System, with continued enhancements including permit route guidance, improved the overall safety and protection of Indiana routes and bridges. This automated permit system has dramatically increased self-service, automated route calculation, and improved permitting service, reducing delays with over a 99% automated route approval.

INDIANA OPERATING AUTHORITY

An IOA application is required for transporting passengers, household goods, or general freight within Indiana, and the system streamlines those requests for a better customer experience, specifically for setting up payment plans and signing documents. In FY25, there were over 1,200 IOA renewals and nearly 140 new passenger/household good authorities granted.

The Unified Carrier Registration (UCR) fee is collected annually from interstate motor carriers to fund highway and safety programs. During FY25, MCS's IOA team managed the registrations for nearly 17,000 Indiana-based UCR carriers and subsequently collected over \$3.6 million.

TITLES

The Titles team processes vehicle titles for trucking companies and sole proprietors, and recently enhanced service capabilities by implementing the availability of electronic titles. They assist motor carriers with transactions and collaborate with the BMV to ensure timely processing while maintaining proper transaction security, which totaled nearly 110,000 in the fiscal year.

TAXPAYER COMPLIANCE

When DOR receives unidentified checks from customers, the majority of which are sent without a corresponding voucher, DOR tax analysts must determine what taxpayer, account, and period apply to the check. This requires manual research, data entry, and processing. More than 31,775 unidentified checks were received in FY25.

Customers who file paper returns sometimes mistakenly submit an incorrect or outdated form. When this happens, the filing process slows down and requires manual processing by a DOR tax analyst. Over 29,923 outdated paper returns required manual processing in the fiscal year.

In addition to those errors, over 127,980 customer returns required manual intervention due to one or more of the following reasons:

- Account adjustments and corrections had to be made due to incorrectly amended and duplicate returns.
- The customer claimed an estimated payment on their return, but DOR records did not reflect any estimated payments on their account.
- The customer failed to include Social Security number(s), name(s), address(es) or county code(s) on their return or used the wrong form for the filing year.
- DOR had to verify duplicate names filing with the same address.
- DOR had to verify if credits claimed by customers were claimed properly.
- An invalid account and/or filing status mismatch, which occurs when customers change filing status (single, married, filing jointly, or filing separately), was filed.
- Missing schedules, forms and W-2s for state, county and local taxes withheld, and/or incomplete and/or incorrect account numbers were filed.
- Tax returns and/or Social Security benefit documentation were missing from Automatic Taxpayer Refund verification.

DOR is on a mission to reduce these types of occurrences through taxpayer education, enhanced guidance, and form improvements.



AUDIT STATISTICAL REPORT OF VIOLATIONS

Indiana Code (IC 6-8.1-14-4(2)) requires DOR to provide a statistical study of audit results annually. The following exhibits detail the specific statutes or regulations (administrative rules) violated by taxpayers under audit. These violations are segregated by tax type: Corporate income taxes, Financial Institutions taxes, taxes due from pass-through entities including Composite tax and PTET, Employer Payroll Withholding tax, Sales and Use tax, Food & Beverage and County Innkeepers' tax, Cigarette Excise tax, and Motor Carrier taxes imposed by IRP and IFTA. The figures reflect the tax dollar impact of each violation.

The listed statute or regulation violations are segregated by the industry sector of the business associated with the violation. Where a customer's registration did not include an industry code (North American Industrial Classification System or "NAICS"), the column on that exhibit has been marked as unidentified.

Typically, a field audit includes the most recent three complete tax years, though it may include more or fewer tax periods. To expand the coverage among businesses reporting tax to Indiana, auditors and their supervisors may limit the scope of a field audit to include fewer tax periods or to focus only on certain tax issues.

The Audit Operations team is comprised of field auditors working in three business units:



Sales & Income Audit team
(all income, payroll withholding, sales tax, and sales-related specialty taxes)



Excise and Fuel Taxes team
(excise taxes, primarily cigarette tax)



Motor Carrier Audit team
(carrier taxes related to IFTA, IRP, and Indiana motor carrier)

INDUSTRY SECTORS

CLASS	EXPLANATION
1	Agricultural; Forestry
2	Mining; Oil and Gas Extraction; Construction
3	Manufacturing
4	Wholesale; Retail; Transportation
5	Information; Publishing; Telecommunications; Finance; Retail Insurance; Real Estate; Leasing; Professional Services
6	Education; Health Services
7	Arts; Entertainment; Recreation; Food Services; Accommodations
8	Repair; Personal Services; Other Services
9	Public Administration; Unrelated Business Activities; Individuals

AMOUNT OF TAX ASSESSED

The tables of data that follow detail the audit adjustments, reflected in tax dollar changes, gleaned from audit worksheets and totaled by internal reports. Any interest that may result from audit adjustments is not reflected in the data, and only a few special penalty impositions are listed. For the most part the tables only list tax dollars. Additional tax due discovered upon audit is subject to a 10% penalty if the taxpayer has been negligent in reporting. The department is authorized to impose a 100% penalty if the taxpayer has fraudulently misrepresented or failed to report tax due. The aggregate values listed are net of any tax refunds or negative adjustments posted.

For **Indiana Corporate Income taxes**, the audit adjustments producing the largest tax impacts involve the imposition of adjusted gross income tax and the rules for apportioning income found in **IC 6-3-2-2**. Other large adjustments stem from including the correct entities subject to Indiana adjusted gross income in a consolidated filing group. **Indiana Code 6-3-4-14** describes which entities are authorized to file in a consolidated tax return. Many of these adjustments involve adding entities that were omitted but had Indiana source income, especially given the fairly recent change in apportionment rules for receipts from services.

Since 2019, Indiana has apportioned receipts for services based on the market where those services are consumed (market-based sourcing, or “MBS”). Indiana Code 6-3-2-2 is the general statute that provides direction for sourcing receipts to Indiana. Sub-section (f) of this statute directs that receipts other than sales of tangible personal property, other than a few specifically enumerated items, are in Indiana if the **market** for the sales is in Indiana. This includes charges for the use of intangible property, such as royalties or licensing fees.

EXHIBIT A						
CORPORATE INCOME TAX ADJUSTMENTS						
STATUTE_CODE	UNIDENTIFIED INDUSTRY	NAICS				
		3	4	5	7	
45 IAC 3.1-1-50	-19,033.00	0.00	0.00	0.00	0.00	-19,033.00
45 IAC 3.1-1-51	0.00	0.00	0.00	0.00	0.00	0.00
45 IAC 3.1-1-52	0.00	0.00	0.00	0.00	0.00	0.00
45 IAC 3.1-1-56	0.00	0.00	0.00	0.00	0.00	0.00
IC 6-3-1-3.5	55,499.00	1,520.00	83,432.00	0.00	45,404.00	185,855.00
IC 6-3-2-1	0.00	-840.00	0.00	0.00	0.00	-840.00
IC 6-3-2-2	7,762,557.00	496,962.00	2,532,830.00	15,504,977.00	0.00	26,297,326.00
IC 6-3-2-2.6	8,752.00	-1,841.00	812,105.00	0.00	0.00	819,016.00
IC 6-3-4-14	-249.00	0.00	0.00	4,502,279.00	0.00	4,502,030.00
IC 6-3.1-1-2	0.00	0.00	0.00	0.00	0.00	0.00
IC 6-3.1-4-1	0.00	0.00	17,416.00	10,368.00	0.00	27,784.00
Tax Impact Total	7,807,526.00	495,801.00	3,445,783.00	20,017,624.00	45,404.00	31,812,138.00

Corporations doing business as financial institutions, as defined by Indiana Code (IC 6-5.5) are required to file **Financial Institutions tax (FIT)** returns. All FIT filers subject to audit, therefore, fall into the banking, financial, or credit extending industry sectors. Because the definition of subject taxpayers is so specific, the largest adjustments in terms of dollars and in count result from adding or removing entities filing combined FIT-20 returns. The authority for those adjustments is IC 6-5.5-2-1.

During the fiscal year ending June 30, 2025, DOR auditors completed **14** FIT audits, assessing **\$3,357,623**. Most of that total related to removing non-subject affiliated corporations from the FIT-20 combined returns. This involves changes to the tax base as well as the receipts attributed to those entities in the apportionment formula. **Indiana Code 6-5.5-1-17** provides clear guidance for determining whether an entity is a “taxpayer” under the FIT Articles, and IC 6-5.5-2-1 defines the computation of the tax due. These are the two most common statutes cited in support of audit adjustments.

Pass-through entities (S corporations and partnerships) generally have no income tax obligation, as the tax on adjusted gross income passes through to the shareholders or partners. However, S corporations and partnerships must report composite tax due related to their earnings for any non-resident owners. And, since tax year 2022, these entities may elect to be taxed on the earnings by computing and paying Pass-through Entity tax (PTET).

EXHIBIT B

PASS-THROUGH ENTITY (S CORPORATION, PARTNERSHIP) ADJUSTMENTS

STATUTE_CODE	UNIDENTIFIED INDUSTRY	NAICS							
		2	3	4	5	6	7	8	
45 IAC 3.1-1-105	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
45 IAC 3.1-1-66	0.00	0.00	0.00	4,212.00	0.00	0.00	0.00	0.00	4,212.00
IC 6-3-1-3.5	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IC 6-3-2-2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IC 6-3-2-29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IC 6-3-2.1-4	26,637.00	0.00	7,883.00	1,604.00	0.00	0.00	234.00	0.00	36,358.00
IC 6-3-2.1-5	43,281.00	0.00	111,969.00	0.00	0.00	0.00	0.00	0.00	155,250.00
IC 6-3-4-12	0.00	0.00	0.00	1,427.00	0.00	0.00	3,389.00	0.00	4,816.00
IC 6-3-4-13	767.00	41.00	34,247.50	14,601.73	0.00	0.00	3,710.00	0.00	53,367.23
IC 6-3.1-4-1	0.00	0.00	11,297.00	0.00	0.00	0.00	0.00	0.00	11,297.00
IC 6-3.1-4-2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IC 6-3.1-4-5	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IC 6-3.1-4-7	69,809.00	2,075.00	6,618.00	0.00	0.00	0.00	0.00	0.00	78,502.00
IC 6-8.1-10-2.1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tax Impact Total	140,494.00	2,116.00	172,014.50	21,844.73	0.00	0.00	7,333.00	0.00	343,802.23

For the fiscal year ended June 30, 2025, audits of pass-through entities resulted in changes to the taxable income base, often as a result of failing to report all receipts, expenses, or modifications correctly. The bulk of the assessments resulting from these adjustments was due to PTET (reference **IC 6-3-2.1** in the table of adjustments). Composite tax due and research expense credit reversals also accounted for significant tax assessed. Many of these audits required associated audits on those **individuals** or other entities who receive tax attributes from the pass-through entity.

Audit Operations Sales and Income auditors will conduct limited scope audits of individual taxpayers, especially those who own businesses reporting as sole proprietors or small businesses. By far the largest dollar impact in adjustments to Individual Income tax reported stems from reporting errors in calculating, or generally being entitled to the **credit for increasing research expenses in Indiana**. These amounts usually originate with a pass-through entity and are then reported to shareholders or partners through Schedule IN-K1. Of the \$3,668,500 tax assessed to individual taxpayers, **\$2,127,577** relates to this credit. Those adjustments are made under the provisions of **IC 6-3.1-4** and its various sections.

EXHIBIT C										
INDIVIDUAL ADJUSTMENTS										
STATUTE_	UNIDENTIFIED	NAICS								
CODE	INDUSTRY	1	2	3	4	5	6	7	8	
45 IAC 3.1-1-106	92,058.00	0.00	0.00	0.00	0.00	0.00	0.00	15,241.00	0.00	107,299.00
45 IAC 3.1-1-2	82,864.00	0.00	29,308.00	0.00	40,682.00	1,923.00	13,205.00	89,009.00	0.00	256,991.00
45 IAC 3.1-1-3	31,318.00	0.00	0.00	0.00	-671.00	0.00	12,109.00	0.00	0.00	42,756.00
45 IAC 3.1-1-4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
45 IAC 3.1-1-66	98,921.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	98,921.00
45 IAC 3.1-1-67	815,140.00	0.00	0.00	36,315.00	45,651.00	16,147.00	678.00	19,908.00	6,805.00	940,644.00
45 IAC 3.1-1-71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IC 6-3-1-3.5	18,357.00	0.00	-2,738.00	35,347.00	8,184.00	0.00	0.00	0.00	0.00	59,150.00
IC 6-3-1-33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IC 6-3-2-1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IC 6-3-2-2	0.00	0.00	0.00	0.00	30,496.00	0.00	0.00	1,204.00	0.00	31,700.00
IC 6-3-2-2.5	0.00	0.00	0.00	6,986.00	0.00	0.00	0.00	0.00	0.00	6,986.00
IC 6-3-2.1-5	930.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	930.00
IC 6-3-3-1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IC 6-3-3-9	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	32.00
IC 6-3-4-1	22,633.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22,633.00
IC 6-3.1-1-2	5,557.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,557.00
IC 6-3.1-21-6	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

IC 6-3.1-26-16	-37,187.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-37,187.00
IC 6-3.1-4-1	10,191.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,191.00
IC 6-3.1-4-2	0.00	0.00	0.00	-16,018.00	0.00	0.00	0.00	0.00	0.00	-16,018.00
IC 6-3.1-4-3	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IC 6-3.1-4-5	945.00	20,937.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21,882.00
IC 6-3.1-4-7	1,528,494.00	0.00	437,797.00	-552.00	9,679.00	136,104.00	0.00	0.00	0.00	2,111,522.00
IC 6-3.6-2-2	0.00	0.00	0.00	0.00	127.00	0.00	0.00	0.00	0.00	127.00
IC 6-3.6-4-1	4,384.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,384.00
Tax Impact Total	2,674,605.00	20,937.00	464,399.00	62,078.00	134,148.00	154,174.00	25,992.00	125,362.00	6,805.00	3,668,500.00

For **Indiana Sales and Use taxes**, the three statutes or rules violated with most tax impact were **45 IAC 2.2-6-8, IC 6-2.5-3-8, and IC 6-2.5-6-1**. Indiana Code 6-2.5-3-8 relates to Use tax imposition where evidence of Sales tax paid on purchases is not found. Auditors routinely review all purchases made by a business to determine if Sales tax was paid to a seller or Use tax was remitted directly to DOR on all taxable purchases. Taxpayers are required to retain records and documentation sufficient to prove all tax was paid properly.

Indiana Code 6-2.5-6-1 is the general provision that all merchants must collect Sales tax and must file a return with DOR to report the sales and remit the tax collected. Audits conducted revealed this statute to be an area of significant non-compliance. Likewise, Rule 45 IAC 2.2-6-8 guides us in determining a merchant's Sales tax liability for each period, and was cited as a significant area of non-compliance. In all, non-compliance in application of Indiana Sales and Use tax resulted in audits assessing **\$13,256,191.49** during fiscal year ended June 30, 2025.

EXHIBIT D										
SALES/USE TAX AUDIT ADJUSTMENTS										
STATUTE_CODE	UNIDENTIFIED INDUSTRY	NAICS								
		1	2	3	4	5	6	7	8	
45 IAC 2.2-1-1	0.00	0.00	289,836.70	0.00	0.00	0.00	0.00	25,212.13	0.00	315,048.83
45 IAC 2.2-2-1	67,014.80	0.00	0.00	0.00	370,289.72	0.00	0.00	0.00	0.00	370,289.72
45 IAC 2.2-2-2	0.00	0.00	0.00	-7,432.14	427,038.51	6,187.63	0.00	52,834.77	-175,519.70	370,123.87
45 IAC 2.2-3-12	0.00	0.00	1,228,401.34	0.00	-218.14	3,836.11	0.00	0.00	0.00	1,232,019.31
45 IAC 2.2-3-15	0.00	0.00	0.00	0.00	23,533.09	0.00	0.00	0.00	0.00	23,533.09
45 IAC 2.2-3-4	16,343.25	338.95	47,346.48	26,508.66	104,956.68	323,112.58	11,808.09	92,108.12	51,455.02	673,977.83
45 IAC 2.2-3-5	6,421.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,421.61
45 IAC 2.2-3-8	0.00	0.00	187,748.08	0.00	0.00	0.00	0.00	0.00	0.00	185,085.71
45 IAC 2.2-4-1	0.00	0.00	574.84	0.00	0.00	0.00	0.00	0.00	0.00	43,369.73
45 IAC 2.2-4-13	0.00	0.00	0.00	-48,725.05	-537.61	0.00	0.00	-1,099.03	0.00	-50,361.69

45 IAC 2.2-4-2	0.00	0.00	17,106.36	325,846.04	-14,462.43	0.00	0.00	0.00	-511.28	327,978.69
45 IAC 2.2-4-26	0.00	0.00	-8,814.16	0.00	0.00	0.00	0.00	0.00	0.00	-8,814.16
45 IAC 2.2-4-27	0.00	0.00	2,631.99	1,320.92	7,436.83	260,289.84	0.00	1,618.03	0.00	273,297.61
45 IAC 2.2-4-8	0.00	0.00	0.00	0.00	21.70	0.00	0.00	938.83	0.00	960.53
45 IAC 2.2-5-10	0.00	0.00	0.00	12,015.05	0.00	0.00	0.00	0.00	0.00	12,015.05
45 IAC 2.2-5-12	0.00	0.00	0.00	1,796.83	-19,226.80	-126.94	0.00	-7,158.21	0.00	-24,715.12
45 IAC 2.2-5-14	0.00	0.00	0.00	1,689.46	-60.34	0.00	0.00	-2,205.23	0.00	-576.11
45 IAC 2.2-5-15	0.00	0.00	-41,368.05	-611.40	-33,996.56	-808.54	-635.22	-2,899.82	-1,842.26	-82,161.85
45 IAC 2.2-5-16	0.00	0.00	0.00	-3,127.16	597.37	-490.83	0.00	-3,488.46	0.00	-6,509.08
45 IAC 2.2-5-26	0.00	0.00	0.00	54.58	49.00	0.00	0.00	0.00	0.00	103.58
45 IAC 2.2-5-36	0.00	0.00	0.00	0.00	0.00	2,909.46	0.00	0.00	0.00	2,909.46
45 IAC 2.2-5-54	0.00	0.00	0.00	0.00	-14,328.65	0.00	0.00	0.00	0.00	-14,328.65
45 IAC 2.2-5-8	189.08	8,484.23	25,585.00	1,014,352.80	3,760.25	6,246.36	0.00	2,877.29	5,339.80	1,066,834.81
45 IAC 2.2-6-1	0.00	0.00	0.00	0.00	8,211.83	0.00	0.00	1,082.98	0.00	9,294.81
45 IAC 2.2-6-14	0.00	0.00	428.42	0.00	583.79	0.00	0.00	0.35	0.00	1,012.56
45 IAC 2.2-6-8	356.38	25,120.98	12,883.71	118,062.68	946,657.17	304,256.68	123,806.38	564,966.99	7,528.28	2,103,639.25
45 IAC 2.2-8-12	16,789.99	2,142.57	-185,865.96	-361,271.00	764,943.06	451,699.45	-57,606.76	37,405.55	20,214.58	2,103,639.25
IC 6-2.5-1-24	0.00	0.00	378.66	27,583.42	7,195.51	0.00	0.00	0.00	160.96	35,318.55
IC 6-2.5-1-5	0.00	0.00	686.88	160.16	29,541.44	740.52	0.00	4,413.70	84.29	35,636.29
IC 6-2.5-2-1	0.00	0.00	0.00	7,743.18	0.00	0.00	0.00	0.00	0.00	7,743.18
IC 6-2.5-2-3	0.00	0.00	0.00	0.00	11,656.63	0.00	0.00	0.00	0.00	11,656.63
IC 6-2.5-3-5	0.00	0.00	0.00	0.00	0.00	0.00	-5,935.72	0.00	0.00	-5,935.72
IC 6-2.5-3-8	170,229.24	96.24	1,730,189.42	34,102.13	103,120.45	377,914.95	116,520.60	102,354.41	7,129.17	2,641,656.61
IC 6-2.5-3.5-19	0.00	0.00	0.00	0.00	-127,676.94	0.00	0.00	0.00	0.00	-127,676.94
IC 6-2.5-4-10	0.00	0.00	0.00	0.00	0.00	360,757.92	0.00	0.00	0.00	360,757.92
IC 6-2.5-4-17	0.00	0.00	0.00	0.00	2,036.68	0.00	0.00	0.00	0.00	2,036.68
IC 6-2.5-4-18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-43,038.97	0.00	-43,038.97
IC 6-2.5-4-9	0.00	0.00	41,493.51	313.89	3,860.95	68,578.54	0.00	1,510.57	1,399.49	117,156.95
IC 6-2.5-5-20	0.00	0.00	0.00	0.00	177,812.01	0.00	0.00	2,928.25	0.00	180,740.26
IC 6-2.5-5-35	0.00	0.00	0.00	0.00	-37.20	0.00	0.00	-1,319.64	0.00	-1,356.84
IC 6-2.5-5-45.8	0.00	0.00	0.00	-27,814.02	0.00	0.00	0.00	0.00	0.00	-27,814.02

IC 6-2.5-5-8	0.00		0.00	0.00	-23,985.64	0.00	0.00	0.00	0.00	-23,985.64
IC 6-2.5-6-1	419,960.38	0.00	999.40	51,317.64	1,655,468.35	712.35	269.71	270,613.99	175,053.86	2,574,395.68
Tax Impact Total	697,314.03	36,182.97	3,350,242.62	1,173,886.67	4,454,315.49	2,162,964.36	191,136.54	1,099,656.25	90,492.56	13,256,191.49

Retail merchants engaged in certain activities are also subject to **County Innkeepers' tax (CIT)**, **Food & Beverage tax (FAB)**, **Auto Rental Excise tax (MVR)**, and **Waste Tire Management (TIF)** fees among other miscellaneous sales-related taxes. The table labeled "Miscellaneous Tax Audit Adjustments" includes adjustments for all these tax types together. Proposed adjustments to reported CIT, FAB, and TIF this past year are the result of merchants failing to correctly collect and remit the tax. In all, DOR field auditors found over \$200,000 in additional county FAB, CIT, MVR taxes and tire fees.

EXHIBIT E						
MISCELLANEOUS TAX AUDIT ADJUSTMENTS						
STATUTE_CODE	DESCRIPTION	UNIDENTIFIED INDUSTRY	4	5	7	
IC 6-9-12-3	Marion Co FAB	0.00	0.00	0.00	28,240.72	28,240.72
IC 6-9-20-4	Vanderburgh Co FAB	0.00	569.24	1,764.50	22,004.95	24,338.69
IC 6-9-21-4	Delaware Co FAB	0.00	8,232.29	0.00	0.00	8,232.29
IC 6-9-24-4	Nashville FAB	0.00	0.00	0.00	8,396.34	8,396.34
IC 6-9-25-4	Henry Co FAB	562.42	0.00	0.00	0.00	562.42
IC 6-9-27-4	Misc FAB	0.00	0.00	0.00	12,718.03	12,718.03
IC 6-9-29.5-2	FAB Admin - marketplace facilitator	0.00	0.00	0.00	-1,189.68	-1,189.68
IC 6-9-33-4	Allen Co FAB	0.00	0.00	0.00	34,512.68	34,512.68
IC 6-9-35-8	Stadium & Convention FAB	0.00	0.00	0.00	414.03	414.03
IC 6-9-41-6	Monroe Co FAB	0.00	0.00	0.00	8,483.62	8,483.62
IC 6-9-48-5	Vigo Co FAB	0.00	1,655.35	0.00	42,303.32	43,958.67
IC 6-9-8-2	Marion Co CIT	0.00	0.00	0.00	35,824.34	35,824.34
Tax Impact Total		562.42	12,790.12	1,764.50	191,708.35	206,825.39

In accordance with **IC 6-3-4-8**, employers who make payments of wages subject to tax in Indiana are required to withhold state and the appropriate Indiana local income tax and remit that tax to DOR monthly or annually, as directed. This statute and its companion Administrative Rule, **45 IAC 3.1-1-97**, were addressed in over 80 audits, where some employers were found to withhold no tax at all, or withheld state income tax but failed to withhold local income tax. **Withholding tax** assessed from audited employers totaled **\$2,195,797** in fiscal year ended June 30, 2025. Additional special penalties imposed for failure to file necessary W-2 or other statements were also assessed.

EXHIBIT F
WITHHOLDING TAX AUDIT ADJUSTMENTS

STATUTE_CODE	UNIDENTIFIED INDUSTRY	NAICS								
		1	2	3	4	5	6	7	8	
45 IAC 3.1-1-97	48,122.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	48,122.10
IC 6-3-4-8	291,487.68	3,972.15	74,456.37	121,925.21	309,584.80	1,249,159.13	8,138.63	85,502.93	3,447.83	2,147,674.73
IC 6-8.1-10-6	50.00	0.00	0.00	0.00	10.00	176.00	0.00	21.00	0.00	257.00
Tax Impact Total	339,659.78	3,972.15	74,456.37	121,925.21	309,594.80	1,249,335.13	8,138.63	85,523.93	3,447.83	2,196,053.83

DOR is charged with diligently enforcing compliance with **Cigarette tax** stamping requirements in order for Indiana to receive payment through the tobacco industry's Master Settlement Agreement (MSA). Audit Operations' Excise and Fuel Tax Audit team has a goal of examining each distributor within a three-year time span to achieve this, allowing Indiana to collect millions of dollars through the MSA. This past fiscal year, Audit Operations' Excise and Fuel Tax Audit team completed 44 **Cigarette tax stamp audits**, yielding over **\$83,000** in additional tax, under authority of IC 6-7-1-12.

In addition, this Audit Operations' Excise and Fuel Tax Audit team began auditing **e-cigarette** and **Closed System Cartridge** taxes related to sales of vaping materials and supplies. With only a handful of audits completed this past year, it has been evident that much more education and enforcement is needed to help subject businesses to comply with these relatively newer taxes (enacted in July of 2022). This team also began auditing **Other Tobacco Products taxes**.

ELECTRONIC CIGARETTE TAX ASSESSED	AUTHORITY	BUSINESS SECTOR
\$236,122	IC 6-7-4-9	Convenience/Tobacco Stores
OTHER TOBACCO/TAXABLE PRODUCT TAX ASSESSED	AUTHORITY	BUSINESS SECTOR
\$396,143	IC 6-7-2-7.5	Grocery/Tobacco & Tobacco Product Wholesalers

Our Motor Carrier Audit team is responsible for auditing a range of carriers in size of fleet. We measure the size of the carrier by a class code, with Class 1 encompassing smaller carriers and Class 5 being larger carriers. The auditors examine carriers' records for compliance with fuel consumption and mileage reporting requirements and have quantitative audit quotas to comply with the IFTA and IRP requirements. Both IFTA and IRP require that we audit an average of 3% of our carrier base each calendar year. This amounts to an average of approximately 270 IFTA audits and 270 IRP audits we must complete each year. IRP involves the registering of subject vehicles and corresponding mileage reporting for accurate distribution to all jurisdictions in which the carriers operate. The IFTA and IRP agreements call for a member state to audit for all jurisdictions in which a carrier operates, so much of the tax assessed lands outside Indiana. All adjustments made are supported by the IFTA and IRP audit authority. Audits completed in fiscal year ending June 30, 2025, numbered 748, bringing in roughly \$775,000 for Indiana. Here are the details behind those audits:

CARRIER SIZE	AUDIT TYPE	AUDITS COMPLETED	GROSS ASSESSED – ALL JURISDICTIONS	GROSS ASSESSED – INDIANA
Class 1	IFTA	241	361,467.37	175,013.32
	IRP	242	70,120.65	29,751.79
Class 2	IFTA	105	564,465.68	242,591.66
	IRP	107	69,520.86	32,848.70
Class 3	IFTA	20	343,935.60	261,148.09
	IRP	21	27,267.80	9,829.73
Class 4	IFTA	6	110,847.54	23,534.06
	IRP	6	22,334.84	239.43
Class 5	IFTA	0		
	IRP	0		
Totals		748	\$1,569,960.34	\$774,956.78

Other Information:

In addition to the completion of audits, the Audit Operations team assists with the review and approval or denial of refund claims filed by taxpayers as well as applications for sales tax exemptions related to utility consumption (ST-200). Review of these claims often requires a physical visit to a business facility or sampling of records submitted. For fiscal year ended June 30, 2025, field auditors worked on 1,077 ST-200 applications and 828 refund claims. In all, claims reviewed requested refunds of **\$164,823,785.59**. Field auditor review denied **\$101,109,088.44** and approved **\$63,802,322.07 (38.7%)** of the amount claimed.

LEGISLATIVE REQUIREMENTS

In accordance with IC 6-8.1-14-4, DOR's Annual Report must include the following:

1. Areas of recurring taxpayer noncompliance
2. A statistical study under IC 6-8.1-7-2 from DOR's audit process, including the following:
 - The statute or rule violated by taxpayers
 - The amount of tax involved
 - The industry or business of the taxpayers
 - The number of years in the audit period
 - The use of professional tax preparation assistance by the taxpayers
 - The filing of appropriate tax returns by the taxpayers
3. Recommendations for improving taxpayer compliance and DOR administration by the following:
 - a. The adoption of new or amended statutes and rules
 - b. Improvements in the training of DOR team members
 - c. Improvements in taxpayer communication and education
 - d. Increases in the enforcement capability of DOR
4. The certification required under IC 6-8.1-3-2.6.
5. The following information:
 - Number of taxpayers
 - Amount of gross collections
 - Amount of net collections
 - Refunds
 - Customer retained collection allowances
 - Administrative costs
 - Delinquencies by type of tax collected by DOR



DOR

Gets Involved



#DORGIVESBACK



INDIANA DEPARTMENT OF REVENUE

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