Annotated
IT-40
Full-Year Resident
Indiana Individual Income Tax Booklet
2019

Contains:
- Indiana Code Cite References
- Administrative Code Cite References

The referenced cites referenced inside may be found online at the following addresses:

http://iga.in.gov/legislative/laws/2019/ic/

www.in.gov/legislative/iac/iac_title?iact=45

Forms and schedules can be found at the end of the booklet following page 63.

www.in.gov/dor

WAIT!

YOU MAY QUALIFY FOR FREE ONLINE TAX FILING!

More than 85 percent of Indiana taxpayers filed electronically in 2018. Consider the benefits of filing electronically:

- **Faster Refund.** Electronic filing reduces errors and expedites refund time – within 10 to 14 days (compared with 10 to 12 weeks for a paper return).
- **Fewer Errors.** Up to 20 percent of paper-filed returns have errors, which can result in delays and possible penalty and/or interest for the taxpayer. Returns filed electronically, however, are 98 percent accurate.
- **Easier Filing.** You won't have to complete the many complicated forms in this booklet. Instead, you go online, answer some easy questions, and before you know it your taxes are complete.

You may be eligible to file your taxes online for FREE with INfreefile. Go to www.freefile.dor.in.gov to see if you qualify or learn more about INfreefile on page 4.

Which Indiana Tax Form Should You File?

Indiana has three different individual income tax returns. Read the following to find the right one for you to file.

Form IT-40 for Full-Year Residents

Use Form IT-40 if you (and your spouse, if married filing jointly) were full-year Indiana residents.

Form IT-40PNR for Part-Year and Full-Year Nonresidents

Use Form IT-40PNR if you (and your spouse, if married filing jointly):

- Were Indiana residents for less than a full-year or not at all, or
- Are filing jointly and one was a full-year Indiana resident and the other was not a full-year Indiana resident, and
- Do not qualify to file Form IT-40RNR.

Form IT-40RNR for Full-Year Residents of Reciprocal States

Use Form IT-40RNR if you (and your spouse, if married filing jointly) were:

- Full-year residents of Kentucky, Michigan, Ohio, Pennsylvania or Wisconsin, and
- The only type of income from Indiana was from wage, tip, salary or other compensation.*

*You are required to file Form IT-40PNR if you have any other kind of Indiana-source income.

Note. If you have income that is being taxed by both Indiana and another state, you may have to file a tax return with the other state.

Military Personnel

See the instructions on page 7 to determine which form to file. Military personnel stationed in a combat zone should see the instructions on page 8 for extension of time to file procedures.

2019 Changes

Update: Line 1 of Form IT-40 assumes conformity with the Internal Revenue Code for federal changes adopted after Jan. 1, 2019. If the 2020 Indiana General Assembly does not conform to the most current changes to the Internal Revenue Code, you may have to amend your tax return at a later date to reflect any differences between Indiana and federal law. You may wish to periodically check the department's homepage at www.in.gov/dor for updates.

Add-backs

- Updates have been made to the **Bonus Depreciation and Section 179 Expense** add-back instructions. See page 13 for more information.
- The portion of **wagering taxes** required to be added back as a tax based on or measured by income is being phased out. See page 12 for more information.

Credits

- The June 30 deadline for claiming the **Unified Tax Credit for the Elderly** has been eliminated. See page 30 for additional information.
- **School Scholarship Tax Credit Contribution Ceiling Increased.** The total of allowable net contributions to the program has increased to $15 million for the program's fiscal year of July 1, 2019 through June 30, 2020.
- The **Headquarters Relocation Credit** may be refundable beginning with the 2019 tax year. See pages 44 and 51 for more information.
- **New credit recapture schedule.** Schedule IN-CR, Credit Recapture, replaces and enhances Schedule IN-529R, Recapture of Indiana's Col-legeChoice 529 Education Savings Plan Credit. See Schedule 4 Line 3 instructions on page 29 for more information.

Deductions

- Tax on the **Military Retirement Income and/or Survivor's Benefits** is being phased out. See instructions on page 21 to figure your deduction.
- The **Civil Service Annuity Deduction** worksheet has been modified to use both tier 1 and tier 2 railroad retirement income to figure the deduction. See instructions on page 18 for more information.

Need Tax Forms or Information Bulletins?

Use Your Personal Computer

Visit our website and download the forms you need. Our address is www.in.gov/dor.

Use Your Telephone

Call the forms order request line (317) 615-2581 to have forms mailed to you. Have the following information ready to leave on the voice mail system:

- Name of form or form number needed
- Number of copies needed
- Contact person's name
- Daytime phone number
- A complete mailing address (including city, state and zip code)

Visit a District Office or Library

Tax forms are available at district offices located throughout the state. These offices are open Monday - Friday, 8 a.m. to 4:30 p.m. local time. Visit www.in.gov/dor/3390.htm for a list of these offices, including addresses and telephone numbers. Also, contact your library to find out if they stock any state tax forms.

Need Help With Your Return?

Local Help

You may be eligible to take advantage of the IRS Volunteer Return Preparation Program (VRPP). This program offers free tax return help to low income, elderly and special needs individuals. Volunteers will fill out federal and state forms for those who qualify. Call the IRS at 1-800-829-1040 to find the nearest VRPP location. Be sure to take your W-2s, 1099s and a copy of last year's state and federal tax returns.

Automated Information Line

Call the automated information line at (317) 233-4018 to get the status of your refund, billing and payment plan information, a copy of your tax return, or prerecorded tax topics. If you wish to check for billing information, be sure to have a copy of your tax notice. The system will ask you to enter the tax identification number shown on the notice. If you have a rotary phone, please call (317) 232-2240, 8 a.m. to 4:30 p.m., Monday - Friday, and a representative will help you.

Internet Address

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

Telephone

Call us at (317) 232-2240 Monday - Friday, 8 a.m. to 4:30 p.m., for help with basic tax questions.

Ready To File Your Return?

Use an Electronic Filing Program

More than 85 percent of Hoosier taxpayers used an electronic filing program to file their 2018 state and federal individual income tax returns. Electronic filing provides Indiana taxpayers the opportunity to file their federal and state tax returns immediately, and receive their Indiana refunds in about half the time it takes to process a paper return. It takes even less time if you use direct deposit, which deposits your refund directly into your bank account. Even if there is an amount due on either return, Indiana taxpayers can still file electronically and feel comfortable knowing that the returns were received by the IRS and the Indiana Department of Revenue (department). Use an electronic vendor or contact your tax preparer to see if he or she provides this service.

INfreefile

This tax season Indiana continues to offer a free tax filing service through the cooperation of the Free File Alliance. Eligible Indiana taxpayers can file both the federal and Indiana individual tax returns using highly interactive and easy-to-use web-based applications that speed both returns and refunds. You can choose from a list of multiple vendors that provide this free service. The department estimates nearly 2 million Indiana taxpayers are eligible for this free service. See if you are eligible by visiting www.freefile.dor.in.gov.

Our Website

Our website offers tax filing options, a **Spanish version of the IT-40 booklet with forms**, downloadable blank forms and instructions, information bulletins, commissioner's directives, an online helpdesk, helpful email links and a calendar with filing due dates. Visit the department's website at www.in.gov/dor.

Moving?

You need to notify the department if you move to a new address after filing your tax return. Change your address with us by doing one of the following:

- Fax your request, including your Social Security number, old address, new address, and signature, to 317-615-2608.
- Mail the request, including your Social Security number, old address, new address and signature, to Indiana Department of Revenue, P.O. Box 6197, Indianapolis, IN 46206-6197.
- Visit one of our District Offices (find locations here: www.in.gov/dor/3390.htm) in person. Make sure to bring your Social Security number, old address, and new address with you.

Filing an Amended (Corrected) Tax Return

Did you receive a lateW-2 or other kind of income statement after you filed? Did you forget to claim an exemption or deduction? If you need to amend (correct) a tax return that has already been filed, use Form IT-40X, Amended Individual Income Tax Return, located at www.in.gov/dor/6524.htm.

Annual Public Hearing *IC 6-8.1-14*

In accordance with the Indiana Taxpayer Bill of Rights, the department will conduct an annual public hearing in Indianapolis in June of 2020. Event details will be listed at www.in.gov/dor/4877.htm. Please come and share feedback or comments about how the department can better administer Indiana tax laws. If not able to attend, please submit feedback or comments in writing to: Indiana Department of Revenue, Commissioner's Office, MS# 101, 100 N. Senate Avenue, Indianapolis, IN 46204. Our homepage provides access to forms, information bulletins and directives, tax publications, email, and various filing options. Visit www.in.gov/dor.

Before You Begin

Important. You must complete your federal tax return first.

Filling in the Boxes – Please Use Ink

If you are filling out the form by hand, please use black or blue ink and print your letters and numbers neatly. If you do not have an entry for a particular line, leave it blank. Do not use dashes, zeros or other symbols to indicate that you have no entry for that line.

Social Security Number

Be sure to enter your full 9-digit Social Security number in the boxes at the top of the form. If filing a joint return, enter your Social Security number in the first set of boxes and your spouse's full 9-digit Social Security number in the second set of boxes. An incorrect or missing Social Security number can increase your tax due, reduce your refund, or delay timely processing of your filing.

Individual Taxpayer Identification Number (ITIN)

If you already have an ITIN, enter it wherever your Social Security number is requested on your tax return. If you are in the process of applying for an ITIN, check the box located directly beneath the Social Security number area at the top of the form. For information on how to get an ITIN, contact the IRS at 1-800-829-3676 and request federal Form W-7, or find it online at www.irs.gov.

Name and Suffix

Please use all capital letters when entering your information. For example, Jim Smith Junior should be entered as JIM SMITH JR.

Name. If your last name includes an apostrophe, do not use it. For example, enter O'Shea as OSHEA. If your name includes a hyphen, use it. For example, enter SMITH-JONES.

Suffix. Enter the suffix associated with your name in the appropriate box.

- Use JR for junior and SR for senior.
- Numeric characters must be replaced by alphabetic Roman Numerals. For example, if your last name is Charles 3rd, do not use 3rd; instead, enter III in the suffix field.
- Do not enter any titles or designations, such as M.D., Ph. D., RET., Minor or DEC'D.

Married Filing Requirements

- **Married Filing Jointly** *IC 6-3-4-2(d)*
  If you filed your federal income tax return as married filing jointly, you also must file married filing jointly with Indiana.

- **Married Filing Separately** *IC 6-3-4-2(e)*
  If you file your federal income tax return as married filing separately, you must also file married, filing separately with Indiana. Enter both of your Social Security numbers in the boxes on the top of the form, and then check the box directly to the right of those boxes. Enter the name of the person filing the return on the top line, but do not enter the spouse's name on the second name line.

- **Married Persons Who Live Apart Filing Status**
  If you were not divorced or legally separated in 2019 you may have qualified for and filed as 'head of household' on your federal income tax return. If you did, do not check the married filing separately box. Also, do not enter either your spouse's name or Social Security number

- **Same-Sex Marriage Tax Filing Guidelines**
  Couples in same-sex marriages should file with Indiana using the same married filing status as they used for federal tax filing purposes.

Military Address

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

Zip/Postal Code

Enter your five or nine digit Zip code (do not use a dash). For example, enter 46217 or 462174540. If filing with a foreign address, enter the associated postal code.

Foreign Country Code

Complete this area if the address you are using is located in a foreign country. Enter the 2-character foreign country code, which may be found online at www.in.gov/dor/4432.htm.

County Information

Enter the two-digit code numbers for the county(s) where you and your spouse, if filing jointly, lived and worked on Jan. 1, 2019. You can find these code numbers on the chart found on the back of the Schedule CT-40. See the instructions beginning on page 56 for more information, including the definitions of the county where you live and work, details for military personnel, retired individuals, homemakers, unemployed individuals, out-of-state filers, etc.

Refund Check Address

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

Rounding Required *IC 6-8.1-6-4.5*

Each line on which an amount can be entered has ".00" already filled-in. This is to let you know that rounding is required when completing your tax return.

You must round your amounts to the nearest whole dollar.

To do this, drop amounts of less than $0.50. *Example*. $432.49 rounds down to $432.00.

Increase amounts of $0.50 or more to the next higher dollar. *Example*. $432.50 rounds up to $433.00.

Losses or Negative Entries

When reporting a loss or negative entry, use a negative sign. *Example*. Write a $125 loss as -125.

Commas

Do not use commas when entering amounts. For instance, express 1,000 as 1000.

Enclosing Schedules, W-2s, Etc.

You will find an enclosure sequence number in the upper right-hand corner of each schedule. Make sure to put your completed schedules in sequential order behind the IT-40 when assembling your tax return. Do not staple or paper clip your enclosures. If you have a schedule on which you've made no entry, do not enclose it unless you have completed information on the back of it.

Also, enclose:

- All W-2s, 1099s, and IN K-1s on which Indiana state and/or county tax withholding amounts appear,
- All 1099Gs showing unemployment compensation, and
- A check/money order, if applicable.

A note about your W-2s. It is important that your W-2 form is readable. The income and state and county tax amounts withheld are verified on every W-2 form that comes in with your tax return. We encourage you to enclose the best copy available when you file.

Who Should File? *IC 6-3-4-1*

You may need to file an Indiana income tax return if:

- You lived in Indiana and received income, or
- You lived outside Indiana and had any income from Indiana.

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

Filing Status Requirement. If you and your spouse file a joint federal tax return, you must file a joint tax return with Indiana. If you and your spouse file separate federal tax returns, you must file separate tax returns with Indiana.

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

Full-Year Residents

If you were a full-year resident of Indiana and your gross income (the total of all your income before deductions) was greater than certain exemptions*, you must file an Indiana tax return.

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

Full-year residents must file Form IT-40, Indiana Full-Year Resident Individual Income Tax.

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

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

- They maintain their legal residence in Indiana and intend to return to Indiana during part of the taxable year,
- They retain their Indiana driver's license,
- They retain their Indiana voting rights, and/or
- They claim a homestead deduction on their Indiana home for property tax purposes.

*To figure your exemptions for filing requirement purposes, Indiana allows a $1,000 exemption for you and a $1,000 exemption for your spouse (if married filing jointly). You also get a $1,000 exemption for each dependent you are eligible to claim. See page 24 for additional information concerning how to figure your dependents.

If your gross income is less than your total exemptions figured above, you are not required to file. However, you may want to file a return to get a refund of any state and/or county tax withheld by your employer, or other refundable credits, such as an earned income credit or estimated tax payment.

IC 6-3-1-13, 45 IAC 3.1-1-23, 24

Part-Year Residents and Full-Year Nonresidents

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

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

Full-Year Residents of Kentucky, Michigan, Ohio, Pennsylvania or Wisconsin *IC 6-3-5-1*

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

Deceased Taxpayers *IC 6-3-4-2(a)*

If an individual died during 2019, or died after Dec. 31, 2019, but before filing his/her tax return, the executor, administrator or surviving spouse must file a tax return for the individual if:

- The deceased was under the age of 65 and had gross income more than $1,000
- The deceased was age 65 or older and had gross income more than $2,000, or
- The deceased was a nonresident and had gross income from Indiana.

Be sure to enter the month and day of death for the taxpayer or spouse in the appropriate box located on Schedule 7. For example, a date of death of Jan. 9, 2019, would be entered as 01/09/2019.

Note. The date of death should not be entered here if the individual died after Dec. 31, 2019, but before filing the tax return. The date of death information will be shown on the individual's 2020 tax return.

Signing the Deceased Individual's Tax Return

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

An executor or administrator appointed to the deceased's estate must file and sign the return (even if this isn't the final return), indicating their relationship after their signature (e.g. administrator).

If there is no executor, or if an administrator has not been appointed, the person filing the return should sign and give their relationship to the deceased (e.g. "John Doe, nephew"). Only one tax return should be filed on behalf of the deceased.

Note. The department may ask for a copy of the death certificate, so please keep a copy with your records.

Refund Check for a Deceased Individual

If you (the surviving spouse, administrator, executor or other) have received a refund check and cannot cash it, contact the department to get a widow's affidavit (POA-30) or a distributee's affidavit (POA-20) at www.in.gov/dor/3508.htm. Send the completed affidavit, the refund check and a copy of the death certificate to the State Auditor's Office so a refund check can be issued to you.

Military Personnel — Residency

If you were an Indiana resident when you enlisted, you remain an Indiana resident no matter where you are stationed. You must report all your income to Indiana on Form IT-40.

If you changed your legal residence (military home of record) during the tax year, you are a part-year resident and should file Form IT-40PNR. You must also enclose a copy of Military Form DD-2058 with the tax return. As an Indiana part-year resident you will be taxed on the income you earned while you were a resident of Indiana, plus any income from Indiana sources. *45 IAC 3.1-1-23(5)*

If you are stationed in Indiana and you are a resident of another state, you won't need to file with Indiana unless you have non-military income from Indiana sources.

Example. Annie, who is a Kansas resident, is stationed in Indiana. She earned $1,300 from her Indiana part-time job. She will need to report that income to Indiana on Form IT-40PNR.

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

Important. Refer to the instructions on page 56 for an explanation of county of residence for military personnel.

When Should You File? *IC 6-3-4-3* *IC 6-8.1-6-2*

Your tax return is due April 15, 2020. If you file after this date and owe tax, you will owe interest on the unpaid amount and you may owe penalty, too. See page 11 for more information.

Fiscal year tax returns are due by the fifteenth (15) day of the fourth (4th) month after the close of the fiscal year. You must complete the fiscal year filing period information at the top of the Form IT-40.

Extension of Time to File — What if You Can't File on Time? *IC 6-8.1-6-1*

You must get an extension of time to file if you:

- Are required to file, and
- You cannot file your tax return by the April 15, 2020 due date.

Whether you owe additional tax, are due a refund, or are breaking even, you still need to get an extension if filing after April 15, 2020.

Note. Indiana's extension of time to file, Form IT-9, extends the filing date to Nov. 14, 2020.

If You Owe…

Option 1. File Indiana's extension of time to file, Form IT-9, and send in a payment. This must be filed by April 15, 2020, for the extension to be valid. Then, make sure to file your tax return by Nov. 14, 2020, paying any remaining balance due with that filing. While interest is due on any amount paid after April 15, penalty will be waived if both of the following conditions are met:

- The remaining balance is paid in full by Nov. 14, 2020, and
- You paid at least 90 percent of the tax expected to be owed by the original April 15 due date.

Note. You may file for a state extension of time to file online if you make a payment with it. Access the department's online payment system at www.in.gov/dor/4340.htm by April 15, and follow the directions for making an extension payment.

Option 2. Filing for a federal extension of time to file with the IRS will automatically provide for a state extension of time to file. You must file your state tax return by Nov. 14, 2020, paying any balance due with that filing. While interest is due on any amount paid after the original April 15 due date, penalty will be waived if both of the following conditions are met:

- The remaining balance due is paid in full by Nov. 14, 2020, and
- You paid at least 90 percent of the tax expected to be owed by the original April 15 due date.

If You Don't Owe…

You'll need to file for an extension if:

- You are due a refund, or
- You don't expect to owe any tax when filing your tax return, and
- You are unable to file your return by April 15, 2020.

There are two ways to accomplish this:

- If you have a federal extension (you filed Form 4868, or made an extension payment via an electronic filing method), you automatically have an extension with Indiana and do not have to file for a separate state extension (Form IT-9).
- If you do not have a federal extension, file Form IT-9 by April 15, 2020.

Extension Filing Deadline.
Both state Form IT-9 and federal Form 4868 extend your state filing time to Nov. 14, 2020.

Will You Owe Penalty and/or Interest?
Penalty will not be owed if you have:

- Paid 90 percent of the tax you expect to owe by April 15, 2020,
- Filed your tax return by Nov. 14, 2020, and
- Paid any remaining amount due (including interest) with that filing.

Interest is owed on all amounts paid after April 15, 2020. See page 11 for instructions on how to figure interest.

Indiana's Extension of Time to File, Form IT-9
You may get Form IT-9 online at www.in.gov/dor/6524.htm. You may also file for an extension online (if making a payment) at www.in.gov/dor/4340.htm (make sure to do this by April 15, 2020).

Where to Report Your Extension Payment.
Add your state extension payment to any estimated tax paid. Report the total on Schedule 5, line 3.

Military personnel on duty outside of the United States and Puerto Rico on the filing due date are allowed an automatic 60 day extension of time to file. A statement must be enclosed with the return verifying that you were outside of the United States or Puerto Rico on April 15, 2020. ***IC 6-8.1-6-1***

Military personnel in a presidentially declared **combat zone** have an automatic extension of 180 days after they leave the combat zone. In addition, if they are hospitalized outside the United States because of such service, the 180-day extension period begins after being released from the hospital. The spouse of such service member must use the same method of filing for both federal and Indiana (e.g. single or joint). When filing the return, write "Combat Zone" across the top of the form (above your Social Security number).

Form IT-40: Line-by-line instructions

Important. You must complete your federal income tax return, Form 1040/1040SR, before starting your Indiana income tax return. Line numbers from your federal income tax return are referenced in many of the following instructions. While every effort has been made to make the instructions as clear as possible, sometimes the line numbers change on the federal income tax return after the Indiana forms are finalized. Please contact us if you are unsure as to whether or not you are looking at the correct line on your federal income tax return (see page 4 of this booklet for contact information).

When Not to Fill In a Line

If you do not have an entry for a particular line, leave it blank. Do not use dashes, zeros or other symbols to indicate that you have no entry for that line.

Line 1 – Federal Adjusted Gross Income

Enter the adjusted gross income from your federal Form 1040/1040SR, line 8b. If you were not required to file a federal return, complete a "sample" federal return and report the amount you would have shown on your federal return if you had been required to file.

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

When reporting a loss or negative entry, use a negative sign. Example. Write a $125 loss as -125.

Line 2 – Add-Backs

Enter on this line any add-backs from Schedule 1: Add-Backs. Instructions for Schedule 1 begin on page 12. Make sure to enclose Schedule 1 when filing.

Line 4 – Deductions

Enter on this line any deductions from Schedule 2: Deductions. Instructions for Schedule 2 begin on page 15. Make sure to enclose Schedule 2 when filing.

Line 6 – Exemptions

Enter any exemptions from Schedule 3: Exemptions on this line. Instructions for Schedule 3 begin on page 24. Make sure to enclose Schedule 3 when filing.

Line 9 – County Tax

Complete Schedule CT-40 to figure your county tax. Instructions for Schedule CT-40 begin on page 57.

Line 10 – Other Taxes

Enter any other taxes from Schedule 4: Other Taxes on this line. Instructions for Schedule 4 begin on page 29. Make sure to enclose Schedule 4 when filing.

Line 12 – Credits

Enter your credits from Schedule 5: Credits on this line. Instructions for Schedule 5 begin on page 30. Make sure to enclose Schedule 5 when filing.

Line 13 – Offset Credits

Enter the total of any offset credits reported on Schedule 6: Offset Credits on this line. Instructions for Schedule 6 begin on page 45. Make sure to enclose Schedule 6 when filing.

Line 17 – Donation Check-Offs

Enter on this line the total of any donations made on Schedule IN-DONATE. Make sure to enclose Schedule IN-DONATE, which is located at the bottom of Schedule 5: Credits, when filing. See page 44 for more information.

Line 19 – Amount to be Applied as a 2020 Estimated Tax Installment Payment IC 6-3-4-4.1(a)

You should pay estimated tax if you expect to have income during the 2020 tax year that:

- Will not have Indiana income taxes withheld, or
- If you think the amount withheld will not be enough to pay your tax liability, and
- You expect to owe more than $1,000 when you file your tax return.

There are several ways you can make estimated tax payments. First, visit our website at www.in.gov/dor/6524.htm to get Form ES-40. Use the worksheet on Form ES-40 to see how much you will owe. Then, if you have an overpayment showing on line 18 of your tax return, you can have some or all of the overpayment applied to next year's estimated tax account. To do so, enter any portion of the overpayment:

- On line a, if you want to apply an amount to offset estimated county tax due (from Form ES-40 worksheet, line K). Also, enter the 2-digit county code from line K; and/or
- On line b, if your spouse lived in a different county than you did on Jan. 1, 2020, and you want to apply an amount to offset your spouse's estimated county tax due (from Form ES-40 worksheet, line L). Also, enter the 2-digit county code from line L; and/or
- On line c, if you want to apply an amount to offset your estimated state tax due (from Form ES-40 worksheet, line J).

Example. Mark and Megan have a $420 overpayment, and want to apply $300 of it to their 2020 estimated tax account. Their worksheet from Form ES-40 has the following breakdown:

- Line I (each installment payment) is $300;
- Line J (portion that represents state tax due) is $270; and
- Line K (portion that represents county tax due) is $30.

They will enter $30 on line 19a (along with their 2-digit county code), $270 on line 19c, and the $300 total amount to be applied will be entered on line 19d. They will get a $120 refund ($420 overpayment minus $300 applied to their 2020 estimated tax account).

Example. Stu wants to pay $500 in estimated tax for each installment period. He has a $30 overpayment on his tax return. He chooses to enter the full $30 overpayment on line 19c (Indiana adjusted gross income tax amount), and carries it to line 19d. (He will pay the $470 additional amount by filing the Form ES-40.)

Important. Estimated tax installment payments made for the 2020 tax year are due by April 15, 2020, June 15, 2020, Sept. 15, 2020 and Jan. 15, 2021. Any installment payment amount entered on line 19d will be considered to be paid on the day your tax return is filed (postmarked). For instance, an installment payment shown on a return filed on: April 15, 2020, will be considered to be a 2020 first installment payment; June 3, 2020, will be considered to be a 2020 second installment payment; and July 22, 2020, will be considered to be a 2020 third installment payment.

Note. You may use Form ES-40 to make a payment by check or money order. Estimated tax payments may also be made online, via credit card or check, at www.in.gov/dor/4340.htm. See line 26 instructions on page 11 for details about payment options.

See Income Tax Information Bulletin #3 at www.in.gov/dor/3650.htm for additional information about estimated taxes.

Line 20 – Penalty for Underpayment of Estimated Tax

You might owe a penalty for the underpayment of estimated tax if you did not have taxes withheld from your income and/or you did not pay enough estimated tax throughout the year. IC 6-3-4-4.1(b)

In fact, not properly paying estimated tax is one of the most common errors made in filing Indiana tax returns. Generally, if you owe $1,000 or more in state and county tax for the year that's not covered by withholding taxes, you need to be making estimated tax payments.

You might owe this penalty if:

- The total of your credits, including timely made estimated tax payments, is less than 90 percent of this year's tax due or 100 percent* of last year's tax due, ** or
- You underpaid the minimum amount due for one or more of the installment periods.

If either of these cases apply to you, you must complete Schedule IT-2210 or IT-2210A to see if you owe a penalty or if you meet an exception.

- If you owe this penalty, enclose Schedule IT-2210 or IT-2210A with your tax return and write the penalty amount on Form IT-40, line 20.
- If you meet an exception, enclose Schedule IT-2210 or IT-2210A to show which exception was met.

*You must have timely paid 100 percent of lines 8 and 9 of your 2018 IT-40 or IT-40PNR. Note: If last year's **Indiana adjusted gross income** was more than $150,000 ($75,000 for married filing separately), you must pay 110 percent of last year's tax (instead of 100 percent) to meet this exception.

**Farmers and fishermen should see the special instructions in the next column.

Important. The department will automatically assess an underpayment penalty if it looks like you owe a penalty for the underpayment of estimated tax, and:

- You didn't report a penalty amount on line 20, and
- You didn't enclose Schedule IT-2210 or Schedule IT-2210A showing you meet an exception to owing a penalty.

Should You Use Schedule IT-2210 or Schedule IT-2210A?

Schedule IT-2210 should be used by individuals who receive income (not subject to withholding tax) on a fairly even basis throughout the year. This schedule will help determine whether a penalty is due, or whether an exception to the penalty has been met.

Example. Jim and Sarah together received $4,500 in pension income each month. Since their income is received on a fairly even basis, they'll use Schedule IT-2210 to figure their penalty or exception to the penalty.

Farmers and fishermen have special filing considerations. If at least two-thirds (2/3) of your gross income is from farming or fishing, complete Schedule IT-2210, using the Section D Short Method.

Schedule IT-2210A may be used by individuals who receive income (not subject to withholding tax) unevenly during the year. This schedule will help determine whether a penalty is due, or whether an exception to the penalty has been met.

Example. Bill's income is from selling fireworks in June and July. He will want to figure any penalty due on Schedule IT-2210A, which may exempt him from having had to pay estimated tax on the April 15, 2019 first installment due date.

Example. Rachael received a sizeable lump sum distribution in December of 2019. She figured how much estimated tax was due, and paid it in full by the Jan. 15, 2020, fourth period installment due date. By completing Schedule IT-2210A, she shows she owes no penalty for the first three installment periods, and that a proper payment was made for the fourth installment period. She will owe no penalty.

Farmers and Fishermen.
Special options are available if more than two-thirds of your gross income for 2018 and/or 2019 was from farming or fishing.

Option 1. Pay your estimated tax in one payment on or before Jan. 15, 2020, and file your tax return by April 15, 2020; or
Option 2. Make no estimated tax payment and file your tax return and pay all the tax due by March 1, 2020.

Example. More than two-thirds of Henry's gross income is from farming. He should complete Schedule IT-2210. Henry will be able to use the Section D Short Method to figure his penalty or to show he meets an exception to owing a penalty.

Visit our website at www.in.gov/dor/6524.htm to get Schedule IT-2210 or Schedule IT-2210A.

Line 21 – Refund IC 6-8.1-9-1

You have a refund if line 18 is greater than the combined amounts entered on lines 19d and 20.

Important. If the combination of line 19d plus line 20 is greater than the amount on line 18, you must make an adjustment. The estimated tax carryover amount on line 19d is limited; it cannot be greater than the remainder of line 18 minus line 20. See the second example about Stu under the Line 19 instructions on page 9.

A Note About Refund Offsets IC 6-8.1-9.5

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

When to Expect Your Refund

Generally, 10 to 14 business days is the average wait for a refund if the tax return is electronically filed; it can take up to 10 to 12 weeks for the refund to be issued if you mail in your tax return.

Where's Your Refund?

There are several ways to check the status of your refund. You will need to know the exact amount of your refund, and a Social Security number entered on your tax return. Then, do one of the following:

- Go to www.in.gov/dor/4339.htm and click *Check the Status of Your Refund.*
- Call (317) 233-4018 for automated refund information.
- Call (317) 232-2240 from 8 a.m. to 4:30 p.m. Monday - Friday, and a representative will help you.

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

Important. If we are unable to deposit your refund to the listed account (incorrect/incomplete account numbers; account closed; refund to go to an account outside the United States; etc.), the department will mail a paper check to the address on the front of the tax form.

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

Statute of Limitations for Refund Claims IC 6-8.1-9-1

There is a **statute of limitations** when filing for a refund of overpaid taxes for tax year 2019. In general, a claim for refund must be made by April 15, 2023 (Nov. 14, 2023 if filing under extension). The claim for refund is considered to be made on the day your tax return is postmarked. If you file your 2019 tax return after the statute of limitations has expired, no refund will be issued.

Line 22 – Direct Deposit

You may choose to have your refund deposited in your checking, savings or Hoosier Works Master Card account. If you want your refund directed into your checking or savings account, complete lines 22 a, b, c and d.

Caution. If you choose this option, make sure to verify the account information after you have entered it. This will help ensure your refund is deposited into your desired account.

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

The account number can be up to 17 digits. Omit any hyphens, accents and special symbols. Enter the number from left to right and leave any unused boxes blank.

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

To comply with banking rules, you must place an X in the box on line d if your refund is going to an account outside the United States. If you check the box, we will mail you a paper check.

If you currently have a **Hoosier Works MasterCard** and wish to have your refund directly deposited in your account, enter your 12-digit account number on line 22b, where it says "Account Number" (do not write anything on line 22a "Routing Number"). You can find your 12-digit account number in the upper right-hand corner of your account monthly statement.

Note. DO NOT use your MasterCard 16-digit number. Make sure to check the "Hoosier Works MC" box on line 22c.

For more information on direct deposit, please see "Where's Your Refund?" in the left-hand column.

Line 23

If line 21 is less than zero, you have an amount due. Enter here as a positive number and skip to line 24.

OR

If line 15 is greater than line 14, complete the following steps:
Subtract line 14 from line 15 and enter the total here ..... A _____
Enter any amount from line 20..... B _____
Add lines A + B. Enter total here and on line 23.....C _____

Line 24 – Penalty IC 6-8.1-10-2.1

You may owe a penalty if your tax return is filed after the April 15, 2020 due date and you have an amount due. Penalty is 10 percent (.10) of the amount due (line 23 minus line 20) or $5, whichever is greater.

Exception. No penalty will be due if you have:

- An extension of time to file,
- Are filing and paying the remaining tax due by the extended filing due date, and
- Have prepaid at least 90 percent of the amount due by April 15, 2020.

Line 25 – Interest IC 6-8.1-10-1

You will owe interest (even if you have an extension of time to file) if your tax return is filed after the April 15, 2020 due date and you have an amount due. Interest should be figured on the sum of line 23 minus line 20. Contact the department at (317) 232-2240 or visit our website at www.in.gov/dor/3618.htm to get Departmental Notice #3 for the current interest rate.

Line 26 – Amount Due – Payment Options IC 6-8.1-8-1

There are several ways to pay the amount you owe.

Make your check, money order or cashier's check payable to: Indiana Department of Revenue. Just include the payment loose in the envelope. **Do not staple** it to the return. **Do not send cash.**

You may also pay using the electronic **eCheck** payment method. This service uses a paperless check and may be used to pay the tax due with your Indiana individual income tax return, as well as any billings issued by the Indiana Department of Revenue for any tax type. To pay, go to www.in.gov/dor/4340.htm and follow the step-by-step instructions. You will receive a confirmation number and should keep this with your tax filing records. The fee for using this service is $1.

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

You may also pay by using your MasterCard® or VISA® by logging on to www.in.gov/dor/4340.htm. A convenience fee will be charged by the credit card processor based on the amount you are paying. You will be told what the fee is and you will have the option to either cancel or continue the credit card transaction.

Payment plan option. If you cannot pay the full amount due at the time you file, you may be eligible to set up a payment plan online. After you get a tax bill, log on to www.intaxpay.in.gov and select the *Individual Eligibility* tab.

Important. If using the payment plan option, penalty and interest will be due on all amounts paid after the April 15, 2020 due date.

Returned Checks and Other Types of Payments

If you make a tax payment with a check, credit card, debit card or electronic funds transfer, and the department is unable to obtain payment for its full amount when it is presented for payment, a 10 percent penalty of the unpaid tax or the face value of the check, credit card, debit card, or electronic funds transfer, whichever is smaller, is due.

IC 6-8.1-10-5

The assessed amount will be due immediately upon receipt of the tax due notice and must be paid by certified check, bank draft or money order. If payment is not received within 10 days after the notice was mailed, the penalty is increased to 30 percent multiplied by the value of the check, credit card, debit card, or electronic funds transfer, or the unpaid tax, whichever is smaller. Also, *any permits and/or licenses issued by the department may be revoked if the assessed amount is not paid immediately.*

Signatures and Signing Dates IC 6-8.1-7-1

First, read the Authorization area on Schedule 7. Then, sign and date the tax return. If this is a jointly filed tax return, both you and your spouse must sign and date it. Make sure to enclose the completed Schedule 7 when filing.

Taxpayer Advocate IC 6-8.1-11-3

As prescribed by the Taxpayer Bill of Rights, the department has an appointed Taxpayer Advocate whose purpose is to facilitate the resolution of taxpayer complaints and complex tax issues. If you have a complex tax issue, you must first pursue resolution through normal channels, such as contacting the tax administration division at (317) 232-2240. If you are still unable to resolve your tax issue, or a tax assessment places an undue hardship on you, you may receive assistance from the Office of the Taxpayer Advocate.

For more information, and to get required schedules if filing for an offer in compromise or a hardship case, visit our website at: www.in.gov/dor/3883.htm. You may also contact the Office of the Taxpayer Advocate directly at taxpayeradvocate@dor.in.gov, or by telephone at (317) 232-4692. Submit supporting information and documents to: Indiana Department of Revenue, Office of the Taxpayer Advocate, P.O. Box 6155, Indianapolis, IN 46206-6155.

Where to Mail Your Tax Return – Use Labels for Envelope

You'll find mailing labels with the envelope enclosed in this booklet. **Returns with payments enclosed have a different post office box number for mailing purposes.**

If you are enclosing a payment, please mail your tax return with all enclosures to:
Indiana Department of Revenue
P.O. Box 7224
Indianapolis, IN 46207-7224

For all other filings, please mail your tax return with all enclosures to:
Indiana Department of Revenue
P.O. Box 40
Indianapolis, IN 46206-0040

Envelope – Don't Forget the Stamp!

Make sure to put a stamp(s) on the envelope. The U.S. Post Office will not deliver your tax return without the proper postage.

Schedule 1: Add-Backs

Some amounts reported on your federal tax return may require different treatment for Indiana income tax purposes. Listed in this area are those items that may need to be added back on your Indiana tax return. Please review the list carefully. When reporting these addbacks, maintain with your records the corresponding federal tax forms and schedules as the department can require you to provide them at a later date.

Important Information About Possible Year-End Federal Legislation

This publication was finalized before all year-end federal legislative changes were complete. Therefore, some of these add-backs may need to be adjusted. You may wish to periodically check the department's homepage at www.in.gov/dor for updates about any impact of late federal legislation.

Treatment of Previously Discontinued Add-Back

Several discontinued add-backs were created as a result of timing differences between federal and Indiana allowable expenses. See *Certain Discontinued Add-Backs: How and When to Report a Final Catch-Up Modification* on page 14 for information about these add-backs.

Line 1 – Tax Add-Back IC 6-3-1-3.5(a)(2)

If you **did not complete Federal Schedules C, C-EZ, E, or F,** which include sole proprietorship income, farm income, rental, partnership, S corporation, and trust and estate income (or loss), **then do not complete this line.**

On those schedules you are allowed to claim a deduction for taxes paid which are:

- based on, or
- measured by income, and
- levied at a state level by any state in the United States.

If you claimed this kind of deduction on any of these schedules, then you must add it back to your Indiana income. **Do not** add back property taxes on this line.

Wagering Taxes. The portion of wagering taxes required to be added back as a tax based on or measured by income is being reduced (phased out) each year for eight years. The percentage of taxes required to be added back is determined by the first date of the taxpayer's taxable year, and is determined as follows: 2019 – 87.5% ; 2020 – 75%; 2021 – 62.5%; 2022 – 50%; 2023 – 37.5% 2024 – 25.0%; 2025 – 12.5%; 2026 and later – no add back required

For example, Casino X remits $10,000,000 in riverboat wagering taxes in 2019. Individual owns 10% of Casino X. Individual's share of Casino X's in-come taxes is $1,000,000. Instead of individual adding back the full $1,000,000, Individual will add back $875,000.

Note. Income, losses and/or expenses from other schedules and forms may flow through to federal Schedules C, E and F. For example, partnership income from federal Schedule K-1 (Form 1065) may be included on federal Schedule E, while expenses from federal Form 8829 may be included on federal Schedule C. Make sure to check these schedules and forms for any deduction that needs to be added back.

Line 2 – Net Operating Loss Add-Back

Any net operating loss (NOL) deduction reported on line 8 of your federal Schedule 1 must be added back on this line. Write the amount of the net operating loss as a **positive** figure. (You may be eligible to claim an Indiana net operating loss deduction on Schedule 2, under line 11.)

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

Note. Leave this line blank if you did not report a net operating loss deduction on line 8 of your federal Schedule 1.

Line 3 – OOS Municipal Obligation Interest Add-Back

Interest earned from a direct obligation of a state or political subdivision other than Indiana (out of state, or OOS) is taxable by Indiana if the obligation is acquired after Dec. 31, 2011. Interest earned from obligations held or acquired before Jan. 1, 2012, is not subject to Indiana income tax and should not be reported as an add back.

IC 6-3-1-3.5(a)(22)

Note. Interest earned from obligations of Puerto Rico, Guam, Virgin Islands, American Samoa, or Northern Mariana is not included in federal gross income and is exempt under federal law. There is no add-back for interest earned on these obligations.

For more information about this add-back, see Income Tax Information Bulletin #19 at www.in.gov/dor/3650.htm.

Line 4 – Current Year Conformity Add-Back ***IC 6-3-1-11***

Before this publication was finalized Indiana had not conformed to any changes to the Internal Revenue Code (IRC) that may have become law after Jan. 1, 2019. Therefore, the IRC used to figure Indiana income may not be the same as the IRC used to figure federal income.

This add-back is specific to these annual current year conformity issues. If uncertainty exists as to whether or not Indiana will adopt some or all of the federal legislation passed after Jan. 1, 2019, that acts to modify federal AGI, you may add-back those items as an "other" add-back. In the event those items are adopted, an amended return should be filed to recoup the add-back(s).

All entries marked as "other" must be reported as a positive amount on the original tax return. Negative entries will not be allowed.

This add-back is only for current year conformity issues. Conformity issues for preceding tax years must be addressed on the add-back line specific to the item in question.

If the state legislature does not conform to federal code changes enacted after Jan. 1, 2019, you may have to amend your return at a later date to reflect any differences between Indiana and federal law. You may wish to periodically check the department's homepage at www.in.gov/dor for updates.

Line 5 – Bonus Depreciation Add-Back

You must make an exception for any bonus depreciation deduction used for property placed in service after Sept. 11, 2001. Bonus depreciation is the additional first-year special depreciation deduction allowed under Section 168(k) of the Internal Revenue Code (IRC).

IC 6-3-1-3.5(a)(15)

Figure the net income (or loss) that would have been included in federal adjusted gross income had the bonus depreciation method not been used. Then, enter the difference, which may be a positive or negative amount, on line 5.

Example. Mack used the bonus depreciation method for federal income tax purposes. After refiguring the depreciation without using the bonus method, he has to add back $1,500 on his Indiana tax return.

Note. After making an initial adjustment for bonus depreciation you will need to refigure the amount of depreciation available for state tax purposes for subsequent years.

Example. Ann made an initial adjustment for bonus depreciation on last year's Indiana tax return. This year she figures she is entitled to a $150 additional depreciation amount for state tax purposes. She should enter that amount as a negative entry, or -150, on line 5.

New. Special rules may apply if the bonus depreciation is taken against property acquired in a like-kind exchange. See Information Bulletin #118 at www.in.gov/dor/3650.htm for additional information.

Line 6 – Section 179 Expense Add-Back

You may have figured an IRC Section 179 expense using a ceiling of more than $25,000 for federal tax purposes. Indiana allows you to figure IRC Section 179 expense using a ceiling of no more than $25,000. If you figured IRC Section 179 expense using a ceiling amount of more than $25,000, you will need to add back the difference between it and $25,000 on line 6.

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

New. Special rules may apply if the Section 179 expensing is taken against property acquired in a like-kind exchange. See Information Bulletin #118 at www.in.gov/dor/3650.htm for additional information.

Line 7 – Other Add-Backs

Each of the following add-backs has been assigned a 3-digit code number. When reporting the add-back, write its name, the associated 3-digit number and the amount.

Deferral of Business Indebtedness Discharge and Reacquisition Add-Back 107 IC 6-3-1-3.5(a)(21)

Add an amount equal to any income not included as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition of a debt instrument (as provided in Section 108(i) of the IRC). Subtract the amount added to income in a previous year to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after Dec. 31, 2008, and before Jan. 1, 2011, of an applicable debt instrument. Enter code 107 on Schedule 1 under line 7 if reporting this add-back.

Excess Federal Interest Deduction Modification 142

IRC Section 163(j) limits the federal interest deduction for most business interest to 30% of adjusted taxable income plus business interest. However, Indiana has decoupled from this provision. Subtract an amount equal to the amount as a deduction for excess business interest under IRC Section 163(j) in the year in which the interest was first paid or accrued. If you are deducting any business interest carried over from a previous year, add the amount of this interest deducted. Enter code 142 on Schedule 1 under line 7 if reporting this add-back.

IC 6-3-1-3.5(a)(24)

Federal Repatriated Dividend Deduction Add-Back 139 IC 6-3-1-3.5(a)(23)

Untaxed foreign earnings and profits are repatriated dividends that need to be reported when filing state taxes. Individuals should add back the deduction taken on the IRC 965 Transition Tax Statement, line 3. Recipients of Schedule IN K-1 should add back any amount reported on Part 4 designated as a Code No. 139 add-back. Enter code 139 on Schedule 1 under line 7 if reporting this add-back. For additional information see Information Bulletin #116 at www.in.gov/dor/reference/files/ib116.pdf.

Qualified Preferred Stock 113

If an individual:

- had losses from the sale or exchange of preferred stock in either Federal National Mortgage Association or Federal Home Loan Mortgage Corporation;
- treated the loss from the sale or exchange as ordinary income for federal income tax purposes in the year the loss had been incurred; and
- had any amount previously added back that not been allowed as a deduction,

the individual is permitted to continue deducting the loss not previously allowed as a capital loss. However, the amount allowable as a capital loss must be computed in accordance with federal limitations on allowable capital losses. See IRC sections 1211 and 121 for further details on federal limitations.

Certain Discontinued Add-Backs: How and When to Report a Final Catch-Up Modification.

Required add-backs for the following modifications have been eliminated, effective Jan. 1, 2013:

- Motorsports Entertainment Complex, Code 130
- Qualified Advance Mining Safety Equipment, Code 126
- Qualified Electric Utility Amortization, Code 135
- Qualified Environmental Remediation Costs, Code 121
- Qualified Leasehold Improvement Property, Code 129
- Qualified Restaurant Improvement Property, Code 108
- Qualified Retail Improvement Property, Code 109
- Start-Up Expenditures, Code 131

Required add-backs for the following modifications have been eliminated, effective Jan. 1, 2016:

- Qualified Disaster Assistance Property, Code 110
- Qualified Refinery Property, Code 111
- Qualified Film or Television Production, Code 112

If you previously reported any of these add-backs, see the following example for guidance as to how to figure and report a final catch-up modification.

Example. Grant has qualified restaurant equipment. For federal tax purposes he used the accelerated 15-year recovery period for an asset placed in service since 2009. Since 2009 Grant had been adding back the depreciation expense taken for federal purposes that exceeded the amount allowable for Indiana purposes. The accumulated depreciation on such an asset through 2012 was, therefore, different for federal and state purposes. This difference will remain until the asset is fully depreciated or until the time of its disposition.

A simple illustration:

Asset – acquired January, 2009 – qualified restaurant property – purchase price $120,000. This normally would have had a 39-year recovery period; IRC Sec. 168 allows for a 15-year recovery period.

Asset acquired Jan. 2009 $120,000 purchase price	Federal Depreciation	Add-Back	Indiana Depreciation
Year 1 (2009)	8,000	4,924	3,076
Year 2 (2010)	8,000	4,924	3,076
Year 3 (2011)	8,000	4,924	3,076
Year 4 (2012)	8,000	4,924	3,076
Year 5 (2013) Accumulated Depreciation	8,000 40,000	0	8,000 20,304
Year 6 – 15 Accumulated Depreciation	80,000 120,000	0	80,000 100,304
Year 16 – 38 Accumulated Depreciation	0	0	0
Year 39 (or year of disposition) Add-back	0	-19,696	19,696

Tax year 2012 is the last year Grant reported an add-back until the end of the recovery period. Had this asset been sold before being fully depreciated, the catch-up modification would be reflected in the year of the sale. If this property is held through 2048 (the 39th year of depreciation), Grant will report a negative $19,696 catch-up add-back on his 2048 state tax return.

Enter the associated 3-digit code on Schedule 1 under line 7 if reporting a final catch-up modification.

Schedule 2: Deductions IC 6-3-2-6

Line 1 – Renter's Deduction

You may be able to take the renter's deduction if:

- You paid rent on your principal place of residence, **and**
- You rented a place that was subject to Indiana property tax.

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

If you rented a manufactured home or paid rent for your manufactured home lot, you may claim the renter's deduction if the above requirements are met. Rent paid for summer homes or vacation homes is not deductible.

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

- Government owned housing,
- Property owned by a nonprofit organization,
- Student housing,
- Property owned by a cooperative association, and
- Property located outside of Indiana.

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

- The address where rented if it's different from the address on the front of the return (leave blank if it is not different),
- The landlord's name and address,
- The total amount of rent paid, and
- The number of months you lived there.

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

How much rent can I deduct? You can deduct up to $3,000 or the amount of rent paid, whichever is less.

Example. Emily paid $4,800 in rent on her principal place of residence. She will claim a $3,000 renter's deduction.

Example. Bill paid $400 rent for his first apartment. He moved to another location during the year and paid $2,800 rent for the rest of the year. His deduction will be limited to $3,000, even though he paid $3,200 altogether.

Important. Keep copies of your rental receipts, landlord identifying information and lease agreements as the department can require you to provide this information.

For more information about this deduction, see Income Tax Information Bulletin #38 at www.in.gov/dor/3650.htm.

Line 2 – Homeowner's Residential Property Tax Deduction IC 6-3-1-3.5(a)(13)

You may be able to take a deduction of up to $2,500 of the Indiana property taxes (residential real estate taxes) paid on your principal place of residence. Your principal place of residence is the place where you have your true, fixed home and where you intend to return after being absent.

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

Important. You cannot claim this deduction for property tax paid in 2019 if you are claiming the Lake County residential income tax credit on Schedule 5, line 6.

How do I claim my deduction? Complete the information area on Schedule 2, line 2. Enter the address of your principal residence where the Indiana property tax was paid if it is different from the address on the front of the return. If you had more than one principal residence during the year, and you paid Indiana property tax on both residences, list the additional residence on a separate piece of paper.

Example. Jamie and Ella each owned their own home; they married in 2019. They sold both of their homes during the year and began renting. They are eligible to claim a property tax deduction on the combined property taxes paid on both homes if they are filing a joint return (limited to $2,500 altogether).

- Enter the number of months you lived there. If you claim more than one residence, enter the number of months lived at the other residence(s) on a separate sheet of paper.
- Enter the amount of Indiana property tax paid. If you lived in more than one residence during the year, enter the combined amount of Indiana property tax paid on all principal residences.
- Enter the smaller of $2,500 or the amount of Indiana property tax paid.

No double benefit allowed. If any portion of property taxes paid on your principal residence was deducted as an expense on federal Schedule C, C-EZ, E or F, then do not deduct that amount on this line.

Example. Jean paid $1,200 in Indiana property tax on her home. She used one room of her home for her business, and deducted $200 Indiana property tax as an expense on her federal Schedule C. Jean is allowed a deduction of $1,000 ($1,200 minus the $200 deduction already taken on federal Schedule C).

How do I find out how much I paid in Indiana property tax on my principal residence? Indiana counties send statements to homeowners showing how much property tax is due on their property. Add together the 2019 spring and fall installments, if you paid both of them. If you received just one installment statement this year for your 2019 property taxes, use the amount paid for that installment.

Sometimes mortgage companies pay the Indiana property tax from an escrow account. If your mortgage company pays it, they should send you a Form 1098 (or its equivalent) showing the amount of property tax paid. If you cannot locate the information, contact your local county treasurer's office or your mortgage company.

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

Line 3 – State Tax Refund Reported on Federal Return

If you entered a state tax refund amount on federal Schedule 1, line 10, then enter that amount here.

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

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

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

Examples of U.S. government obligations include U.S. savings bonds, U.S. Treasury bills and U.S. government certificates. This interest is usually reported on federal Schedule B.

Interest income reported from a trust, estate, partnership or S corporation that is from U.S. government obligations should also be deducted on this line.

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

For more information about this deduction see Income Tax Information Bulletin #19 at www.in.gov/dor/3650.htm.

Lines 5 and 6 – Taxable Social Security and/or Railroad Retirement Benefits Deduction

Indiana does not tax Social Security income or the railroad retirement benefits that are issued by the U.S. Railroad Retirement Board.

IC 6-3-1-3.5(a)(7), (8)

To figure your deduction:

- Enter the amount from federal Form 1040/1040SR, line 5b, on Indiana's Schedule 2, line 5.
- If you have included railroad retirement benefits that are issued by the U.S. Railroad Retirement Board on line 4d of your federal Form 1040/1040SR, then enter that amount on Indiana's Schedule 2, line 6.

Important. Do not enter any other types of pension or retirement income on these lines.

Note. See the *Railroad Unemployment and Sickness Benefits* deduction instructions on page 23 if you have received unemployment and/or sickness benefits from the Railroad Retirement Board.

A Word About the Three Military Income Deductions

Military income recipients may be eligible to claim one or more of the three deductions based on the type of income/benefits they get.

1. **Military Service Deduction** *(including the National Guard and reserve component of the armed forces)*
   Individuals with military pay from active duty, National Guard, and/or the reserve component of the armed forces, may be eligible to deduct up to $5,000 of that income. See the *Military Service Deduction* on page 17 to find out if you qualify for this deduction.

2. **Military Retirement Income and/or Survivor's Benefits Deduction**
   Individuals with military retirement income and/or survivor's benefits may be eligible to deduct up to $6,250 of those benefits plus 25 percent of the amount received that exceeds $6,250. See the *Military Retirement Income and/or Survivor's Benefits Deduction* information on page 21 to see if you qualify.

3. **National Guard and Reserve Component Members Deduction**
   This deduction is available for qualified military income received *after* your Indiana National Guard unit is federalized or your reserve component was mobilized and deployed for full-time service. See the *National Guard and Reserve Component Members Deduction* on page 22 to see if you qualify for this deduction.

IC 6-3-2-4(a)(1)

Line 7 – Military Service Deduction (including the National Guard and reserve component of the armed forces)

Important. The military service deduction and the military retirement income and/or survivor's benefits deduction are reported in two different places.

- You (and/or your spouse, if married filing jointly and both qualify) will report your active, National Guard and/or reserve military service income deduction here.
- You (and/or your spouse, if married filing jointly and both qualify) will report your military retirement income and/or survivor's benefits deduction on Schedule 2 under line 11, Other Deductions. See the instructions for *Military Retirement Income and Survivor's Benefits Deduction* on page 21.

The income on line 1 of Form IT-40 may include military pay from active duty, National Guard, and/or the reserve component of the armed forces (reserve). If it does, you may be eligible to take this deduction.

The deduction will be the actual amount of your active duty, National Guard, and/or reserve military income or $5,000, whichever is less. If both you and your spouse received active, National Guard, and/or reserve military income, you may each claim the deduction for a maximum of $10,000 (up to $5,000 each).

Example 1. Louis earned $25,000 from active service in the Army. Brooklynn, his wife, earned $2,640 from the Indiana National Guard. Louis is eligible for the maximum $5,000 deduction; Brooklynn is eligible for a $2,640 deduction.

***Note.** If you served in the reserve or the Indiana National Guard during the tax year, and you were deployed and mobilized for full-time service, or during the period your Indiana National Guard unit was federalized, then you may be eligible to claim the *National Guard and Reserve Component Members Deduction. See instructions for this deduction* on page 22.

Example 2. Alec earned $1,504 from his service in the National Guard. His unit was federalized in September of the year; he earned $6,200 after being federalized. Alec is eligible to claim two deductions based on the income he earned. First, he will claim a $1,504 military service deduction on his Schedule 2, Line 7. Second, he will claim the full $6,200 income earned after his unit was federalized, on Line 11, using code #621.

Military income earned while in a combat zone is not taxable on your federal or state income tax returns. Since Indiana is not taxing this income, your combat zone income is not eligible for a deduction.

Example 3. Jim was on active duty the first month of the year. He was stationed in a combat zone the rest of the year. His military W-2 form shows the first month's regular military wage income of $1,250 in Box 1. Only $1,250 of his income is taxed on his federal (and Indiana) tax returns. Jim should claim a $1,250 military deduction (the lesser of the income being taxed [$1,250] or $5,000).

Example 4. Mikayla is a member of the National Guard. She earned $7,250 from service in the National Guard from Jan. 1 through Oct. 31. Her guard unit was federalized for full-time service on Nov. 1, and she earned an additional $4,800 through Dec. 31 of the year.

Mikayla is eligible to claim both the *Military Service Deduction* and the *National Guard and Reserve Component Members Deduction.*

- First, she will claim the $5,000 maximum military service deduction on Schedule 2, line 7, based on the $7,250 income earned through Oct. 31.
- Second, she will claim the *National Guard and Reserve Components Deduction* of $4,800 (full amount of income earned after her unit was federalized) under line 11.

Important. You **must** enclose your military W-2 form(s) if you are claiming this deduction.

For more information about this deduction see Income Tax Information Bulletin #27 at www.in.gov/dor/3650.htm.

Line 8 – Private School/Homeschool Deduction

You may be eligible for a deduction based on education expenditures paid for each dependent child who is enrolled in a private school or is homeschooled.

IC 6-3-2-22

Dependent Child Qualifications

- Your dependent child must be eligible to receive a free elementary or high school education (K-12 range) in an Indiana school corporation;
- You must be eligible to claim the child as a dependent on your federal tax return; and
- The child must be your natural or adopted child or, if not, you must have been awarded custody of the child in a court proceeding making you the court appointed guardian or custodian of the child.

Education expenditure. This refers to any expenditures made in connection with enrollment, attendance, or participation of your dependent child in a private elementary or high school education program. The term includes tuition, fees, computer software, textbooks, workbooks, curricula, school supplies (other than personal computers), and other written materials used primarily for academic instruction or for academic tutoring, or both. The term does not include the delivery of instructional service in a home setting to your dependent child who is enrolled in a school corporation or a charter school.

A **"private elementary or high school education program"** means attendance at a nonpublic school (including a private school, a parochial school and a homeschool) in Indiana that satisfies a child's obligation for compulsory attendance at a school.

The obligation for "compulsory attendance" means a child must be in attendance in a school (public and/or private) for a minimum of 180 days in a calendar year.

Note. No deduction will be available based on a child who is enrolled in school for a period of less than 180 days in a calendar year.

Figure your deduction. If you made an unreimbursed education expenditure during the year your deduction is:

- $1,000; multiplied by
- the number of qualified dependent children for whom you made education expenditures.

Example. Greg and Constance have three children ages 7, 9 and 11. The two oldest children attend a private school. The youngest child attends the neighborhood public school. The parents purchased schoolbooks for all three children. They will be eligible for a $2,000 deduction (the youngest does not qualify as he attends a public school).

Note. A qualifying child may be claimed for this deduction only once per year. For example, if a husband and wife are married and filing separately, whichever parent is eligible to claim the child as a dependent for exemption purposes is eligible to claim this deduction.

For more information about this deduction, see Income Tax Information Bulletin #107 at www.in.gov/dor/3650.htm.

Line 9 – Indiana Net Operating Loss Deduction

You may take a deduction for the Indiana portion of the federal net operating loss deduction (NOL) you added back on line 2 of Schedule 1. (This will be a net operating loss deduction from an earlier year(s) carried forward to 2019.) **IC 6-3-2-2.5**

Complete Schedule IT-40NOL to determine the amount available to be deducted this year. Make sure to enter the amount you are eligible to deduct as a positive figure.

Note. It is possible to have an Indiana NOL without also having a federal NOL. See Schedule IT-40NOL, which can be found at www.in.gov/dor/6524.htm, for more information.

Enclose Schedule A from federal Form 1045 and a completed Indiana Schedule IT-40NOL when claiming this deduction.

Also, maintain with your records a copy of the federal Form 1040/1040SR from the loss year as the department can require you to provide this information at a later date.

Line 10 – Nontaxable Portion of Unemployment Compensation **IC 6-3-2-10**

You may be eligible for a deduction if you reported unemployment compensation on your federal income tax return. Complete the worksheet on the next page to see if you are eligible. Make sure to enclose your 1099G(s) if you claim the deduction.

Important. Do not include any unemployment compensation issued by the U.S. Railroad Retirement Board on line 1 of the worksheet. Instead, see the instructions for the *Railroad Unemployment and Sickness Benefits Deduction* on page 23 for more information.

Line 11 – Other Deductions

Each of the following deductions has been assigned a 3-digit code number. When claiming the deduction on Schedule 2 under line 11, write the name of the deduction, the three-digit code number and the amount claimed.

Civil Service Annuity Deduction 601 **IC 6-3-2-3.7**

The income on line 1 of Form IT-40 may include federal civil service annuity income. If it does, you may be eligible to take a deduction if you were at least 62 years of age by the end of the tax year and/or a surviving spouse of a civil service annuitant.

For each civil service annuitant, the deduction is limited to:

- the lesser of the amount of taxable civil service annuity income included in federal adjusted gross income or $16,000,
- less all amounts of Social Security income and tier 1 and tier 2 Railroad Retirement income (issued by the Railroad Retirement Board) received by the civil service annuitant.

Example. The taxable amount of your civil service annuity is $6,000. You received $1,200 in Social Security income. You are age 67.

Here is how to figure your deduction.

Lesser of the taxable amount of the annuity or $16,000.....$6,000
Total of Social Security/tier 1 & tier 2 Railroad Retirement income..... - $1,200
Allowable deduction $4,800

If you and your spouse both received a civil service annuity, you may each be eligible to take this deduction for a maximum of up to $16,000 per qualifying person. Each of you must figure your deduction separately.

Example. Matthew and Claire, both age 68, file a joint federal and state income tax return. They each receive a civil service annuity and Social Security income.

Matthew's taxable civil service annuity is $13,700; he also received $17,500 in Social Security income. Since the Social Security income he received is greater than the taxable amount of his annuity, he is not eligible for a deduction.

Unemployment Compensation Worksheet

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

1.	Unemployment compensation included on IT-40, line 1 (do not include any unemployment compensation issued by the Railroad Retirement Board - see insturctions)	1	
2.	Federal adjusted gross income from federal Form 1040/1040SR, line 8b	2	
3.	Enter $12,000 if single, or $18,000 if married filing a joint return	3	
4.	Subtract line 3 from line 2. If zero or less, enter -0-	4	
5.	Enter one-half of the amount on line 4 (divide line 4 by the number 2)	5	
6.	Taxable unemployment compensation for Indiana purposes: enter the amount from either line 1 or line 5, whichever is smaller	6	
7.	Subtract line 6 from line 1. Carry this amount to Schedule 2, line 10	7	

Claire's taxable civil service annuity is $21,900; she also received $6,300 in Social Security income.

Here is how to figure Claire's deduction.
Lesser of the taxable amount of the annuity or $16,000.....$16,000
Claire's Social Security income ..... - $6,300
Allowable deduction $9,700

Surviving Spouse
A surviving spouse may be eligible to claim this deduction. There is no age requirement for the surviving spouse.

To figure the deduction, begin with the taxable amount of civil service annuity income or $16,000, whichever is less. Subtract from that amount any Social Security income and tier 1 and tier 2 Railroad Retirement income (issued by the Railroad Retirement Board) the surviving spouse received.

Example. Marie is a surviving spouse. The taxable amount of her civil service annuity is $14,500, and she received $1,200 in Social Security income.

Here is how to figure Marie's deduction.
Lesser of the taxable amount of the annuity or $16,000.....$14,500
Marie's Social Security income ..... - $1,200
Allowable deduction $13,300

You must maintain Form CSA 1099-R with your records as the department can require you to provide it at a later date.

For more information about this deduction see Income Tax Information Bulletin #6 at www.in.gov/dor/3650.htm. Enter code 601 on Schedule 2 under line 11 if claiming this deduction.

Disability Retirement Deduction 602 IC 6-3-2-9

To take this deduction you must have been:

- Permanently and totally disabled at the time of retirement,
- Retired on disability before the end of the tax year, and
- Received disability retirement income during the tax year.

If you meet these qualifications, you must complete Schedule IT-2440 and have it signed by your doctor to claim this deduction. You must maintain the completed Schedule IT-2440 with your records as the department can require you to provide it at a later date.

For more information about this deduction see Income Tax Information Bulletin #70 at www.in.gov/dor/3650.htm and Schedule IT-2440 at www.in.gov/dor/6524.htm.

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

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

Enter code 602 on Schedule 2 under line 11 if claiming this deduction.

Enterprise Zone Employee Deduction 603 IC 6-3-2-8

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

Enterprise zones have been established in areas of certain cities/locations. Use this website to look up contact information for a particular enterprise zone: www.aiez.org/directory.html.

Your *employer* will provide Form IT-40QEC to you if you are eligible to claim this deduction.

The amount of the deduction is one-half of the earned income shown on Form IT-40QEC or $7,500, whichever is less. If you and your spouse both have received Form IT-40QEC, you may each take this deduction for a combined maximum of $15,000 (no more than $7,500 per qualifying person).

Enter code 603 on Schedule 2 under line 11 if claiming this deduction.

Government or Civic Group Capital Contribution Deduction 633 IC 6-3-1-3.5(a)(25)

A deduction is available for certain capital contributions made to a government or civic group. Deduct any eligible contributions as listed on a Schedule K-1 you received from an S corporation, or from an estate or trust that owns a portion of an S corporation AND through which you are receiving a distribution. You must maintain a copy of the Schedule K-1(s) with your records as the department can require you to provide it at a later date.

Enter code 633 on Schedule 2 under line 11 if claiming this deduction.

Human Services Deduction 605 IC 6-3-1-3.5(a)(10)

The human services deduction is intended to eliminate any individual income tax imposed on Medicaid recipients who are living in a:

- Hospital,
- Skilled nursing facility,
- Intermediate care facility,
- Licensed county home,
- Licensed boarding or residential home, or
- Certified Christian Science facility.*

The goal of the human services tax deduction is to reduce the affected individual's adjusted gross income tax liability to zero (-0-).

*An eligible Christian Science facility must be listed with and certified by the Commission for Accreditation of Christian Science Nursing Organizations/Facilities, Inc.

Generally, the deduction should not be used in conjunction with most tax credits in order to create a refund.

If you are a Medicaid recipient and live in one of the facilities listed above, to determine whether you are eligible for the deduction you must first prepare your tax return without claiming a human services deduction. Generally, if a refund is due, you are not eligible for a deduction. File your return without claiming the deduction and a refund will be issued. However, if an amount is due, you are eligible to use a deduction.

Enter code 605 on Schedule 2 under line 11 if claiming this deduction.

Infrastructure Fund Gift Deduction 631 IC 6-3-2-26

A deduction is available for certain contributions made to a regional development infrastructure fund. You should keep detailed records of the contribution as the department can require you to provide this information at a later date.

Enter code 631 on Schedule 2 under line 11 if claiming this deduction.

Indiana Lottery Winnings Annuity Deduction 629

You may be eligible to deduct annuity payments received from a winning Hoosier Lottery ticket for a lottery held prior to July 1, 2002. This deduction applies only to prizes won from the Hoosier Lottery Commission; proceeds from other state lotteries or from other gambling sources, such as casinos, are not deductible. In addition, proceeds from winning Hoosier Lottery tickets for lotteries held after June 30, 2002, are not deductible. IC 6-3-2-14.1

Example. Jennifer won $2,000,000 playing the Hoosier Lottery with a ticket purchased in June of 2002. She elected to receive annual installment payments of $100,000. Since Jennifer reported her $100,000 annuity payment on her federal tax return this year, she is eligible to claim a $100,000 deduction.

Note. Individuals or entities that have purchased Hoosier Lottery prizes from a winning ticket holder for valuable consideration are not eligible for this deduction.

Enter code 629 on Schedule 2 under line 11 if claiming this deduction.

Indiana Partnership Long-Term Care Policy Premiums Deduction 608 IC 6-3-1-3.5(a)(12)

You may take a deduction for the amount of premiums paid for Indiana partnership long-term care insurance.

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

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

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

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

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

More information about this program is available at the following website: www.in.gov/iltcp.

Important. Keep a copy of the premium statements as the department can require you to provide this information. Enter code 608 on Schedule 2 under line 11 if claiming this deduction.

Military Retirement Income and/or Survivor's Benefits Deduction 632 *IC 6-3-2-4(a)(1)*

The income on line 1 of Form IT-40 may include military retirement income and/or survivor's benefits. If it does, you (and/or your spouse, if married filing jointly and both qualify) may be eligible to take this deduction.

New. The taxability of this income is being phased out over a four-year period of time. Beginning in 2019, the $6,250 maximum amount eligible to be deducted has increased. You may be eligible to deduct up to $6,250 of these benefits plus 25 percent of the amount received that exceeds $6,250.

Use the worksheet below to figure your deduction.

Military Retirement Income and/or Survivor's Benefits Deduction Worksheet

Step 1 **Round all entries**
Add together your military retirement income and survivor's benefits ..... $ _____

Step 2
Is the amount on Step 1 greater than $6,250?
A. No. STOP. The amount on Step 1 is your deduction. Enter on Schedule 2, under line 11, using code 632
B. Yes. Continue to Step 3.

Step 3
Subtract $6,250 from the amount on Step 1 ..... $ _____

Step 4
Multiply the amount on Step 3 by 0.25 ..... $ _____

Step 5
Add $6,250 to the amount on Step 4.
This is your deduction. Enter on Schedule 2, under line 11, using code 632 ..... $ _____

If both you and your spouse received military retirement income and/or survivor's benefits, you may each claim the deduction. You must complete a separate worksheet to figure both deductions.

Example. Gabriel and Christina got married during the year. They are filing as married filing jointly. Gabriel received $17,500 military retirement income during the year. Christina received $13,000 military retirement benefits and $8,000 in survivor's benefits. Here's how they will figure and report their deduction:

Worksheet For Gabriel

Step 1 **Round all entries**
Add together Gabriel's military retirement income and survivor's benefits ..... $ 17,500

Step 2
Is the amount on Step 1 greater than $6,250?
A. No. STOP. The amount on Step 1 is your deduction. Enter on Schedule 2, under line 11, using code 632
B. Yes. Continue to Step 3.

Step 3
Subtract $6,250 from the amount on Step 1 ..... $ 11,250

Step 4
Multiply the amount on Step 3 by 0.25 ..... $ 2,813

Step 5
Add $6,250 to the amount on Step 4.
This is your deduction. Enter on Schedule 2, under line 11, using code 632 ..... $ 9,063

Worksheet For Christina

Step 1 **Round all entries**
Add together Christina's military retirement income and survivor's benefits ..... $ 21,000

Step 2
Is the amount on Step 1 greater than $6,250?
A. No. STOP. The amount on Step 1 is your deduction. Enter on Schedule 2, under line 11, using code 632
B. Yes. Continue to Step 3.

Step 3
Subtract $6,250 from the amount on Step 1 ..... $ 14,750

Step 4
Multiply the amount on Step 3 by 0.25 ..... $ 3,688

Step 5
Add $6,250 to the amount on Step 4.
This is your deduction. Enter on Schedule 2, under line 11, using code 632 ..... $ 9,938

Since both Gabriel and Christina are eligible for a deduction, add the amounts from Step 5 of both worksheets together and report the $19,001 total on Schedule 2, under line 11, using code 632.

Important. You **must** enclose your military retirement income statement(s) and/or survivor's benefit statement(s) with the tax return if you are claiming this deduction.

For more information about this deduction see Income Tax Information Bulletins #6 at www.in.gov/dor/3650.htm.

National Guard and Reserve Component Members Deduction 621 *IC 6-3-1-3.5(a)(19); IC 6-3-1-34*

Regular military income from being in the reserves and Indiana National Guard is eligible for the Military Service Deduction. See instructions for that deduction on page 17. Do not claim a deduction for this kind of income here.

This deduction is available for *qualified military income** received during the period

- you were mobilized1 and deployed2 for full-time service, or
- your Indiana National Guard unit is federalized.

[1]"Mobilization" includes assembling and organizing personnel and material for active duty military forces, activating the Reserve Component (including federalizing the National Guard), extending terms of service, surging and mobilizing the industrial base and training bases, and bringing the Armed Forces of the United States to a state of readiness for war or other national emergency.

*Servicemembers serving on full time orders in an Active Guard and Reserve Program (AGR) are not considered mobilized for purposes of claiming their income as *qualified military income.*

[2]"Deployment" is the relocation of forces and material to desired operational areas. Deployment encompasses all activities from origin or home station through destination, specifically including intra-continental U.S., inter-theater, and intra-theater movement legs, staging, and holding areas.

If you meet the qualifications listed below, you will want to deduct that qualified military income here (unlike the Military Service Deduction, there is no ceiling on the amount of this kind of income which is eligible for a deduction).

Who is Eligible?
You must be a member of the reserve components of:

- the Army;
- the Navy;
- the Air Force;
- the Coast Guard;
- the Marine Corps; or
- the Merchant Marine.

Or, a member of:

- the Indiana Army National Guard; or
- the Indiana Air National Guard.

What is Eligible to be Deducted?
If you are eligible, your deduction is the qualified military income* received during the period you were deployed and mobilized for full time service, or during the period your Indiana National Guard unit was federalized.

*Military income received due to service in a **combat zone** is not taxable on your federal or state income tax returns. Since Indiana is not taxing this income, your combat zone income is not eligible for this deduction.

What is Qualified Military Income?
Qualified military income is military wages paid to a member of a reserve component of the armed forces or the Indiana National Guard for the period during the member's full-time service in a reserve component of the armed forces or the period when Indiana National Guard unit is federalized.

Note. You cannot claim both this deduction and the *Military Service Deduction* (see page 17) based on the same income. See the following example.

Example. Brandon is a member of the Indiana National Guard.

- From January through Oct. 15, Brandon earned $6,000 from the guard.
- His unit was federalized on Oct. 16. He earned $7,000 from that point through Dec. 1.
- His unit was assigned to a combat zone on Dec. 2, and he earned $3,000 from then until the end of the year.
- Brandon's military W-2 shows $13,000 in Box 1, Wages, tips, other compensation (the combat zone income is not included in Box 1 because it is not taxable).

Brandon is eligible for both Indiana military deductions.

- First, he will claim the $5,000 maximum military service deduction on Schedule 2, line 7, based on the $6,000 income earned through Oct. 15.
- Second, he will claim the National Guard and reserve components deduction of $7,000 (full amount of income earned after his unit was federalized) under line 11.

Note. He will not deduct the $3,000 income earned while stationed in a combat zone because it was not taxed to begin with.

Military withholding statements must be attached to the tax return when claiming this deduction.

Note. The department may request copies of your military orders to help determine eligibility.
Get Information Bulletin #27 at www.in.gov/dor/reference/files/ib27.pdf for more information concerning this deduction.

Enter code 621 on Schedule 2 under line 11 if claiming this deduction.

Olympic/Paralympic Medal Winners Deduction 627

You are eligible for a deduction if you won a gold, silver and/or bronze medal from participating in the Olympic/Paralympic games. The deduction equals the value of the medal(s) won plus the amount of income received during the taxable year from the United States Olympic Committee as prize money for winning the Olympic medal(s). This deduction may be claimed only in the tax year in which it was won. **IC 6-3-2-24**

Enter code 627 on Schedule 2 under line 11 if claiming this deduction.

Qualified Patents Income Exemption Deduction 622

Some of the income from qualified patents included in federal taxable income may be exempt from Indiana adjusted gross income tax. A qualified patent is a utility patent or a plant patent issued after Dec. 31, 2007, for an invention resulting from a development process conducted in Indiana. The term does not include a design patent.

IC 6-3-1-3.5(a) (20) **IC 6-3-2-21.7**

You must maintain the completed Schedule IN-PAT with your records as the department can require you to provide it at a later date. You may get Schedule IN-PAT at www.in.gov/dor/6524.htm.

For more information about this deduction see Income Tax Information Bulletin #104 at www.in.gov/dor/3650.htm.

Enter code 622 on Schedule 2 under line 11 if claiming this deduction.

Railroad Unemployment and Sickness Benefits Deduction 624 **IC 6-3-1-3.5(a)(1)**

Benefits issued by the U.S. Railroad Retirement Board are not taxable by Indiana.

Deduct unemployment and/or sick pay benefits issued by the U.S. Railroad Retirement Board on this line if:

- You included these benefits as taxable income on your federal tax return, and
- You did not already deduct these benefits on Schedule 2, lines 5 and/or 6.

Do not include any supplemental sick pay benefits on this line.

Make sure to keep the statements (such as Form 1099G) issued by the U.S. Railroad Retirement Board as the department may request them at a later date.

Enter code 624 on Schedule 2 under line 11 if claiming this deduction.

Recovery of Deductions 616 **IC 6-3-1-3.5(a)(6)**

You are not eligible for this deduction if you did not complete the "other income" line on Schedule 1 of your federal Form 1040/1040SR.

Generally, Indiana **does not** allow you to claim itemized deductions from federal Schedule A. However, if you reported recovered itemized deductions as "other income" on line 8 of your federal Schedule 1, enter that amount on this line. A *recovery* is a return of an amount you deducted in an earlier year. The most common recoveries are refunds (see Indiana's Schedule 2, line 3), reimbursements and rebates of deductions previously itemized on federal Schedule A.

Enter code 616 on Schedule 2 under line 11 if claiming this deduction.

Repayment of Previously Taxed Income Deduction 630 **IC 6-3-1-3.5(a)(23)**

You may be eligible to claim a deduction for the repayment of previously taxed income, also known as "claim of right," if:

- You reported the income to Indiana in a previous year,
- You repaid some or all of it this year, and
- For federal tax purposes, you are eligible to:
  - claim the repayment as an itemized deduction, or
  - claim a credit based on the repayment amount.

Example 1. Ryan was a full-year Indiana resident in 2018, and received $1,700 unemployment compensation that year. He reported the full amount on his 2018 federal and Indiana income tax returns. In March of 2019 Ryan found out he had to repay $345 of that compensation; he repaid it that summer. For 2019 federal tax purposes he is eligible to claim an itemized deduction* based on the $345 amount repaid. Ryan is eligible to claim the $345 amount as a repayment of previously taxed income as a deduction on his 2019 state tax return.

*In this example Ryan is not required to claim itemized deductions when figuring his federal taxable income; he may have opted to use the standard deduction instead. Regardless, he is still eligible to claim the deduction on his state tax return.

Note. An adjustment will need to be made if an unemployment compensation deduction was claimed on the return in the year the income was reported. To do this, reduce the amount previously reported by the amount repaid; refigure the deduction based on the reduced amount. Subtract the difference from the repayment amount to be deducted.

Example 1, continued. Ryan claimed a $73 unemployment compensation deduction on his 2018 state tax return. He refigured the deduction based on the reduced $1,355 compensation ($1,700 - $345), which reduced the deduction by $15. Ryan will report the $330 net difference ($345 repayment minus the $15 reduced deduction amount) as the repayment of previously taxed income deduction.

Important. While no corresponding state credit for the repayment of previously taxed income is available, a deduction based on the amount repaid is.

Example 2. In 2019 Cynthia repaid $3,400 of income originally reported on her 2018 federal and Indiana state tax returns. She claimed a credit on her 2019 federal tax return based on the $3,400 amount repaid. Cynthia is eligible to claim the $3,400 amount as a deduction.

Example 3. Ashley moved to Indiana in 2019, and filed her first state tax return with Indiana that year. In 2019 she repaid $2,700 income originally reported on her 2017 federal income tax return. Since this income was not reported to Indiana in 2017, she is not eligible to claim a deduction for the amount of the repayment.

Important. Indiana does not tax Social Security income. Therefore, any amount of Social Security income repaid in a subsequent year is not eligible for a deduction (since Indiana has not previously taxed this income).

Note. Keep a copy of your records detailing the required repayment as the department can require you to provide this information at a later date.

Enter code 630 on Schedule 2 under line 11 if claiming this deduction.

Exemptions

Exemptions may be claimed on the Indiana return. Categories include exemptions for:

1. You, and your spouse, if married filing jointly
2. Certain dependents
3. Certain dependent children (additional)
4. Age 65 or older and/or blind
5. Additional age 65 or older (based on income)

While you will need to complete Schedule 3 to list all of your exemptions, you will also need to complete Schedule IN-DEP if claiming any dependents.

Schedule 3: Exemptions

Line-by-line instructions.

Line 1 – Exemptions for taxpayer, spouse (if married filing jointly)

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

If you are married filing jointly, enter $2,000 on this line. All other filers* should enter $1,000 on this line.

***Important.** Enter $1,000 on this line even if you are claimed on someone else's tax return, such as a parent or guardian.

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

Lines 2 and 3 – Exemptions for dependents; Additional exemptions for certain dependent children

Read the following information to see if you are eligible to claim any dependents. If you are, complete Schedule IN-DEP after reviewing these steps.

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

- Step 1 Do You Have a Qualifying Child?
- Step 2 Is Your Qualifying Child Your Dependent?
- Step 3 Is Your Qualifying Relative Your Dependent?

Step 1 Do You Have a Qualifying Child?

A qualifying child is a child who is your…

Son, daughter, stepchild, foster child, brother, sister, stepbrother, stepsister, half brother, half sister, or a descendant of any of them (for example, your grandchild, niece, or nephew)

AND,
was…

- Under age 19 at the end of the year and younger than you (or your spouse, if filing jointly), or
- Under age 24 at the end of the year, a student (defined later), and younger than you (or your spouse, if filing jointly), or
- Any age and permanently and totally disabled (defined later)

AND,
who…

- Didn't provide over half of his or her own support for the year (see Information Bulletin #117),
- Is not filing a joint return for the year, or is filing a joint return for the year only as a claim for refund of withheld income tax or estimated tax paid (see Information Bulletin #117 for details and examples),
- Lived with you for more than half the year. If the child didn't live with you for the required time, see *Exception to time lived with you*, later.

Caution. If the child meets the conditions to be a qualifying child of any other person (other than your spouse if filing a joint return) for the year, or the child was married, see *Qualifying child of more than one person*, later.

Do you have a child who meets the conditions to be your qualifying child?

Yes. Go to Step 2.
No. Go to Step 3.

Step 2 Is Your Qualifying Child Your Dependent?

1. Was the child a U.S. citizen, U.S. national, U.S. resident alien, or a resident of Canada or Mexico? (See Information Bulletin #117 for the definition of a U.S. national or U.S. resident alien. If the child was adopted, see *Exception to citizen test*, later.)

Yes. Continue.
No. STOP. You cannot claim this child as a dependent.

2. Was the child married?

Yes. See *Married Person*, later.
No. Continue.

3. Could you, or your spouse if filing jointly, be claimed as a dependent on someone else's tax return? See Steps 1 and 2.

Yes. STOP. You cannot claim any dependents.
No. You can claim this child as a dependent. See Schedule IN-DEP instructions below.

Step 3 Is Your Qualifying Relative Your Dependent?

A qualifying relative is a person who is your…

- Son, daughter, stepchild, foster child, or a descendant of any of them (for example, your grandchild), or
- Brother, sister, half brother, half sister, half brother, half sister, or a son or daughter of any of them (for example, your niece, or nephew), or
- Father, mother, or an ancestor of sibling of either of them (for example, your grandmother, grandfather, aunt or uncle), or
- Any other person (other than your spouse) who lived with you all of the year as a member of your household if your relationship does not violate local law. If the person did not live with you for the required time, see *Exception to time lived with you*, later.

AND, who…

- Was not a qualifying child (see Step 1) of any taxpayer during the year. For this purpose, a person isn't a taxpayer if he or she isn't required to file a U.S. income tax return **and** either doesn't file such a return or files only to get a refund of withheld income tax or estimated tax paid. See Information Bulletin #117 for details and examples.
- Had gross income of less than $4,200 during the year. If the person was permanently and totally disabled, see *Exception to gross income test*, later.

AND, for whom …

You provided over half of his or her support during the year. But see *Children of divorced or separated parents, Multiple support agreements,* and *Kidnapped child*, later.

1. Does any person meet the conditions to be your qualifying relative?

Yes. Continue.
No. STOP. You cannot claim this person as a dependent.

2. Was your qualifying relative a U.S. citizen, a U.S. national, U.S. resident alien, or a resident of Canada or Mexico? (See federal Publication 519 for the definition of a U.S. national or U.S. resident alien.) If your qualifying relative was adopted, see *Exception to citizen test*, later.

Yes. Continue
No. STOP. You cannot claim this person as a dependent.

3. Was your qualifying relative married?

Yes. See *Married person*, later.
No. Continue.

4. Could you or your spouse if filing jointly, be claimed as a dependent on someone else's tax return this year? See Steps 1 and 2.

Yes. STOP. You cannot claim any dependents.
No. You can claim this person as a dependent. See Schedule IN-DEP instructions below.

If you are eligible to claim one or more dependent from Step 2 and/or Step 3, complete Schedule IN-DEP.

Schedule IN-DEP instructions

You must complete and enclose Schedule IN-DEP if you are claiming any dependents on lines 2 and/or 3 of Schedule 3.

Question 1 – Did you answer "No" to STEP 2, question 3 above? If so, you are eligible to claim the qualifying child (children) as a dependent. Read the *Lines 1 through 5* instructions below. If not, skip to *Question 2* below.

Lines 1 through 5
For each qualified dependent child, enter his or her:
- First and last name in Box A and Box B.
- Nine-digit Social Security number (SSN) in Box C.
- Date of birth in Box D.

See *Additional Dependent Exemptions* below to determine whether or not to complete line E.

Example 1. Cooper and Grace Doe are eligible to claim their daughter Tatum as a dependent on Schedule IN-DEP. Here is how they will complete line 1:

	Dep. First Name		Dep. Last Name
1A	Tatum	1B	Doe
	Dependent's SSN		Dependent's DOB
1C	123 45 6789	1D	06 01 2012

Question 2 – Did you answer "No" to STEP 3, question 4 above? If so, you are eligible to claim the qualifying relative as a dependent.

For each qualified relative, enter his or her:
- First and last name in Box A and Box B.
- Nine-digit Social Security number (SSN) in Box C.
- Date of birth in Box D.

Example 2. Cooper and Grace Doe (see *Example 1* above) are also eligible to claim Grace's grandmother, Irene Smith, who lives with them, as a dependent. Here is how they will complete line 2:

	Dep. First Name		Dep. Last Name
2A	Irene	2B	Smith
	Dependent's SSN		Dependent's DOB
2C	987 65 4321	2D	10 15 1940

Line 6
Add the qualified dependents listed on lines 1 through 5, and enter the total in Box 6. Then, enter this amount in the box on Schedule 3, line 2.

IC 6-3-1-3.5(a)(5)(B)(ii)

Additional Dependent Exemptions

Read below to see if you are eligible to claim an additional dependent exemption for a dependent child (children) listed on lines 1 through 5.

An additional $1,500 exemption is allowed for certain dependent children. Carefully read the following *Dependent child definition* below to see if you are eligible for this additional exemption(s).

Dependent child definition: According to state statute, to be eligible for this exemption a dependent child must be a son, stepson, daughter, stepdaughter, foster child, child for whom you are a legal guardian, and/or your spouse's child, if filing a joint return. He/she must be either under the age of 19 by the end of the tax year, or be a full-time student who is under the age of 24 by the end of the tax year.

If any dependent included in Box 6 on this schedule also meets the *Dependent child definition* above, place an "X" in box E on the line where the dependent is listed (see following example). Add the number of box E's containing an "X". Enter that number in Box 7, which is located at the bottom of the schedule.

Example 3. Cooper and Grace Doe (see *Example 1* above) are eligible to claim the additional dependent exemption for their daughter Tatum. They should enter an "X" on Line 1E.

	Dep. First Name		Dep. Last Name
1A	Tatum	1B	Doe
	Dependent's SSN		Dependent's DOB
1C	123 45 6789	1D	06 01 2012

1E Additional dependent child exemption 1E **X**

Note. Not all dependent children are eligible for this additional exemption. For instance, you may have included a grandson as a dependent in Box 6. However, if he doesn't meet the qualification of being a foster child or a child for whom you are a legal guardian, you will not be able to claim the additional exemption for him on Line 7.

Line 7
Add the number of any additional dependent child exemptions located in boxes 1E through 5E. Enter the total in Box 7. Then, enter this amount in the box on Schedule 3, line 3.

Claiming more than five dependents

If you are claiming more than five dependents, attach an additional Schedule IN-DEP. Make sure to add the additional information to the totals on the first schedule, Boxes 6 and 7, where applicable.

Example 4. June has six dependents. She entered information for her sixth dependent on line 1 on a second Schedule IN-DEP. She added the dependent claimed on the second schedule to the five claimed on the first schedule, and entered "6" on the first Schedule IN-DEP, Box 6. She made sure to include the second schedule with her filing. Likewise, she would include the sixth dependent in the total listed in Box 7 if the child listed on the second Schedule IN-DEP qualified for the additional dependent child exemption.

Line 4 – Age 65 or Older or Blind

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

If you and/or your spouse (if filing a joint return) are age 65 or older, you and/or your spouse can take an additional $1,000 exemption. If you and/or your spouse (if filing a joint return) are legally blind, you and/or your spouse can take an additional $1,000 exemption. Place an "X" in the boxes that apply to you and/or your spouse. Enter the total number of boxes marked on this line and multiply by $1,000.

Line 5 – Additional Exemption for Age 65 or Older

An additional $500 exemption is available for you and/or your spouse (if filing a joint return) if you are age 65 or older and the amount on Form IT-40, line 1, is less than $40,000. Place an "X" in the boxes that apply to you and/or your spouse. Enter the total number of boxes marked on this line and multiply by $500.

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

Definitions and Special Rules for Dependents

Important.

- Various Internal Revenue Service (IRS) forms and publications you may need can be found online at https://apps.irs.gov/app/picklist/list/formsPublications.html.
- Indiana's Information Bulletin #117 can be found online at www.in.gov/dor/3650.htm.

Adopted child. An adopted child is always treated as your own child. An adopted child includes a child lawfully placed with you for legal adoption.

Adoption taxpayer identification numbers (ATINs). If you have a dependent who was placed with you for legal adoption and you don't know his or her SSN, you must get an ATIN for the dependent from the IRS. Get federal Form W-7A for details. If the dependent isn't a U.S. citizen or resident alien, apply for an ITIN instead, using federal Form W-7.

Children of divorced or separated parents. A child will be treated as the qualifying child or qualifying relative of his or her noncustodial parent (defined later) if all of the following conditions apply.

1. The parents are divorced, legally separated, separated under a written separation agreement, or lived apart at all times during the last 6 months of the year (whether or not they are or were married).
2. The child received over half of his or her support for the year from the parents (and the rules on *Multiple support agreements*, later, do not apply). Support of a child received from a parent's spouse is treated as provided by the parent.
3. The child is in custody of one or both of the parents for more than half of the year.
4. Either of the following applies.
   a. The custodial parent signs federal Form 8332 or a substantially similar statement that he or she won't claim the child as a dependent for the year, and the noncustodial parent maintains a copy of the signed federal Form 8332 with his or her records (as the department can require this to be provided at a later date). If the divorce decree or separation agreement went into effect after 1984 and before 2009, the noncustodial parent may be able to include certain pages from the decree or agreement instead of federal Form 8332. See *Post-1984 and pre-2009 decree or agreement* and *Post-2008 decree or agreement*.
   b. A pre-1985 decree of divorce or separate maintenance or written separation agreement between the parents provides that the noncustodial parent can claim the child as a dependent, and the noncustodial parent provides at least $600 for support of the child during the year.

If conditions (1) through (4) apply, only the noncustodial parent can claim the child for purposes of the dependency.

Custodial and noncustodial parents. The custodial parent is the parent with whom the child lived for the greater number of nights in the year. The noncustodial parent is the other parent. If the child was with each parent for an equal number of nights, the custodial parent is the parent with the higher federal AGI. See Information Bulletin #117 for an exception for a parent who works at night, rules for a child who is emancipated under state law, and other details.

Post-1984 and pre-2009 decree or agreement. The decree or agreement must state all three of the following.

1. The noncustodial parent can claim the child as a dependent without regard to any condition, such as payment of support.
2. The other parent will not claim the child as a dependent.
3. The years for which the claim is released.

The noncustodial parent must maintain with his or her records a copy of all of the following pages from the decree or agreement as the department can require these to be provided at a later date.

- Cover page (include the other parent's SSN on that page).
- The pages that include all the information identified in (1) through (3) above.
- Signature page with the other parent's signature and date of agreement.

Post-2008 decree or agreement. If the divorce decree or separation agreement went into effect after 2008, the noncustodial parent cannot include pages from the decree or agreement instead of federal Form 8332. The custodial parent must sign either federal Form 8332 or a substantially similar statement the only purpose of which is to release the custodial parent's claim to an exemption for a child, and the noncustodial parent must include a copy with his or her return. The form or statement must release the custodial parent's claim to the child without any conditions. For example, the release must not depend on the noncustodial parent paying support.

Release of exemption revoked. A custodial parent who has revoked his or her previous release of a claim to exemption for a child must maintain with his or her records a copy of the revocation as the department can require this to be provided at a later date. For details, see federal Form 8332.

Exception to citizen test. If you are a U.S. citizen or U.S. national and your adopted child lived with you all year as a member of your household, that child meets the requirement to be a U.S. citizen in Step 2, question 1.

Exception to gross income test. If your relative (including a person who lived with you all year as a member of your house-hold) is permanently and totally disabled (defined later), certain income for services performed at a sheltered workshop may be excluded for this test. For details, see Information Bulletin #117.

Exception to time lived with you. Temporary absences by you or the other person for special circumstances, such as school, vacation, business, medical care, military service, or detention in a juvenile facility, count as time the person lived with you. Also see *Children of divorced or separated parents, earlier, or Kidnapped child*, later.

If the person meets all other requirements to be your qualifying child but was born or died during the year, the person is considered to have lived with you for more than half of the year if your home was this person's home for more than half the time he or she was alive during the year. Any other person is considered to have lived with you for all of the year if the person was born or died during the year and your home was this person's home for the entire time he or she was alive during the year.

Foster child. A foster child is any child placed with you by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

Kidnapped child. If your child is presumed by law enforcement authorities to have been kidnapped by someone who is not a family member, you may be able to take the child into account in determining the dependency exemption. For details, see Information Bulletin #117.

Married person. If the person is married and files a joint return, you cannot claim that person as your dependent. However, if the person is married but does not file a joint return or files a joint return only to claim a refund of withheld income tax or estimated tax paid, you may be able to claim him or her as a dependent. (See Information Bulletin #117 for details and examples.) In that case, go to Step 2, question 3 (for a qualifying child) or Step 3, question 4 (for a qualifying relative).

Multiple support agreements. If no one person contributed over half of the support of your relative (or a person who lived with you all year as a member of your household) but you and another person(s) provided more than half of your relative's support, special rules may apply that would treat you as having provided over half of the support. For details, see Information Bulletin #117.

Permanently and totally disabled. A person is permanently and totally disabled if, at any time during the year, the person cannot engage in any substantial gainful activity because of a physical or mental condition and a doctor has determined that this condition has lasted or can be expected to last continuously for at least a year or can be expected to lead to death.

Public assistance payments. If you received payments under the Temporary Assistance for Needy Families (TANF) program or other public assistance program and you used the money to support another person, see Information Bulletin #117.

Qualifying child of more than one person. Even if a child meets the conditions to be the qualifying child of more than one person, only one person can claim the child as a dependent. If you and any other person can claim the child as a dependent, the following rules apply:

- If only one of the persons is the child's parent, the child is treated as the qualifying child of the parent;
- If the parents file a joint return together and can claim the child as a qualifying child, the child is treated as the qualifying child of the parents;
- If the parents do not file a joint return together but both parents claim the child as a qualifying child, the department will treat the child as the qualifying child of the parent with whom the child lived for the longer period of time during the year. If the child lived with each parent for the same amount of time, the department will treat the child as the qualifying child of the parent who had the higher federal AGI for the year;
- If no parent can claim the child as a qualifying child, the child is treated as the qualifying child of the person who had the highest federal AGI for the year;
- If a parent can claim the child as a qualifying child but chooses not to, the child is treated as the qualifying child of the person who had the highest federal AGI for the year, but only if that person's federal AGI is higher than the highest federal AGI of any parent of the child who can claim the child.

Example. You, your daughter and your mother live together. Your daughter meets the conditions to be a qualifying child for both you and your mother. Your daughter doesn't meet the conditions to be a qualifying child of any other person, including her other parent. Under the rules just described, you can claim your daughter as a dependent. Your mother cannot claim your daughter. However, if your mother's federal AGI is higher than yours and you do not claim your daughter as a dependent, your daughter is the qualifying child of your mother.

For more details and examples, see Information Bulletin #117.

Social Security Number. You must enter each dependent's 9-digit Social Security number (SSN) on Schedule IN-DEP, Box C. Be sure the name and SSN entered agree with the dependent's Social Security card. Otherwise, we may disallow the exemption claimed for the dependent. If the name or SSN on the dependent's Social Security card is not correct or you need to get an SSN for your dependent, contact the Social Security Administration.

If your dependent child was born and died during the year and you do not have an SSN for the child, enter "Died" in Box C and keep a copy of the child's birth certificate, death certificate, or hospital records as the department can require you to provide these at a later date. The document must show the child was born alive.

Example. [ ] [ ] [Died]

If you apply for an ATIN or an ITIN on or before the due date of your 2019 return (including extensions) and the IRS issues you an ATIN or an ITIN as a result of the application, the IRS will consider your ATIN or ITIN as issued on or before the due date of your return.

Student. A student is a child who during any part of 5 calendar months of the tax year was enrolled as a full-time student at a school, or took a full-time, on-farm training course given by a school or a state, county, or local government agency. A school includes a technical, trade, or mechanical school. It does not include an on-the-job training course, correspondence school, or school offering courses only through the Internet.

Sales/Use Tax Worksheet List all purchases made during the tax year from out-of-state retailers.		
Column A Description of personal property purchased from out-of-state retailer	**Column B** Date of purchase(s)	**Column C** Purchase Price of Property(s)
Magazine subscriptions:		
Mail order purchases:		
Internet purchases:		
Other purchases:		

1. Total purchase price of property subject to the sales/use tax: enter total of Columns C	1	
2. Sales/use tax: Multiply line 1 by .07 (7%)	2	
3. Sales tax previously paid on the above items (up to 7% per item)	3	
4. Total amount due: Subtract line 3 from line 2. Carry to Form IT-40, Schedule 4, line 1. If the amount is negative, enter zero and put no entry on Schedule 4, line 1	4	

Schedule 4: Other Taxes *IC 6-2.5-3*

Line 1 – Use Tax on Internet, Mail Order and/or Out-Of-State Purchases

If you have purchased items while you were outside Indiana, through the mail (for instance, by catalog or offer through the mail), through radio or television advertising and/or over the Internet, these purchases may be subject to Indiana sales and use tax, if sales tax was not paid at the time of purchase. This tax, called "use" tax, is figured at 7 percent (.07).

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

Complete the worksheet above to figure your tax. If you paid sales tax to the state where the item was originally purchased, you are allowed a credit against your Indiana use tax for an amount paid up to 7 percent.

Line 2 – Household Employment Taxes *IC 6-3-4-8(j)(k)*

If you paid cash wages during 2019 to an individual who is not:

- Your spouse,
- Your child under age 21,
- Your parent,
- An employee under age 18; and

the individual worked in and around your home as a baby-sitter, nanny, health aide, private nurse, maid, caretaker, yard worker or someone who does similar domestic duties, then that individual may be defined as your employee.

See Federal Publication 926, *Household Employer's Tax Guide*, for more information on how to define an employee. Visit www.irs.gov or call the IRS at 1-800-829-1040.

If you paid cash wages of $2,100 or more to a household worker who is your employee, or total cash wages of $1,000 or more in any calendar quarter of 2018 or 2019 to all household employees, you may have withheld state and county income taxes. To pay these taxes on your Indiana income tax return, contact the department for Schedule IN-H, or download one from www.in.gov/dor/6524.htm.

Line 3 – Recapture of certain Indiana offset credits

Indiana requires the recapture of certain offset credits if certain conditions are met. Currently, these credits include the Indiana CollegeChoice 529 Education Savings Plan Credit and the Historic Building Rehabilitation Credit. *IC 6-3-3-12(q); IC 6-3.1-16-12 (2017)*

- If contributions were made to an Indiana CollegeChoice 529 education savings plan in which you are the account owner and you made a non-qualified withdrawal(s) from this plan during the tax year, you will probably have to repay some or all of any credits previously claimed.
- You may need to recapture some or all of the credits previously claimed for the Historic Building Rehabilitation Credit if you did not meet certain requirements.

Complete and enclose Schedule IN-CR if you have an amount to be recaptured. Enter the total amount to be recaptured on line 3. Download Schedule IN-CR by visiting www.in.gov/dor/6524.htm.

Schedule 5: Credits IC 6-3-4-8(h)

Lines 1 and 2 – Indiana State and County Tax Withheld

The amount of Indiana state tax withheld is usually shown in box 17 and the amount of and Indiana county tax withheld is usually shown in box 19 of your W-2s. Indiana state and county withholding amounts may also be present on other forms, including W-2Gs, various 1099s, and Schedule IN K-1.

You **must** enclose your withholding statements, including W-2s, W-2Gs, 1099s and Schedule IN K-1s, with your tax return to verify Indiana state and county taxes claimed as being withheld. Failure to enclose these withholding statements will result in a reduced refund or increase in the amount you owe.

If you are filing a joint return, be sure to include your spouse's withholding statements if they show Indiana state and/or county tax withholding amounts.

Important. The use of substitute W-2s will delay the processing of your return and may impact the issuance of any refund.

Do not claim credit for taxes withheld for states other than Indiana or for localities outside Indiana.

A note about your W-2s. It is important that your W-2 form is readable. The income and state and county tax amounts withheld are verified on every W-2 form that comes in with your tax return. If you are not filing electronically, we encourage you to enclose the best copy available when you file.

Line 3 – 2019 Estimated Tax Paid

If you made estimated tax payments, enter the total paid for 2019 on this line. Also, include any extension payment made with Form IT-9 *Extension of Time* to File for tax year 2019.

IC 6-3-4-4.1(b); IC 6-8.1-6-1 ext.

Note. Do not include on this line any estimated tax paid for tax year 2020.

Line 4 - Unified Tax Credit for the Elderly IC 6-3-3-9

New. This credit is no longer limited to a June 30 filing deadline. It may be claimed during the same time period as any other refundable credit. The tax return must be filed and credit claimed within three years of the filing due date (including extensions) to be eligible for a refund.

This credit is available for certain low-income individuals who are age 65 or older. You may be able to claim this credit if you and/or or your spouse meet all the following requirements:

- You and/or your spouse must have been age 65 or older by Dec. 31, 2019,
- If married and living together at any time during the year, you must file a joint return,
- The amount on line 1 of Form IT-40 must be *less than $10,000,*
- You must have been a resident of Indiana for at least six months during 2019, and
- You must not have been in prison for 180 days or more in 2019.

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

How should you file to claim the credit?

You may claim the credit by filing the simplified Form SC-40* if your taxable income is low enough that you are not required to file Form IT-40. You will qualify if:

- You are single or widowed and your income on line 1 of Form IT-40 is less than $2,500; or
- You are married with only one person age 65 or older and your income on line 1 of Form IT-40 is less than $3,500; or
- You are married with both persons are age 65 or older and your income on line 1 of Form IT-40 is less than $5,000;
- You have no other credits, such as withholding or estimated tax credits.

*Form SC-40 can be found at www.in.gov/dor/6524.htm.

No double dipping. If you qualify to file Form SC-40 and do so, then do not also file Form IT-40 and claim the credit a second time.

If you are required to file Form IT-40 you may claim the credit on Schedule 5, line 4. You can claim the credit on either Form IT-40 **or** Form SC-40, but *file only one of these forms, and only file once.*

Important.

- If your spouse died after Jan. 1, 2019, you can claim this credit by filing a joint return.
- If a person dies and does not have a surviving spouse, then no one can claim the credit on behalf of the deceased person.

To Figure Your Unified Tax Credit for the Elderly:

Use Table A if:

You meet all the requirements listed above, **and**:

- You are filing a joint return, lived with your spouse during the tax year, both were Indiana residents for at least six months and both were age 65 or older by Dec. 31, 2019, **or**
- Both you and your spouse met all the above-requirements and your spouse died after Jan. 1, 2019.

Table A
Joint Filers Both Age 65 or Older

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

Use Table B if:

You meet all the requirements listed above, **and**:

- You are age 65 or older and are single or widowed,
- You are filing a joint return and only one is age 65 or older, **or**
- You are filing a joint return and only one was an Indiana resident for at least six months, or you are married but did not live with your spouse during the tax year, are age 65 or older and are married filing separately.

Table B
Only One Person Age 65 or Older

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

***Once you have located your credit on Table A or Table B, enter that amount on line 4.**

Remember to file either Form SC-40 OR Form IT-40, but not both.

Line 5 Indiana's Earned Income Credit (EIC)

If you are eligible for an earned income credit on your federal tax return, you may be eligible for Indiana's earned income credit, too. Here are some important things to know: ***IC 6-3.1-21***

- You must be eligible for and have claimed an EIC on your federal tax return. If not, STOP. You are not eligible to claim Indiana's EIC.
- Your income on Form IT-40, line 1 (or Indiana's Schedule A, line 35A), must be less than $46,700. If it is the same amount or more, STOP. You are not eligible to claim Indiana's EIC.
- Schedule IN-EIC must be completed and enclosed by all filers claiming the EIC.

Indiana's Publication EIC is available for additional information. It may be viewed online at www.in.gov/dor/6524.htm.

What is the EIC?
The EIC is a credit for certain people who work. The credit may give you a refund even if you don't owe any tax.

To figure the EIC:

- Follow the steps below
- Complete the worksheet(s) that apply to you
- Complete and enclose Schedule IN-EIC

Step 1 All Filers

1. Did you claim an EIC on your 2019 federal tax return Form 1040/1040SR, line 18a?

Yes. *Continue.*
No. STOP. You cannot take the credit.

2. If, in 2019:
   - 2 or more children lived with you, is the amount on Form IT-40, line 1 (Indiana's Schedule A, line 35A), less than $46,700?
   - 1 child lived with you, is the amount on Form IT-40, line 1 (Indiana's Schedule A, line 35A), less than $41,050?
   - No children lived with you, is the amount on Form IT-40, line 1 (Indiana's Schedule A, line 35A), less than $15,500?

Yes. *Continue.*
No. STOP. You cannot take the credit.

Step 2 Investment Income

1. Add amounts from:

Federal Form 1040/1040SR, Line 2a	+ _____
Federal Form 1040/1040SR, Line 2b	+ _____
Federal Form 1040/1040SR, Line 3b	+ _____
Federal Form 1040/1040SR, Line 6*	+ _____
Investment Income	= _____

*If Line 6 is a loss, enter -0-.

2. Is your investment income more than $3,600?

Yes. *Continue.*
No. Skip question 3; go to question 4.

3. Did you file federal Form 4797 (relating to sales of business property)?

No. STOP. You cannot take the credit.

Yes. If the amount on Form 1040/1040SR, line 6, includes an amount from federal Form 4797, you must use **Worksheet 1** in Indiana's Publication EIC (located online at www.in.gov/dor/6524.htm) to see if you can take the EIC. Otherwise, **STOP**; you cannot take the EIC.

4. Do any of the following apply for 2019?
   - You filed federal Schedule E.
   - You are claiming a loss on federal Form 1040/1040SR, line 6, and/or federal Schedule 1, lines 3 and/or 6.
   - You are reporting income or a loss from the rental of personal property not used in a trade or business.
   - You and/or spouse if married filing jointly received a distribution from a pension, annuity, IRA or Coverdell ESA that is not fully taxable.
   - You reported income on federal Schedule 1, line 8, from federal Form 8814 (relating to election to report child's interest and dividends).

Yes. You must use **Worksheet 3** in Indiana's Publication EIC to see if you can take the credit. You may find Publication EIC at www.in.gov/dor/6524.htm.
No. Go to Step 3.

Step 3 Qualifying Child

Did a child live with you in 2019?

No. Go to Step 4.
Yes. *Continue.*

A qualifying child is a child who is your…

- Son
- Daughter
- Grandchild
- Stepchild
- Foster child and/or related child (see page 33)

AND, was…

- Under age 19 at the end of the year and younger than you (or your spouse, if filing jointly), or
- Under age 24 at the end of the year, a student (see page 34), and younger than you (or your spouse, if filing jointly), or
- Any age and permanently and totally disabled (see page 34),

AND, who…

Is not filing a joint return for the year, or is filing a joint return for the year only as a claim for refund,

AND, who…

Lived with you in the United States for more than half of the year or, if a foster child, for all of the year. If the child did not live with you for the required time, see *Exception to "time lived with you"* on page 33.

Caution. If the child meets the conditions to be a qualifying child of any other person (other than your spouse if filing a joint return) for the year, or the child was married, see page 34.

1. Do you have at least one child who meets the conditions to be your qualifying child?

Yes. The child must have a valid 9-digit Social Security number (SSN) unless the child was born and died during the year*. If at least one qualifying child has a SSN (or was born and died during the year), go to Step 5.
No. *Continue to Step 4.*

Exception. If your qualified dependent child was born and died during the year and you do not have an SSN for the child, you may be able to claim the child for earned income credit purposes (see *Social Security Number* on page 34).

Step 4 Filers Without a Qualifying Child

If you have no qualifying child (see Step 3) but you claimed an EIC on your federal tax return Form 1040/1040SR, line 18a, then you may be eligible to claim Indiana's EIC. Continue to Step 5.

Step 5 Modified Adjusted Gross Income (MAGI)

Add amounts from:

1. Federal Form 1040/1040SR, line 2a +_____
   Federal Form 1040/1040SR, line 8b +_____

Modified Adjusted Gross Income* = | **Box A** | _____ |

- ***Note.** If you completed **Worksheet 3** in Publication EIC, enter in Box A the amount from **Worksheet 3**, line 17.

If you have:

- 2 or more qualifying children, is Box A less than $ 46,700?
- 1 qualifying child, is Box A less than $41,050?
- No qualifying children, is Box A less than $15,500?

Yes. Go to Step 6.
No. STOP. You cannot take the credit.

Step 6 Earned Income

1. Did you file federal Schedule SE because you are a member of the clergy or you had church employee income of $108.28 or more?

Yes. See **Clergy** or **Church employees**, whichever applies, in the next column.
No. *Continue.*

2. Figure earned income:
   A. Enter amount from federal 1040/1040SR, line 1 _____

Subtract, if included on line A above, any:

- Taxable scholarship or fellowship grant not reported on a Form W-2. _____
- Amount received for work performed while an inmate in a penal institution. _____
- Amount received as a pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan. This amount may be shown in Box 11 of Form W-2. If you received such an amount but Box 11 is blank, contact your employer for the amount received as a pension or annuity. _____
- Amount of the qualified foster care payments included in Box 1 of Form W-2 that you have elected to exclude from your federal adjusted gross income -_____

- Add all of your nontaxable combat pay if you elect to include it in earned income.* + _____

Earned Income = | **Box B** | _____ |

***Caution.** Electing to include nontaxable combat pay may increase or decrease your EIC. Figure the credit with and without your nontaxable combat pay before making the election.

3. Were you self-employed at any time in 2019, or did you file federal Schedule SE because you were a member of the clergy or you had church employee income, or did you file federal Schedule C or C-EZ as a statutory employee?

Yes. Skip question 4 and Step 7; go to **Worksheet B** on page 36.
No. *Continue*.

4. If you have:
- 2 or more qualifying children, is your total earned income (Box B) less than $46,700?
- 1 qualifying child, is your total earned income (Box B) less than $41,050?
- No qualifying children, is your total earned income (Box B) less than $15,500?

Yes. Go to Step 7.
No. STOP. You cannot take the credit.

Step 7 How to Figure the Credit

Go to **Worksheet A** on page 35.

Definitions and Special Rules*

Adopted child. An adopted child is always treated as your own child. The term "adopted child" includes a child who was lawfully placed with you for legal adoption, even if the adoption is not final.

Church employees. A church employee means an employee (other than a minister or member of a religious order) of a church or qualified church-controlled organization that is exempt from employer Social Security and Medicare taxes. Determine how much of the amount on federal Form 1040/1040SR, line 1, was also reported on federal Schedule SE, Section B, line 5a. Subtract that amount from the amount on federal Form 1040/1040SR, line 1, and enter the result in the first space of Step 6, line 2. Be sure to answer "Yes" to question 1 in Step 6.

Claim for refund. A claim for refund is a federal return filed only to get a refund of withheld income tax or estimated tax paid. A federal return is not a claim for refund if the EIC or any other similar refundable credit is claimed on it.

Clergy. The following instructions apply to ministers, members of religious orders who have not taken a vow of poverty, and Christian Science practitioners. If you are filing federal Schedule SE and the amount on line 2 of that schedule includes an amount that was also reported on federal Form 1040/1040SR, line 1;

- Determine how much of the amount on federal Form 1040/1040SR, line 1, was also reported on federal Schedule SE, Section A, line 2, or Section B, line 2.
- Subtract that amount from the amount on federal Form 1040/1040SR, line 1. Enter the result in the first space of Step 6, line 2.
- Be sure to answer "yes" to question 1 in Step 6.

Combat pay, nontaxable. If you were a member of the U.S. Armed Forces who served in a combat zone, certain pay is excluded from your income.
- If you included your combat pay when figuring your federal EIC, then enter the same amount in Step 6, line 2.
- If you did not include it when figuring your federal EIC, then do not enter any amount in Step 6, line 2.

Exception to "time lived with you" condition. A child is considered to have lived with you for all of the year if the child was born or died during the year and your home was this child's home for the entire time he or she was alive during the year. Temporary absences, such as for school, vacation, medical care, or detention in a juvenile facility, count as time lived at home. If your child is presumed to have been kidnapped by someone who is not a family member, see Indiana's Pub. EIC (www.in.gov/dor/6524.htm) to find out if that child is a qualifying child for the EIC. If you were in the military stationed outside the United States, see *Members of the military* in the next column.

Federal Form 4797 filers. If the amount on federal Form 1040/1040SR, line 6, includes an amount from federal Form 4797, you must use Worksheet 1 in Indiana's Pub. EIC (www.in.gov/dor/6524.htm) to see if you can take the EIC. Otherwise, **STOP**; you cannot take the EIC.

Foster child.
- Any child you cared for as your own child and who is (a) your brother, sister, stepbrother, or stepsister; (b) a descendant (such as a child, including an adopted child) of your brother, sister, stepbrother, or stepsister; or (c) a child placed with you by an authorized placement agency. For example, if you acted as the parent of your niece or nephew, this child is considered your foster child.
- The qualifying foster child must live with you for the entire year (except for temporary absences).

Grandchild. For the EIC, this means any descendant of your son, daughter, or adopted child. For example, a grandchild includes your great-grandchild, great-great-grandchild, etc.

Married child. A child who was married at the end of the tax year is a qualifying child only if (a) you can claim him or her as your dependent on Indiana Schedule IN-DEP, or (b) you could have claimed him or her as your dependent except for the special rule for *Children of divorced or parents who lived apart*. Get Indiana's Pub. EIC* for more information about this special rule.

***Indiana's Publication EIC,** available online at www.in.gov/dor/6524.htm, has additional information, including rules if you have a qualifying child, an investment income calculation worksheet, additional definitions, tiebreaker rules, etc.

Members of the military. U.S. military personnel stationed outside the United States on extended active duty are considered to live in the United States during that duty period for purposes of the EIC. Extended active duty is military duty ordered for an indefinite period or a period of more than 90 days. Once you begin serving extended active duty, you are considered to be on extended active duty even if you do not serve more than 90 days.

Permanently and totally disabled. A person is permanently and totally disabled if, at any time during the year, the person could not engage in any substantial gainful activity because of a physical or mental condition and a doctor has determined that this condition (a) has lasted or can be expected to last continuously for at least a year, or (b) can be expected to lead to death.

Qualifying child of more than one person. If the child meets the conditions to be a qualifying child of more than one person, only the person who had the **highest** modified adjusted gross income (MAGI) for the year may treat that child as a qualifying child. The other person(s) cannot take the EIC for people who do not have a qualifying child. If the other person is your spouse and you are filing a joint return, this rule does not apply. If you have the highest MAGI, this child is your qualifying child. If you do not have the highest MAGI, **STOP**; you cannot take the EIC. See Step 5 to figure your modified adjusted gross income.

Example. You and your 8-year-old daughter moved in with your mother during the year. You are not a qualifying child of your mother. Your daughter meets the conditions to be a qualifying child for both you and your mother. Your MAGI for the year was $8,000 and your mother's was $14,000. Because your mother's MAGI was higher, your daughter is your mother's qualifying child for EIC purposes. You **cannot** figure an EIC using your child as a qualifying child, even if your mother does not claim the credit.

Social Security Number. Your child must have a valid, 9-digit Social Security number (SSN) unless the child was born and died in 2019. If your dependent child was born and died during the year and you do not have an SSN for the child, you will be able to claim the child for purposes of claiming Indiana's earned income credit as long as all the other requirements have been met. For more information, see the instructions on Schedule IN-EIC.

Student. A student is a child who, during any 5 months of the year, was enrolled as a full-time student at a school that has a regular teaching staff, course of study, and regular student body at the school, or took a full-time, on-farm training course given by a school or a state, county, or local government agency. A school does not include a technical, trade or mechanical school. It does not include an on-the-job training course, correspondence school, or school offering courses only through the Internet.

Temporary absences. Count time that you or your child is away from home on a temporary absence due to a special circumstance as time the child lived with you. Examples of a special circumstance include illness, school attendance, business, vacation, military service, and detention in a juvenile facility.

Worksheet A – Indiana's Earned Income Credit (EIC)

Keep for your records

Before you begin: Be sure you are using the correct worksheet. Use Worksheet A if you answered "No" to Step 6, question 3.
Use Worksheet B if you answered "Yes" to Step 6, question 3.

Part 1: All filers using Worksheet A

1. Enter your earned income from Step 6, Box B ..... 1 _____
2. Look up the amount on line 1 above in the *Indiana Earned Income Credit Table* to find the credit. Be sure you use the correct column for the number of children you can claim. Enter the credit here ..... 2 _____

   If line 2 is zero, **STOP**. You cannot claim the credit.

3. Enter your modified adjusted gross income from Step 5, Box A ..... 3 _____
4. Are the amounts on lines 3 and 1 the same?
   Yes. Skip line 5; enter the amount from line 2 on line 6.
   No. Go to line 5.

Part 2: Filers who answered "No" on line 4

5. If you have:
   - No qualifying children, is the amount on line 3 less than $8,650?
   - 1 qualifying child, is the amount on line 3 less than $19,100?
   - 2 or more qualifying children, is the amount on line 3 less than $19,050?

   Yes. Leave line 5 blank; enter the amount from line 2 on line 6.

   No. Look up the amount on line 3 in the *Indiana Earned Income Credit Table* to find the credit. Be sure you use the correct column for the number of children you can claim. Enter the credit here ..... 5 _____

   Look at the amounts on line 5 and 2. Then, enter the **smaller** amount on line 6.

Part 3: Your Indiana earned income credit

6. This is the amount from Part 1 or Part 2 above ..... 6 _____
7. If you have an alternative minimum tax on our federal tax return, Form 1040/1040SR, then multiply that amount by 9 percent (.09) and enter the result here ..... 7 _____
8. Subtract line 7 from line 6 (if zero or less, **STOP**. You cannot take a credit). Enter this amount here ..... 8 _____
9. Enter the earned income credit claimed on your federal tax return Form 1040/1040SR ..... 9 _____
10. Multiply line 9 by .09 (9%). Enter result here ..... 10 _____
11. Look at the amount on line 8 and on line 10. Then, enter the **smaller** amount here and on Schedule IN-EIC, line A-3 ..... **Indiana Earned Income Credit** 11 _____

Final Step – You <u>must</u> complete Schedule IN-EIC and enclose it with your filing.

Worksheet B – Indiana's Earned Income Credit (EIC)

Keep for your records

Use this worksheet if you answered "Yes" to Step 6, question 3.

- Complete the parts below (Parts 1 through 3) that apply to you. Then, continue to Part 4.
- If you are married filing a joint return, include your spouse's amounts, if any, with yours to figure the amounts to enter in Parts 1 through 3.

Part 1: Self-employed, members of the clergy, and people with church employee income filing federal Schedule SE.

1a. Enter the amount from federal Schedule SE, Section A, line 3, or Section B, line 3, whichever applies ..... 1a _____

b. Enter any amount from federal Schedule SE, Section B, line 4b, and line 5a ..... + 1b _____

c. Add lines 1a and 1b ..... = 1c_____

d. Enter the amount from federal Schedule SE, Section A, line 6, or Section B, line 13, whichever applies ..... - 1d _____

e. Subtract line 1d from 1c ..... = 1e _____

Part 2: Self-employed NOT required to file federal Schedule SE

For example, your net earnings from self-employment were less than $400.

2. Do not include on these lines any statutory employee income, any net profit from services performed as a notary public, any amount exempt from self-employment tax as the result of filing and approval of federal Form 4029 or Form 4361, or any other amounts exempt from self-employment tax.

a. Enter any net farm income or (loss) from federal Schedule F, line 34, and from farm partnerships, Schedule K-1 (federal Form 1065), box 14, code A ..... 2a _____

b. Enter any net profit or (loss) from federal Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (federal Form 1065), box 9, code J1 ..... + 2b _____

c. Add lines 2a and 2b ..... = 2c _____

Part 3: Statutory employees filing federal Schedule C or C-EZ

3. Enter the amount from federal Schedule C or Schedule C-EZ, line 1c, that you are filing as a statutory employee ..... 3 _____

Part 4: All filers using Worksheet B

4a. Enter your earned income from Step 6, Box B ..... 4a _____

b. Add lines 1e, 2c, 3 and 4a. **This is your total earned income** ..... 4b _____

If line 4b is zero or less, **STOP**. You cannot take the credit.

5. If you have:
   - 2 or more qualifying children, is line 4b less than $46,700?
   - 1 qualifying child, is line 4b less than $41,050?
   - No qualifying children, is line 4b less than $15,500?

Yes. Enter the amount from line 4b on line 6 of this worksheet.

No. STOP. You cannot take the credit.

Part 5: All filers using Worksheet B

6. Enter your total earned income from Part 4, line 4b ..... 6 _____
7. Look up the amount on line 6 above in the *Indiana Earned Income Credit Table* to find the credit. Be sure you use the correct column for the number of children you can claim. Enter the credit here ..... 7 _____

   If line 7 is zero, **STOP**. You cannot take the credit.

8. Enter your modified adjusted gross income from Step 5, Box A. (If you filled out Worksheet 3, enter the amount from line 17.) ..... 8 _____
9. Are the amounts on lines 8 and 6 the same?

Yes. Skip line 10; enter the amount from line 7 on line 11.

No. Go to line 10.

Part 6: Filers who answered "No" on line 9

10. If you have:
    - No qualifying children, is the amount on line 8 less than $8,650?
    - 1 qualifying child, is the amount on line 8 less than $19,100?
    - 2 or more qualifying children, is the amount on line 8 less than $19,050?

Yes. Leave line 10 blank; enter the amount from line 7 on line 11.

No. Look up the amount on line 8 in the *Indiana Earned Income Credit Table* to find the credit. Be sure you use the correct column for the number of children you can claim. Enter the credit here ..... 10 _____

Look at the amounts on lines 10 and 7. Then, enter the smaller amount on line 11.

Part 7: Your Indiana earned income credit.

11. This is the amount from Part 5 or Part 6 above ..... 11 _____
12. If you have an alternative minimum tax on your federal tax return, Form 1040/1040SR, then multiply that amount by 9 percent (.09) and enter the result here ..... 12 _____
13. Subtract line 12 from line 11 (if zero or less, **STOP**. You cannot take a credit). Enter this amount here ..... 13 _____
14. Enter the earned income credit claimed on your federal tax return, Form 1040/1040SR ..... 14 _____
15. Multiply line 14 by .09 (9%). Enter result here ..... 15 _____
16. Look at the amount on line 13 and on line 15. Then, enter the smaller amount here and on Schedule IN-EIC, line A-3 ..... **Indiana Earned Income Credit** 16 _____

Final Step – You <u>must</u> complete Schedule IN-EIC and enclose it with your tax return when you file.

2019 Indiana Earned Income Credit (EIC) Table

1. To find your credit, read down the "At least-But less than" columns and find the line that includes the amount you were told to look up from your EIC Worksheet.

2. Then, read across to the column that includes the number of qualifying children you have. Enter the credit from that column on your EIC Worksheet.

Example. If you have one qualifying child and the amount you are looking up from your EIC Worksheet is $2,455, you would enter $76.

If the amount you are looking up from the worksheet is —		And you have —		
		No children	One child	Two children
At least	But less than	Your credit is —		
2,400	2,450	17	74	87
2,450	2,500	17	76	89

If the amount you are looking up from the worksheet is —		And you have —		
		No children	One child	Two children
At least	But less than	Your credit is —		
0	50	0	1	1
50	100	1	2	3
100	150	1	4	5
150	200	1	5	6
200	250	2	7	8
250	300	2	8	10
300	350	2	10	12
350	400	3	12	14
400	450	3	13	15
450	500	3	15	17
500	550	4	16	19
550	600	4	18	21
600	650	4	19	23
650	700	5	21	24
700	750	5	22	26
750	800	5	24	28
800	850	6	25	30
850	900	6	27	32
900	950	6	28	33
950	1000	7	30	35
1000	1050	7	31	37
1050	1100	7	33	39
1100	1150	8	34	41
1150	1200	8	36	42
1200	1250	8	38	44
1250	1300	9	39	46
1300	1350	9	41	48
1350	1400	9	42	50
1400	1450	10	44	51
1450	1500	10	45	53
1500	1550	11	47	55
1550	1600	11	48	57
1600	1650	11	50	59
1650	1700	12	51	60
1700	1750	12	53	62
1750	1800	12	54	64
1800	1850	13	56	66
1850	1900	13	57	68
1900	1950	13	59	69
1950	2000	14	60	71

If the amount you are looking up from the worksheet is —		And you have —		
		No children	One child	Two children
At least	But less than	Your credit is —		
2000	2050	14	62	73
2050	2100	14	64	75
2100	2150	15	65	77
2150	2200	15	67	78
2200	2250	15	68	80
2250	2300	16	70	82
2300	2350	16	71	84
2350	2400	16	73	86
2400	2450	17	74	87
2450	2500	17	76	89
2500	2550	17	77	91
2550	2600	18	79	93
2600	2650	18	80	95
2650	2700	18	82	96
2700	2750	19	83	98
2750	2800	19	85	100
2800	2850	19	86	102
2850	2900	20	88	104
2900	2950	20	90	105
2950	3000	21	91	107
3000	3050	21	93	109
3050	3100	21	94	111
3100	3150	22	96	113
3150	3200	22	97	114
3200	3250	22	99	116
3250	3300	23	100	118
3300	3350	23	102	120
3350	3400	23	103	122
3400	3450	24	105	123
3450	3500	24	106	125
3500	3550	24	108	127
3550	3600	25	109	129
3600	3650	25	111	131
3650	3700	25	113	132
3700	3750	26	114	134
3750	3800	26	116	136
3800	3850	26	117	138
3850	3900	27	119	140
3900	3950	27	120	141
3950	4000	27	122	143

If the amount you are looking up from the worksheet is —		And you have —		
		No children	One child	Two children
At least	But less than	Your credit is —		
4000	4050	28	123	145
4050	4100	28	125	147
4100	4150	28	126	149
4150	4200	29	128	150
4200	4250	29	129	152
4250	4300	29	131	154
4300	4350	30	132	156
4350	4400	30	134	158
4400	4450	31	135	159
4450	4500	31	137	161
4500	4550	31	139	163
4550	4600	32	140	165
4600	4650	32	142	167
4650	4700	32	143	168
4700	4750	32	145	170
4750	4800	33	146	172
4800	4850	33	148	174
4850	4900	34	149	176
4900	4950	34	151	177
4950	5000	34	152	179
5000	5050	35	154	181
5050	5100	35	155	183
5100	5150	35	157	185
5150	5200	36	158	186
5200	5250	36	160	188
5250	5300	36	161	190
5300	5350	37	163	192
5350	5400	37	165	194
5400	5450	37	166	195
5450	5500	38	168	197
5500	5550	38	169	199
5550	5600	38	171	201
5600	5650	39	172	203
5650	5700	39	174	204
5700	5750	39	175	206
5750	5800	40	177	208
5800	5850	40	178	210
5850	5900	40	180	212
5900	5950	41	181	213
5950	6000	41	183	215

If the amount you are looking up from the worksheet is —		And you have —		
		No children	One child	Two children
At least	But less than	Your credit is —		
6000	6050	41	184	217
6050	6100	42	186	219
6100	6150	42	187	221
6150	6200	42	189	222
6200	6250	43	191	224
6250	6300	43	192	226
6300	6350	44	194	228
6350	6400	44	195	230
6400	6450	44	197	231
6450	6500	45	198	233
6500	6550	45	200	235
6550	6600	45	201	237
6600	6650	46	203	239
6650	6700	46	204	240
6700	6750	46	206	242
6750	6800	47	207	244
6800	6850	47	209	246
6850	6900	47	210	248
6900	6950	48	212	249
6950	7000	48	213	251
7000	7050	48	215	253
7050	7100	48	217	255
7100	7150	48	218	257
7150	7200	48	220	258
7200	7250	48	221	260
7250	7300	48	223	262
7300	7350	48	224	264
7350	7400	48	226	266
7400	7450	48	227	267
7450	7500	48	229	269
7500	7550	48	230	271
7550	7600	48	232	273
7600	7650	48	233	275
7650	7700	48	235	276
7700	7750	48	236	278
7750	7800	48	238	280
7800	7850	48	239	282
7850	7900	48	241	284
7900	7950	48	243	285
7950	8000	48	244	287

2019 Indiana Earned Income Credit (EIC) Table — *Continued*

If the amount you are looking up from the worksheet is —		And you have —		
		No children	One child	Two children
At least	But less than	Your credit is —		
8000	8050	48	246	289
8050	8100	48	247	291
8100	8150	48	249	293
8150	8200	48	250	294
8200	8250	48	252	296
8250	8300	48	253	298
8300	8350	48	255	300
8350	8400	48	256	302
8400	8450	48	258	303
8450	8500	48	259	305
8500	8550	48	261	307
8550	8600	48	262	309
8600	8650	48	264	311
8650	8700	47	266	312
8700	8750	47	267	314
8750	8800	47	269	316
8800	8850	46	270	318
8850	8900	46	272	320
8900	8950	46	273	321
8950	9000	45	275	323
9000	9050	45	276	325
9050	9100	45	278	327
9100	9150	44	279	329
9150	9200	44	281	330
9200	9250	44	282	332
9250	9300	43	284	334
9300	9350	43	285	336
9350	9400	43	287	338
9400	9450	42	288	339
9450	9500	42	290	341
9500	9550	42	292	343
9550	9600	41	293	345
9600	9650	41	295	347
9650	9700	41	296	348
9700	9750	40	298	350
9750	9800	40	299	352
9800	9850	40	301	354
9850	9900	39	302	356
9900	9950	39	304	357
9950	10000	39	305	359
10000	10050	38	307	361
10050	10100	38	308	363
10100	10150	38	310	365
10150	10200	37	311	366
10200	10250	37	313	368
10250	10300	36	314	370
10300	10350	36	316	372
10350	10400	36	317	374

If the amount you are looking up from the worksheet is —		And you have —		
		No children	One child	Two children
At least	But less than	Your credit is —		
10400	10450	35	317	375
10450	10500	35	317	377
10500	10550	35	317	379
10550	10600	34	317	381
10600	10650	34	317	383
10650	10700	34	317	384
10700	10750	33	317	386
10750	10800	33	317	388
10800	10850	33	317	390
10850	10900	32	317	392
10900	10950	32	317	393
10950	11000	32	317	395
11000	11050	31	317	397
11050	11100	31	317	399
11100	11150	31	317	401
11150	11200	30	317	402
11200	11250	30	317	404
11250	11300	30	317	406
11300	11350	29	317	408
11350	11400	29	317	410
11400	11450	29	317	411
11450	11500	28	317	413
11500	11550	28	317	415
11550	11600	28	317	417
11600	11650	27	317	419
11650	11700	27	317	420
11700	11750	26	317	422
11750	11800	26	317	424
11800	11850	26	317	426
11850	11900	25	317	428
11900	11950	25	317	429
11950	12000	25	317	431
12000	12050	24	317	433
12050	12100	24	317	435
12100	12150	24	317	437
12150	12200	23	317	438
12200	12250	23	317	440
12250	12300	23	317	442
12300	12350	22	317	444
12350	12400	22	317	446
12400	12450	22	317	447
12450	12500	21	317	449
12500	12550	21	317	451
12550	12600	21	317	453
12600	12650	20	317	455
12650	12700	20	317	456
12700	12750	20	317	458
12750	12800	19	317	460

If the amount you are looking up from the worksheet is —		And you have —		
		No children	One child	Two children
At least	But less than	Your credit is —		
12800	12850	19	317	462
12850	12900	19	317	464
12900	12950	18	317	465
12950	13000	18	317	467
13000	13050	18	317	469
13050	13100	17	317	471
13100	13150	17	317	473
13150	13200	16	317	474
13200	13250	16	317	476
13250	13300	16	317	478
13300	13350	15	317	480
13350	13400	15	317	482
13400	13450	15	317	483
13450	13500	14	317	485
13500	13550	14	317	487
13550	13600	14	317	489
13600	13650	13	317	491
13650	13700	13	317	492
13700	13750	13	317	494
13750	13800	12	317	496
13800	13850	12	317	498
13850	13900	12	317	500
13900	13950	11	317	501
13950	14000	11	317	503
14000	14050	11	317	505
14050	14100	10	317	507
14100	14150	10	317	509
14150	14200	10	317	510
14200	14250	9	317	512
14250	14300	9	317	514
14300	14350	9	317	516
14350	14400	8	317	518
14400	14450	8	317	519
14450	14500	8	317	521
14500	14550	7	317	523
14550	14600	7	317	525
14600	14650	6	317	525
14650	14700	6	317	525
14700	14750	6	317	525
14750	14800	5	317	525
14800	14850	5	317	525
14850	14900	5	317	525
14900	14950	4	317	525
14950	15000	4	317	525
15000	15050	4	317	525
15050	15100	3	317	525
15100	15150	3	317	525
15150	15200	3	317	525

If the amount you are looking up from the worksheet is —		And you have —		
		No children	One child	Two children
At least	But less than	Your credit is —		
15200	15250	2	317	525
15250	15300	2	317	525
15300	15350	2	317	525
15350	15400	1	317	525
15400	15450	1	317	525
15450	15500	1	317	525
15500	15550	0	317	525
15550	15600		317	525
15600	15650		317	525
15650	15700		317	525
15700	15750		317	525
15750	15800		317	525
15800	15850		317	525
15850	15900		317	525
15900	15950		317	525
15950	16000		317	525
16000	16050		317	525
16050	16100		317	525
16100	16150		317	525
16150	16200		317	525
16200	16250		317	525
16250	16300		317	525
16300	16350		317	525
16350	16400		317	525
16400	16450		317	525
16450	16500		317	525
16500	16550		317	525
16550	16600		317	525
16600	16650		317	525
16650	16700		317	525
16700	16750		317	525
16750	16800		317	525
16800	16850		317	525
16850	16900		317	525
16900	16950		317	525
16950	17000		317	525
17000	17050		317	525
17050	17100		317	525
17100	17150		317	525
17150	17200		317	525
17200	17250		317	525
17250	17300		317	525
17300	17350		317	525
17350	17400		317	525
17400	17450		317	525
17450	17500		317	525
17500	17550		317	525
17550	17600		317	525

2019 Indiana Earned Income Credit (EIC) Table — *Continued*

If the amount you are looking up from the worksheet is —		And you have —		
		No children	One child	Two children
At least	But less than	Your credit is —		
17600	17650	317	525	
17650	17700	317	525	
17700	17750	317	525	
17750	17800	317	525	
17800	17850	317	525	
17850	17900	317	525	
17900	17950	317	525	
17950	18000	317	525	
18000	18050	317	525	
18050	18100	317	525	
18100	18150	317	525	
18150	18200	317	525	
18200	18250	317	525	
18250	18300	317	525	
18300	18350	317	525	
18350	18400	317	525	
18400	18450	317	525	
18450	18500	317	525	
18500	18550	317	525	
18550	18600	317	525	
18600	18650	317	525	
18650	18700	317	525	
18700	18750	317	525	
18750	18800	317	525	
18800	18850	317	525	
18850	18900	317	525	
18900	18950	317	525	
18950	19000	317	525	
19000	19050	317	525	
19050	19100	317	524	
19100	19150	316	523	
19150	19200	315	522	
19200	19250	315	521	
19250	19300	314	520	
19300	19350	313	519	
19350	19400	312	518	
19400	19450	312	517	
19450	19500	311	516	
19500	19550	310	515	
19550	19600	310	514	
19600	19650	309	513	
19650	19700	308	512	
19700	19750	307	511	
19750	19800	307	510	
19800	19850	306	509	
19850	19900	305	509	
19900	19950	304	508	
19950	20000	304	507	

If the amount you are looking up from the worksheet is —		And you have —		
		No children	One child	Two children
At least	But less than	Your credit is —		
20000	20050	303	506	
20050	20100	302	505	
20100	20150	302	504	
20150	20200	301	503	
20200	20250	300	502	
20250	20300	299	501	
20300	20350	299	500	
20350	20400	298	499	
20400	20450	297	498	
20450	20500	297	497	
20500	20550	296	496	
20550	20600	295	495	
20600	20650	294	494	
20650	20700	294	493	
20700	20750	293	492	
20750	20800	292	491	
20800	20850	292	491	
20850	20900	291	490	
20900	20950	290	489	
20950	21000	289	488	
21000	21050	289	487	
21050	21100	288	486	
21100	21150	287	485	
21150	21200	286	484	
21200	21250	286	483	
21250	21300	285	482	
21300	21350	284	481	
21350	21400	284	480	
21400	21450	283	479	
21450	21500	282	478	
21500	21550	281	477	
21550	21600	281	476	
21600	21650	280	475	
21650	21700	279	474	
21700	21750	279	473	
21750	21800	278	473	
21800	21850	277	472	
21850	21900	276	471	
21900	21950	276	470	
21950	22000	275	469	
22000	22050	274	468	
22050	22100	274	467	
22100	22150	273	466	
22150	22200	272	465	
22200	22250	271	464	
22250	22300	271	463	
22300	22350	270	462	
22350	22400	269	461	

If the amount you are looking up from the worksheet is —		And you have —		
		No children	One child	Two children
At least	But less than	Your credit is —		
22400	22450	268	460	
22450	22500	268	459	
22500	22550	267	458	
22550	22600	266	457	
22600	22650	266	456	
22650	22700	265	455	
22700	22750	264	455	
22750	22800	263	454	
22800	22850	263	453	
22850	22900	262	452	
22900	22950	261	451	
22950	23000	261	450	
23000	23050	260	449	
23050	23100	259	448	
23100	23150	258	447	
23150	23200	258	446	
23200	23250	257	445	
23250	23300	256	444	
23300	23350	256	443	
23350	23400	255	442	
23400	23450	254	441	
23450	23500	253	440	
23500	23550	253	439	
23550	23600	252	438	
23600	23650	251	437	
23650	23700	251	437	
23700	23750	250	436	
23750	23800	249	435	
23800	23850	248	434	
23850	23900	248	433	
23900	23950	247	432	
23950	24000	246	431	
24000	24050	246	430	
24050	24100	245	429	
24100	24150	244	428	
24150	24200	243	427	
24200	24250	243	426	
24250	24300	242	425	
24300	24350	241	424	
24350	24400	240	423	
24400	24450	240	422	
24450	24500	239	421	
24500	24550	238	420	
24550	24600	238	419	
24600	24650	237	419	
24650	24700	236	418	
24700	24750	235	417	
24750	24800	235	416	

If the amount you are looking up from the worksheet is —		And you have —		
		No children	One child	Two children
At least	But less than	Your credit is —		
24800	24850	234	415	
24850	24900	233	414	
24900	24950	233	413	
24950	25000	232	412	
25000	25050	231	411	
25050	25100	230	410	
25100	25150	230	409	
25150	25200	229	408	
25200	25250	228	407	
25250	25300	228	406	
25300	25350	227	405	
25350	25400	226	404	
25400	25450	225	403	
25450	25500	225	402	
25500	25550	224	401	
25550	25600	223	401	
25600	25650	222	400	
25650	25700	222	399	
25700	25750	221	398	
25750	25800	220	397	
25800	25850	220	396	
25850	25900	219	395	
25900	25950	218	394	
25950	26000	217	393	
26000	26050	217	392	
26050	26100	216	391	
26100	26150	215	390	
26150	26200	215	389	
26200	26250	214	388	
26250	26300	213	387	
26300	26350	212	386	
26350	26400	212	385	
26400	26450	211	384	
26450	26500	210	383	
26500	26550	210	383	
26550	26600	209	382	
26600	26650	208	381	
26650	26700	207	380	
26700	26750	207	379	
26750	26800	206	378	
26800	26850	205	377	
26850	26900	204	376	
26900	26950	204	375	
26950	27000	203	374	
27000	27050	202	373	
27050	27100	202	372	
27100	27150	201	371	
27150	27200	200	370	

2019 Indiana Earned Income Credit (EIC) Table — *Continued*

If the amount you are looking up from the worksheet is —		And you have —		
		No children	One child	Two children
At least	But less than	Your credit is —		
27200	27250	199	369	
27250	27300	199	368	
27300	27350	198	367	
27350	27400	197	366	
27400	27450	197	365	
27450	27500	196	364	
27500	27550	195	364	
27550	27600	194	363	
27600	27650	194	362	
27650	27700	193	361	
27700	27750	192	360	
27750	27800	192	359	
27800	27850	191	358	
27850	27900	190	357	
27900	27950	189	356	
27950	28000	189	355	
28000	28050	188	354	
28050	28100	187	353	
28100	28150	186	352	
28150	28200	186	351	
28200	28250	185	350	
28250	28300	184	349	
28300	28350	184	348	
28350	28400	183	347	
28400	28450	182	346	
28450	28500	181	346	
28500	28550	181	345	
28550	28600	180	344	
28600	28650	179	343	
28650	28700	179	342	
28700	28750	178	341	
28750	28800	177	340	
28800	28850	176	339	
28850	28900	176	338	
28900	28950	175	337	
28950	29000	174	336	
29000	29050	174	335	
29050	29100	173	334	
29100	29150	172	333	
29150	29200	171	332	
29200	29250	171	331	
29250	29300	170	330	
29300	29350	169	329	
29350	29400	169	328	
29400	29450	168	328	
29450	29500	167	327	
29500	29550	166	326	
29550	29600	166	325	

If the amount you are looking up from the worksheet is —		And you have —		
		No children	One child	Two children
At least	But less than	Your credit is —		
29600	29650	165	324	
29650	29700	164	323	
29700	29750	164	322	
29750	29800	163	321	
29800	29850	162	320	
29850	29900	161	319	
29900	29950	161	318	
29950	30000	160	317	
30000	30050	159	316	
30050	30100	158	315	
30100	30150	158	314	
30150	30200	157	313	
30200	30250	156	312	
30250	30300	156	311	
30300	30350	155	310	
30350	30400	154	310	
30400	30450	153	309	
30450	30500	153	308	
30500	30550	152	307	
30550	30600	151	306	
30600	30650	151	305	
30650	30700	150	304	
30700	30750	149	303	
30750	30800	148	302	
30800	30850	148	301	
30850	30900	147	300	
30900	30950	146	299	
30950	31000	146	298	
31000	31050	145	297	
31050	31100	144	296	
31100	31150	143	295	
31150	31200	143	294	
31200	31250	142	293	
31250	31300	141	292	
31300	31350	140	292	
31350	31400	140	291	
31400	31450	139	290	
31450	31500	138	289	
31500	31550	138	288	
31550	31600	137	287	
31600	31650	136	286	
31650	31700	135	285	
31700	31750	135	284	
31750	31800	134	283	
31800	31850	133	282	
31850	31900	133	281	
31900	31950	132	280	
31950	32000	131	279	

If the amount you are looking up from the worksheet is —		And you have —		
		No children	One child	Two children
At least	But less than	Your credit is —		
32000	32050	130	278	
32050	32100	130	277	
32100	32150	129	276	
32150	32200	128	275	
32200	32250	128	274	
32250	32300	127	274	
32300	32350	126	273	
32350	32400	125	272	
32400	32450	125	271	
32450	32500	124	270	
32500	32550	123	269	
32550	32600	122	268	
32600	32650	122	267	
32650	32700	121	266	
32700	32750	120	265	
32750	32800	120	264	
32800	32850	119	263	
32850	32900	118	262	
32900	32950	117	261	
32950	33000	117	260	
33000	33050	116	259	
33050	33100	115	258	
33100	33150	115	257	
33150	33200	114	256	
33200	33250	113	256	
33250	33300	112	255	
33300	33350	112	254	
33350	33400	111	253	
33400	33450	110	252	
33450	33500	110	251	
33500	33550	109	250	
33550	33600	108	249	
33600	33650	107	248	
33650	33700	107	247	
33700	33750	106	246	
33750	33800	105	245	
33800	33850	105	244	
33850	33900	104	243	
33900	33950	103	242	
33950	34000	102	241	
34000	34050	102	240	
34050	34100	101	239	
34100	34150	100	238	
34150	34200	100	237	
34200	34250	99	237	
34250	34300	98	236	
34300	34350	97	235	
34350	34400	97	234	

If the amount you are looking up from the worksheet is —		And you have —		
		No children	One child	Two children
At least	But less than	Your credit is —		
34400	34450	96	233	
34450	34500	95	232	
34500	34550	95	231	
34550	34600	94	230	
34600	34650	93	229	
34650	34700	92	228	
34700	34750	92	227	
34750	34800	91	226	
34800	34850	90	225	
34850	34900	89	224	
34900	34950	89	223	
34950	35000	88	222	
35000	35050	87	221	
35050	35100	87	220	
35100	35150	86	219	
35150	35200	85	219	
35200	35250	84	218	
35250	35300	84	217	
35300	35350	83	216	
35350	35400	82	215	
35400	35450	82	214	
35450	35500	81	213	
35500	35550	80	212	
35550	35600	79	211	
35600	35650	79	210	
35650	35700	78	209	
35700	35750	77	208	
35750	35800	77	207	
35800	35850	76	206	
35850	35900	75	205	
35900	35950	74	204	
35950	36000	74	203	
36000	36050	73	202	
36050	36100	72	201	
36100	36150	71	201	
36150	36200	71	200	
36200	36250	70	199	
36250	36300	69	198	
36300	36350	69	197	
36350	36400	68	196	
36400	36450	67	195	
36450	36500	66	194	
36500	36550	66	193	
36550	36600	65	192	
36600	36650	64	191	
36650	36700	64	190	
36700	36750	63	189	
36750	36800	62	188	

2019 Indiana Earned Income Credit (EIC) Table — *Continued*

If the amount you are looking up from the worksheet is —		And you have —		
		No children	One child	Two children
At least	But less than	Your credit is —		
36800	36850	61	187	
36850	36900	61	186	
36900	36950	60	185	
36950	37000	59	184	
37000	37050	59	183	
37050	37100	58	183	
37100	37150	57	182	
37150	37200	56	181	
37200	37250	56	180	
37250	37300	55	179	
37300	37350	54	178	
37350	37400	53	177	
37400	37450	53	176	
37450	37500	52	175	
37500	37550	51	174	
37550	37600	51	173	
37600	37650	50	172	
37650	37700	49	171	
37700	37750	48	170	
37750	37800	48	169	
37800	37850	47	168	
37850	37900	46	167	
37900	37950	46	166	
37950	38000	45	165	
38000	38050	44	165	
38050	38100	43	164	
38100	38150	43	163	
38150	38200	42	162	
38200	38250	41	161	
38250	38300	41	160	
38300	38350	40	159	
38350	38400	39	158	
38400	38450	38	157	
38450	38500	38	156	
38500	38550	37	155	
38550	38600	36	154	
38600	38650	36	153	
38650	38700	35	152	
38700	38750	34	151	
38750	38800	33	150	
38800	38850	33	149	
38850	38900	32	148	
38900	38950	31	147	
38950	39000	31	147	
39000	39050	30	146	
39050	39100	29	145	
39100	39150	28	144	
39150	39200	28	143	

If the amount you are looking up from the worksheet is —		And you have —		
		No children	One child	Two children
At least	But less than	Your credit is —		
39200	39250	27	142	
39250	39300	26	141	
39300	39350	25	140	
39350	39400	25	139	
39400	39450	24	138	
39450	39500	23	137	
39500	39550	23	136	
39550	39600	22	135	
39600	39650	21	134	
39650	39700	20	133	
39700	39750	20	132	
39750	39800	19	131	
39800	39850	18	130	
39850	39900	18	129	
39900	39950	17	129	
39950	40000	16	128	
40000	40050	15	127	
40050	40100	15	126	
40100	40150	14	125	
40150	40200	13	124	
40200	40250	13	123	
40250	40300	12	122	
40300	40350	11	121	
40350	40400	10	120	
40400	40450	10	119	
40450	40500	9	118	
40500	40550	8	117	
40550	40600	7	116	
40600	40650	7	115	
40650	40700	6	114	
40700	40750	5	113	
40750	40800	5	112	
40800	40850	4	111	
40850	40900	3	110	
40900	40950	2	110	
40950	41000	2	109	
41000	41050	1	108	
41050	41100	0	107	
41100	41150		106	
41150	41200		105	
41200	41250		104	
41250	41300		103	
41300	41350		102	
41350	41400		101	
41400	41450		100	
41450	41500		99	
41500	41550		98	
41550	41600		97	

If the amount you are looking up from the worksheet is —		And you have —		
		No children	One child	Two children
At least	But less than	Your credit is —		
41600	41650		96	
41650	41700		95	
41700	41750		94	
41750	41800		93	
41800	41850		92	
41850	41900		92	
41900	41950		91	
41950	42000		90	
42000	42050		89	
42050	42100		88	
42100	42150		87	
42150	42200		86	
42200	42250		85	
42250	42300		84	
42300	42350		83	
42350	42400		82	
42400	42450		81	
42450	42500		80	
42500	42550		79	
42550	42600		78	
42600	42650		77	
42650	42700		76	
42700	42750		75	
42750	42800		74	
42800	42850		74	
42850	42900		73	
42900	42950		72	
42950	43000		71	
43000	43050		70	
43050	43100		69	
43100	43150		68	
43150	43200		67	
43200	43250		66	
43250	43300		65	
43300	43350		64	
43350	43400		63	
43400	43450		62	
43450	43500		61	
43500	43550		60	
43550	43600		59	
43600	43650		58	
43650	43700		57	
43700	43750		56	
43750	43800		56	
43800	43850		55	
43850	43900		54	
43900	43950		53	
43950	44000		52	

If the amount you are looking up from the worksheet is —		And you have —		
		No children	One child	Two children
At least	But less than	Your credit is —		
44000	44050		51	
44050	44100		50	
44100	44150		49	
44150	44200		48	
44200	44250		47	
44250	44300		46	
44300	44350		45	
44350	44400		44	
44400	44450		43	
44450	44500		42	
44500	44550		41	
44550	44600		40	
44600	44650		39	
44650	44700		38	
44700	44750		38	
44750	44800		37	
44800	44850		36	
44850	44900		35	
44900	44950		34	
44950	45000		33	
45000	45050		32	
45050	45100		31	
45100	45150		30	
45150	45200		29	
45200	45250		28	
45250	45300		27	
45300	45350		26	
45350	45400		25	
45400	45450		24	
45450	45500		23	
45500	45550		22	
45550	45600		21	
45600	45650		20	
45650	45700		20	
45700	45750		19	
45750	45800		18	
45800	45850		17	
45850	45900		16	
45900	45950		15	
45950	46000		14	
46000	46050		13	
46050	46100		12	
46100	46150		11	
46150	46200		10	
46200	46250		9	
46250	46300		8	
46300	46350		7	
46350	46400		6	

2019 Indiana Earned Income Credit (EIC) Table — *Continued*

If the amount you are looking up from the worksheet is —		And you have —		
		No children	One child	Two children
At least	But less than	Your credit is —		
46400	46450			5
46450	46500			4
46500	46550			3
46550	46600			2
46600	46650			1
46650	46700			1

Line 6 – Lake County (Indiana) Residential Income Tax Credit IC 6-3.1-20

You may be eligible to claim a Lake County (Indiana) Residential Income Tax credit if you meet **all three** of the following requirements.

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

2. **Your Modified Indiana Adjusted Gross Income is less than $18,600.**

3. **You are not claiming the *Homeowner's Residential Property Tax Deduction* on Indiana Schedule 2, line 2.** If you are claiming this credit, make sure to see the **Final Step** after *Worksheet B* below.

Complete the following steps to see if you are eligible to claim this credit.

Step 1

- Did you pay property tax to Lake County (Indiana) on your residence during the year? ☐ Yes ☐ No
- If you answered "no," **STOP**. You do not qualify for this credit.
- If you answered "yes," continue to Step 2.

Step 2

1. First, prepare your state tax return (Form IT-40) through line 7. Enter amount from line 7 here ..... 1 _____
2. Enter any Homeowner's Residential Property Tax Deduction reported on Schedule 2, line 2..... 2 _____
3. Modified Indiana AGI. Add lines 1 and 2, enter result here and continue to Step 3 ..... 3 _____

Step 3

- If the amount from Step 2, line 3 is greater than $18,599, **STOP.** You do not qualify for this credit.
- If the amount from Step 2, line 3 is less than $18,000, go to **Worksheet A** to figure your credit.
- If the amount from Step 2, line 3 is between $18,000 and $18,599, go to **Worksheet B** to figure your credit.

Worksheet A:

Complete if the answer from Step 2, line 3 is less than $18,000.

A1 Enter the amount of Indiana property tax you paid on your Lake County residence..... **A1** $ _____

A2 Maximum credit ..... **A2 $** 300

A3 Enter the **smaller** of A1 or A2. This is your credit. Enter here and on Schedule 5, line 6, and skip to the Final Step below..... **A3 $** _____

Worksheet B: Indiana AGI Phaseout

Complete if the answer from Step 2, line 3 is between $18,000 and $18,600.

B1 Allowable maximum Indiana AGI..... **B1** $ 18,600

B2 Enter the amount from Step 2, line 3..... **B2** $_____

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

B4 Multiply the amount on B3 by 0.5. Round answer; see page 5 for rounding instructions..... **B4** $_____

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

B6 Enter the smaller of B4 or B5. This is your credit. Enter here and on Schedule 5, line 6, and continue to the **Final Step** below..... **B6** $_____

Final Step

Remember, you are not eligible to claim both the Homeowner's Property Tax Deduction and the Lake County Residential Income Tax Credit in the same year. Therefore, if you are claiming this credit, make sure to remove any Homeowner's Property Tax Deduction reported on Schedule 2, line 2.

Lines 7 and 8: IC 6-3.1-13

Economic Development for a Growing Economy Credit (EDGE); Economic Development for a Growing Economy Retention Credit (EDGE-R)

If you have business income (including partnership or S corporation income) you may be eligible for one or both of these credits. These credits are available to businesses who conduct certain activities that are designed to foster job creation and/or job retention in Indiana.

This credit is available to pass-through entities, such as members of partnerships and S corporations.

Contact the Indiana Economic Development Corporation (IEDC), One North Capitol, Suite 700, Indianapolis, IN, 46204, for eligibility requirements, or visit http://iedc.in.gov for additional information.

To claim these credits you must complete and enclose Schedule IN-EDGE or Schedule IN-EDGE-R, which are located online at www.in.gov/dor/6524.htm. The information to be reported on Schedule IN-EDGE or Schedule IN-EDGE-R is located on the Indiana Schedule IN K-1 or on the approved credit agreement letter from the IEDC.

Line 9 – Headquarters Relocation Credit (refundable portion) *IC 6-3.1-30.11(c)*

A business with annual worldwide revenue of $50 million, at least 75 employees, and which relocates its corporate headquarters to Indiana may be eligible for a credit. The credit may be as much as 50 percent of the cost incurred in relocating the headquarters. Generally, this credit is nonrefundable, and is reported on Schedule 6: Offset Credits.

New. Beginning with the 2019 tax year, some or all of this credit may be refundable. If the IEDC has ruled some or all of this credit to be refundable, enter on this line the refundable amount of the credit less the portion of the credit used to offset your tax liability. You must maintain the documentation provided to you that supports the refundable portion of this credit as the department may request it.

Caution. The combination of the headquarters relocation credit claimed here (offset amount) and on lines 29 through 31 (refundable amount) may not exceed the total of the credit that is available. See the instructions for the Headquarters Relocation Credit on page 51.

For more information (including limitations on the credit and the application process), see Income Tax Information Bulletin #97, available at www.in.gov/dor/3650.htm. This credit is administered by the IEDC. Contact them at One North Capitol, Suite 700, Indianapolis, IN 46204, via website at www.iedc.in.gov, or by phone at (317) 232-8800.

Schedule IN-DONATE

Each of the following funds has been assigned a three-digit code number. When listing your contribution on Schedule IN-DONATE under line 1, enter the name of the fund, the three-digit code number and the amount to be contributed.

You may contribute all or a portion of your Form IT-40, line 16 overpayment to the following funds:

- **Indiana Nongame Wildlife Fund 200** *IC 6-8.1-9-4(c)(1)*

The Indiana Wildlife Diversity Program offers you the opportunity to play an active role in conserving Indiana's nongame and endangered wildlife. This program is funded through public donations to the Indiana Nongame Wildlife Fund. The money you donate goes directly to the protection and management of more than 750 wildlife species in Indiana - from songbirds and salamanders to state-endangered Trumpeter swans and spotted turtles.

Enter both the name of the fund and the amount you wish to donate under line 1, and enter 200 as the designated 3-digit code number. Also, see the **Limitation** in the next column.

If you do not have an overpayment, but want to support the Wildlife Diversity Section, do not change your tax return. You may make a contribution online at www.in.gov/dnr/fishwild/3316.htm.

- **Military Family Relief Fund 201** *IC 6-8.1-9-4(c)(3)*

The Indiana Department of Veterans Affairs' Military Family Relief Fund provides emergency grants to be used by military and veteran families. The funds can be utilized for needs such as food, housing, utilities, medical services, transportation, and other essential family support expenses which have become difficult to afford. The Military Family Relief Fund has helped more than 2000 families since its inception in 2007.

Enter both the name of the fund and the amount you wish to donate under line 1, and enter 201 as the designated 3-digit code number. Also, see the **Limitation** in the next column.

If you do not have an overpayment, but want to support the Military Family Relief Fund, you may make a contribution by writing a check made payable to the *Military Family Relief Fund* and send it to the Indiana Department of Veterans Affairs, 302 W. Washington Street, Suite E-120, Indianapolis, IN 46204.

Read more about this fund and other programs available for Hoosier veteran's online at www.in.gov/dva.

- **Public K – 12 Education Fund 202** *IC 6-8.1-9-4(c)(2)*

You may donate all or a portion of your overpayment to help fund public education for kindergarten through grade 12 in Indiana. Enter both the name of the fund and the amount you wish to donate under line 1, and enter 202 as the designated 3-digit code number. Also, see the following **Limitation**.

Limitation

The combination of the amounts you wish to donate to these funds **cannot exceed** the overpayment shown on Form IT-40, line 16.

- If the total of the donations designated on this schedule is more than your available overpayment, the donation(s) will be reduced on a pro rata basis. For example, Sam wants to donate $20 to each fund, for a total of $60. His actual overpayment is $51. The donations to the three funds will be evenly reduced to $17 each.

- If you entered a donation to one or more of these funds, and wish to apply some of your overpayment to next years estimated tax account, the overpayment will be applied first to the selected fund(s) and then to the estimated tax account. Any remaining overpayment will be refunded to you. For example, Aaron donated $100 to the Indiana Nongame Wildlife Fund, and is applying $50 to next year's estimated tax account. His actual overpayment is only $110. The full $100 will be applied to the selected fund; the remaining $10 will be applied to next year's estimated tax account.

Schedule 6: Offset Credits

The following credits cannot be refunded; their purpose is to help reduce your state and/or county tax amounts due. See the limitation areas after the instructions for line 3 and line 7.

Line 1 – Credit for Local Taxes Paid Outside of Indiana IC 6-3.6-8-6

If you figured county tax on Form IT-40, line 9, **and** had to pay a local income tax outside Indiana, you may be able to take a credit. This credit applies only if the tax you paid outside Indiana was to another city, county, town, or other local governmental entity, and they did not refund the tax, or give you a credit for Indiana county tax.

The credit can be used to reduce your county tax liability. Carefully read instructions for Line B below.

Complete lines A, B and C to figure your credit.

A.	Enter the amount of tax paid to the non-Indiana locality	**A**_____
B.	Multiply the amount of income taxed by the non-Indiana locality by the rate from Schedule CT-40, line 2. Enter result here	**B**_____
C.	Enter the amount of Indiana county income tax shown on Form IT-40, line 9	**C**_____

The amount of the credit is the lesser of the amounts on A, B or C.

Note. See the **Combined Limitation** on page 45.

Important. You **must** enclose either a copy of your W-2s or other withholding statements showing the non-Indiana locality amount withheld or a copy of the non-Indiana locality tax return.

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

- A county tax amount on Form IT-40, line 9, and
- A local income tax that you had to pay outside Indiana.

Line 2 – Community Revitalization Enhancement District Credit IC 6-3.6-8-6

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

This credit is available to pass-through entities, such as members of partnerships and S corporations. It is nonrefundable and cannot be carried back. You may carry forward any excess credit to the next tax year.

The allowable credit is the lesser of the available credit or the county tax due on line 9 of Form IT-40. Also, claim any unused amount (within certain limitations) on Schedule 6 under line 6 (see instructions for this credit on page 43).

Contact the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN, 46204 for additional information.

See the **Restriction for Certain Tax Credits - Limited to One per Project** below for additional limitations. **Also**, see the **Combined Limitation** in the next column.

Line 3 – Other Local Credits

Currently, there are no other local credits available to be reported in this space.

Restriction for Certain Tax Credits - Limited to One per Project IC 6-3.1-1-3

A taxpayer may not be granted more than one credit for the same project. The credits that are subject to this limitation are the alternative fuel vehicle manufacturer credit, community revitalization enhancement district credit, enterprise zone investment cost credit, Hoosier business investment credit, industrial recovery credit, and the venture capital investment credit.

For more information see Commissioner's Directive #29 at www.in.gov/dor/3617.htm.

Apply this restriction first when figuring your credits. Then apply the **Combined Limitation** in the next column.

Combined Limitation: There is one final limitation if you claim more than one credit on lines 1 through 3 of Schedule 6. These credits, *when combined*, cannot be greater than the county tax shown on Form IT-40 line 9; if they are, adjust the amounts before you enter them. See the following *Order of Application* and example for guidance.

Order of Application IC 6-3.1-1-2

First, use the credits which cannot be carried over and applied against your county tax in another year. This means apply any credit for local taxes paid outside Indiana first, then apply any community revitalization enhancement district credit.

How to Adjust the Amount of Credit to be Entered (Example)

Example. Megan is eligible to claim a $100 credit for local taxes paid outside Indiana plus a $200 community revitalization enhancement district credit (CREED), for a $300 total amount in offset credits. Her county tax due (IT-40, line 9) is $160. Since her combined credits are more than her county tax due, she should reduce the last entry (the $200 CREED credit) by the $140 difference to $60. She will enter the full $200 credit for local taxes paid outside Indiana on Schedule 6, line 1, and the $60 limited CREED credit on line 3a. Note: Megan may use the $140 remaining CREED credit to offset any state adjusted gross income tax due on this year's tax return (IT-40, line 8).

Line 4 - College Credit IC 6-3-3-5

If you donated money or property to an Indiana college or university, you may be able to take a credit of up to $100 on a single return or $200 on a joint return. To claim this credit you must complete and enclose Schedule CC-40. For additional information see Schedule CC-40 at www.in.gov/dor/6524.htm and Income Tax Information Bulletin #14 at www.in.gov/dor/3650.htm.

Important. You must maintain documentation of your contributions. The department can require you to provide this information at a later date.

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

See the **Combined Limitation** on page 54.

Line 5 - Credit for Taxes Paid to Other States IC 6-3-3-3

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

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

Group A

No Agreement (Credit taken on resident return)

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

Any foreign countries or U.S. possessions

*Capital gain, interest, and dividends only.

Group A Worksheet

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

B. Multiply the amount of income from the other state (that is subject to Indiana tax) by 3.23% (.0323) ..... B_____

C. Enter the amount of Indiana state income tax shown on Form IT-40 line 8 ..... C _____

The *lesser* of the amounts on A, B or C is your allowable credit for taxes paid to other states.

You must enclose a copy of the income tax return (not just the W-2 forms) you filed with the other state to claim this credit. If the other state's return is not enclosed, the credit will not be allowed. Likewise, if you have a foreign tax credit, complete the Group A Worksheet and enclose federal Form 1116. If Form 1116 was not required, enclose Forms 1099-INT and/or 1099-DIV (or a substitute statement) to verify the foreign tax and amount of income being taxed.

Example. Ryan reported $10,000 Illinois-source wage income on the Illinois nonresident individual income tax return, and paid $300 tax to Illinois on that income. His Indiana state tax liability from line 8 of Form IT-40 is $870.

He will enter the following information on the *Group A Worksheet*.

A. $300 (tax paid to Illinois)
B. $323 ($10,000 x .0323, tax due to Indiana)
C. $870 (Form IT-40 line 8)

Ryan's credit is $300, which is the lesser of A, B and C.

Exception: Gambling winnings from other states. If you're not required to file another state's income tax return to report gambling winnings from that state, enclose the W-2G issued by that state. Use the amount of state tax withheld by that state on Line A of the Group A Worksheet.

Group B IC 6-3-5-1

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

Kentucky	Michigan	Ohio
Pennsylvania	Wisconsin	

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

Schedule 6: Offset Credits continued

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

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

Caution. You may have to make estimated tax payments to Indiana. If the reciprocal state employer does not withhold Indiana withholding on your wage income, or doesn't withhold enough, see page 9 for information on how to figure and pay estimated tax.

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

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

Reverse Credit (Credit taken on nonresident return)

Arizona	Oregon	Washington D.C.

If you were an Indiana resident during the tax year and had income from one of the states in Group C, you must pay Indiana tax on all your income. You will also need to file a nonresident return with the other state and claim a credit on their tax return for the Indiana tax paid.

Group D

No State Income Tax (No credit allowed)

Alaska	Florida	Nevada
South Dakota	Texas	Washington
Wyoming		

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

See the **Combined Limitation** on page 54.

Line 6 – Other Credits

Each of the following credits has been assigned a three-digit code number. When claiming the credit on Schedule 6 under line 6, enter the name of the credit, the three-digit code number and the amount claimed.

Adoption Credit 859 IC 6-3-3-13

You may be eligible to claim an adoption credit on your state tax return if you claimed an adoption credit on your federal tax return. The amount of the credit may be as much as 10 percent of the federal credit allowed per child, or $1,000 per child, whichever is less. Complete Worksheet B on page 49 to figure your credit.

Federal adoption carryforward credits.
A carryforward credit claimed on federal Form 8839 may be allowed if any of it is from tax year 2015, 2016, 2017, and/or 2018 (carryforward credits from years prior to 2015 are not allowed when figuring the Indiana adoption credit).

Federal Adoption Credit Carryforward Calculation
Use *Worksheet A-1* on page 48 to figure each child's pro rata share of any 2015 carryforward credit shown on line 12 of the 2019 Adoption Credit Carryforward Worksheet (from the 2019 instructions for federal Form 8839). Enter that amount in the appropriate column on line 6 of Worksheet B.

Use *Worksheet A-2* on page 48 to figure each child's pro rata share of any 2016 carryforward credit shown on line 14 of the 2019 Adoption Credit Carryforward Worksheet (from the 2019 instructions for federal Form 8839). Enter that amount in the appropriate column on line 7 of Worksheet B.

Use *Worksheet A-3* on page 48 to figure each child's pro rata share of any 2017 carryforward credit shown on line 16 of the 2019 Adoption Credit Carryforward Worksheet (from the 2019 instructions for federal Form 8839). Enter that amount in the appropriate column on line 8 of Worksheet B.

Use *Worksheet A-4* on page 48 to figure each child's pro rata share of any 2018 carryforward credit shown on line 18 of the 2019 Adoption Credit Carryforward Worksheet (from the 2019 instructions for federal Form 8839). Enter that amount in the appropriate column on line 9 of Worksheet B.

If you have no federal adoption credit to carry forward from either 2015, 2016, 2017, or 2018, skip Worksheets A-1, A-2, A-3, and A-4, and complete Worksheet B.

Federal Adoption Credit Carryforward

Worksheet A-1: 2015 Carryforward Credit	**Child 1**	**Child 2**	**Child 3**
1. Enter amount from 2015 Form 8839, line 11	$	$	$
2. Enter the amount from 2015 Form 8839, line 12	$	$	$
3. Divide line 1 by line 2; round answer to four decimal places			
4. Enter the amount of 2015 carryforward credit used in 2019 (line 3 minus line 12 of the 2019 *Adoption Credit Carryforward Worksheet* from the Form 8839 instructions)	$	$	$
5. Multiply line 3 by line 4; round to nearest whole dollar. Enter this amount in the appropriate column on line 6 of Worksheet B	$	$	$

Federal Adoption Credit Carryforward

Worksheet A-2: 2016 Carryforward Credit	**Child 1**	**Child 2**	**Child 3**
1. Enter amount from 2016 Form 8839, line 11	$	$	$
2. Enter the amount from 2016 Form 8839, line 12	$	$	$
3. Divide line 1 by line 2; round answer to four decimal places			
4. Enter the amount of 2016 carryforward credit used in 2019 (line 4 minus line 14 of the 2019 *Adoption Credit Carryforward Worksheet* from the Form 8839 instructions)	$	$	$
5. Multiply line 3 by line 4; round to nearest whole dollar. Enter this amount in the appropriate column on line 7 of Worksheet B	$	$	$

Federal Adoption Credit Carryforward

Worksheet A-3: 2017 Carryforward Credit	**Child 1**	**Child 2**	**Child 3**
1. Enter amount from 2017 Form 8839, line 11	$	$	$
2. Enter the amount from 2017 Form 8839, line 12	$	$	$
3. Divide line 1 by line 2; round answer to four decimal places			
4. Enter the amount of 2017 carryforward credit used in 2019 (line 5 minus line 16 of the 2019 *Adoption Credit Carryforward Worksheet* from the Form 8839 instructions)	$	$	$
5. Multiply line 3 by line 4; round to nearest whole dollar. Enter this amount in the appropriate column on line 8 of Worksheet B	$	$	$

Federal Adoption Credit Carryforward

Worksheet A-4: 2018 Carryforward Credit	**Child 1**	**Child 2**	**Child 3**
1. Enter amount from 2018 Form 8839, line 11	$	$	$
2. Enter the amount from 2018 Form 8839, line 12	$	$	$
3. Divide line 1 by line 2; round answer to four decimal places			
4. Enter the amount of 2018 carryforward credit used in 2019 (line 6 minus line 18 of the 2019 *Adoption Credit Carryforward Worksheet* from the Form 8839 instructions)	$	$	$
5. Multiply line 3 by line 4; round to nearest whole dollar. Enter this amount in the appropriate column on line 9 of Worksheet B	$	$	$

Indiana Adoption Credit Calculation

Complete Worksheet B to figure your Indiana adoption credit. Add more columns to the worksheet below if claiming this credit for more than three children.

You will need to have your completed 2019 federal Form 8839 on hand.

Indiana Adoption Credit Calculation

Worksheet B	Child 1	Child 2	Child 3	
1. Enter amount from Form 8839, Line 11, per child	$	$	$	
2. Enter the amount from Form 8839, line 12, in each column of this worksheet where there is an amount on line 1	$	$	$	
3. Enter the amount from Form 8839, line 15, reduced by the amount on Form 8839, line 13, in each column where there is an amount on line 1 (if equal to or more than amount on line 2, leave blank; skip line 4, enter the amount from line 1 on line 5). If less than zero, leave blank	$	$	$	
4. Divide line 1 by line 2; round answer to four decimal places				
5. Multiply line 3 by line 4; round to nearest whole dollar	$	$	$	
6. Enter pro rata share of any 2015 adoption carryforward credit from Worksheet A-1, line 5	$	$	$	
7. Enter pro rata share of any 2016 adoption carryforward credit from Worksheet A-2, line 5	$	$	$	
8. Enter pro rata share of any 2017 adoption carryforward credit from Worksheet A-3, line 5	$	$	$	
9. Enter pro rata share of any 2018 adoption carryforward credit from Worksheet A-4, line 5	$	$	$	
10. Add lines 5, 6, 7, 8, and 9	$	$	$	
11. Limitation	$ 10,000	$ 10,000	$ 10,000	
12. Enter the smaller of line 10 or line 11	$	$	$	
13. Multiply line 12 by 10% (.10); round to nearest whole dollar	$	$	$	
14. Add all amounts from each column on line 13. Enter total here.			**This is your credit**	$

See Income Tax Information Bulletin #111 at www.in.gov/dor/3650.htm for more information about this credit.

Maintain with your records a copy of the federal Form 8839, federal Adoption Credit Carryforward Worksheets (if applicable), and federal Form 1040 as the department can require you to provide this information at a later date.

Enter code 859 under line 6 if claiming this credit. Also, see the **Combined Limitation** on page 54.

Airport Development Zone Credits

The following credits have been repealed:

- **Airport Development Zone Employment Expense Credit 800** *IC 6-3-3-10; IC 6-3.1-7; IC 6-3.1-10*
- **Airport Development Zone Investment Cost Credit 801** *IC 6-3.1-10*
- **Airport Development Zone Loan Interest Credit 802** *IC 6-3.1-7*

However, any previously approved yet unused credit is available to be claimed.

Enter the appropriate 3-digit code under line 6 if claiming any of these credits. See the **Combined Limitation** on page 54.

Alternative Fuel Vehicle Manufacturer Credit 845 *IC 6-3.1-31.9*

This credit has been repealed. However, any previously approved yet unused credit is available to be claimed. Enter code 845 under line 6 if claiming this credit.

See the **Restriction for Certain Tax Credits - Limited to One per Project** and the **Combined Limitation** on page 54 for additional limitations.

Blended Biodiesel Credit 803

This credit has been repealed. However, any previously approved yet unused credit is available to be claimed.

Enter code 803 under line 6 if claiming this credit. See the **Combined Limitation** on page 54 for additional limitations.

Indiana's CollegeChoice 529 Education Savings Plan Credit 837 IC 6-3-3-12

You may be eligible for a credit for contributions made to Indiana's CollegeChoice 529 education savings plan. Also, beginning with the 2018 tax year, individuals may include contributions to fund Indiana K-12 education. While there are many 529 college savings plans available both in Indiana and nation-wide, only contributions made to this specific *CollegeChoice 529 Education Savings Plan* are eligible for this credit.

For more information about this credit, see Income Tax Information Bulletin #98 at www.in.gov/dor/3650.htm. This plan is administered through the Indiana Education Savings Authority. More information can be obtained online at www.in.gov/tos/iesa and at www.collegechoiceplan.com. See Schedule IN-529 at www.in.gov/dor/6524.htm to figure your credit. This schedule must be enclosed when claiming the credit.

Enter code 837 under line 6 if claiming this credit. See the **Combined Limitation** on page 54.

Coal Gasification Technology Investment Credit 806

A credit may be available for a qualified investment in an integrated coal gasification power plant or a fluidized bed combustion technology. This credit is available to pass-through entities, such as members of partnerships and S corporations. IC 6-3.1-29

You must file an application for certification with the Indiana Economic Development Corporation (IEDC). For more information, contact the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN, 46204, or visit their website at http://iedc.in.gov. Also, see Income Tax Information Bulletin #99 at www.in.gov/dor/3650.htm.

Enclose the certificate of compliance issued by IEDC to support this credit. See the **Combined Limitation** on page 54. Enter 806 under line 6 if claiming this credit.

Community Revitalization Enhancement District Credit 808 IC 6-3.1-19

See the Schedule 6 line 3 instructions for details about this credit. This credit is available to offset **both** your state and local tax liabilities, and any unused remainder is available to be carried forward. Pass-through entities are eligible for this credit.

If you did not use all of the available community revitalization enhancement district credit on Schedule 6, line 3, the remaining credit should be claimed on this line.

For more information, contact the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN, 46204, or visit their website at http://iedc.in.gov.

Note. See the **Restriction for Certain Tax Credits - Limited to One per Project** and the **Combined Limitation** on page 54 for additional limitations.

Enter code 808 under line 6 if claiming this credit.

About Enterprise Zone Credits

Certain areas within Indiana have been designated as enterprise zones. Enterprise zones are established to encourage investment and job growth in distressed urban areas. Use this website to look up contact information for a particular enterprise zone: www.aiez.org/directory.html.

Sole proprietors who operate and/or invest in a business located in a zone and pass-through entities are eligible to claim the enterprise zone employment expense credit and/or the enterprise zone loan interest credit. Contact the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN, 46204, or visit their website at http://iedc.in.gov/ for more information about these credits.

Enterprise Zone Employment Expense Credit 812

This credit is based on qualified investments made within Indiana. It is the lesser of 10 percent of qualifying wages, or $1,500 per qualified employee, up to the amount of tax liability on income derived from the enterprise zone. IC 6-3-3-10

For more information see Income Tax Information Bulletin #66 at www.in.gov/dor/3650.htm and Indiana Schedule EZ, Parts 1, 2 and 3 at www.in.gov/dor/3515.htm. Also, contact the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN, 46204, call (317) 232-8827, or visit their website at http://iedc.in.gov.

Note. Schedule EZ must be enclosed if claiming this credit.

Enter code 812 under line 6 if claiming this credit. Also, see the **Combined Limitation** on page 54.

Enterprise Zone Investment Cost Credit 813

This credit is based on qualified investments made within Indiana. It can be up to a maximum of 30 percent of the investment, depending on the number of employees, the type of business and the amount of investment in an enterprise zone. IC 6-3.1-10

For more information about this credit, see Income Tax Information Bulletin #66 at www.in.gov/dor/3650.htm and contact the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN, 46204, or visit their website at: http://iedc.in.gov.

Note. See the **Restriction for Certain Tax Credits - Limited to One per Project** and the **Combined Limitation** on page 54 for additional limitations.

Enter code 813 under line 6 if claiming this credit.

Enterprise Zone Loan Interest Credit 814

This credit can be for up to 5 percent of the interest received from all qualified loans made during a tax year for use in an Indiana enterprise zone. ***IC 6-3.1-7***

For more information, and how to calculate this credit, see Income Tax Information Bulletin #66 at www.in.gov/dor/3650.htm and Indiana Schedule LIC at www.in.gov/dor/3515.htm.

Note. Schedule LIC must be enclosed if claiming this credit. Contact the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN, 46204, call (317) 232-8827, or visit their website at http://iedc.in.gov for additional information.

For more information about this credit, see Income Tax Information Bulletin #66 at www.in.gov/dor/3650.htm and contact the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN, 46204, or visit their website at: http://iedc.in.gov.

Enter code 814 under line 6 if claiming this credit. Also, see the **Combined Limitation** on page 54.

Ethanol Production Credit 815 ***IC 6-3.1-28***

This credit has been repealed. However, any previously approved yet unused credit is available to be claimed.

Enter code 815 under line 6 if claiming this credit. See the **Combined Limitation** on page 54 for additional limitations.

Headquarters Relocation Credit 818 ***IC 6-3.1-30***

Effective July 1, 2019, some or all of this credit may be available to be refunded. See **New*** in the next column for more information.

A business may be eligible for a credit if it meets one of two sets of criteria. The first set of criteria ("first test") is that the business meets all of the following:

- Has an annual worldwide revenue of $50 million;
- Has at least 75 Indiana employees; and
- Relocates its corporate headquarters to Indiana.

***New.** Effective July 1, 2019, the second set of criteria ("second test") is that the business meets either (1) or (2), meets (3), and meets (4) or (5):

1. Received at least $4 million in venture capital in the six months immediately preceding the business's application for this tax credit.
2. Closes on at least $4,000,000 in venture capital not more than six months after submitting the business's application for this tax credit.
3. Has at least 10 Indiana employees.
4. Relocates its corporate headquarters to Indiana.
5. Relocates the number of jobs equal to 80% of the business's total payroll during the immediately preceding quarter to an Indiana location.

The credit may be as much as 50% of the cost incurred in relocating the taxpayer's headquarters. For more information (including limitations on the credit and the application process), see Income Tax Information Bulletin #97, available at www.in.gov/dor/3650.htm. This credit is administered by the IEDC. Contact them at One North Capitol, Suite 700, Indianapolis, IN 46204, via website at www.iedc.in.gov, or by phone at (317) 232-8800.

Submit a copy of the certificate from the IEDC verifying the amount of tax credit for the taxable year with the return. Otherwise, the credit will be denied.

Enter code 818 under line 6 if claiming this credit. Enclose proof of the relocation costs as well as proof of employment of the minimum number of employees in Indiana and, if applicable, payroll in both Indiana and everywhere. See the **Combined Limitation** on page 54 for additional limitations.

Important. If the IEDC has granted a refundable credit under the second test, see the instructions on page 44 for completing Schedule 5, line 9. Main-tain the documentation provided to you that supports the refundable portion of this credit as the department may request it.

Historic Building Rehabilitation Credit 819

This credit has been repealed. However, any previously approved yet unused credit is available to be claimed. ***IC 6-3.1-16 (2017)***

Enter code 819 under line 6 if claiming this credit. See the **Combined Limitation** on page 54 for additional limitations.

Important. The credit will need to be recaptured if, within five years of the completion of the project:

- Ownership of the property, and/or
- Additional modifications are undertaken to the property that do not meet required standards.

Report any recapture on Schedule 4, line 3, *Recapture of certain Indiana offset credits*. See instructions on page 29 for more information.

Hoosier Business Investment Credit 820 IC 6-3.1-26

This credit is for qualified investments, which include the purchase of new telecommunications, production, manufacturing, fabrication, processing, refining or finishing equipment. Pass-through entities are eligible for this credit.

This credit is administered by the Indiana Economic Development Corporation (IEDC), One North Capitol, Suite 700, Indianapolis, IN, 46204. Visit the IEDC website at http://iedc.in.gov or call (317) 232-8800 for additional information.

Also, see Income Tax Information Bulletin #95 at www.in.gov/dor/3650.htm.

Note. See the **Restriction for Certain Tax Credits - Limited to One Per Project** and the **Combined Limitation** on page 54 for additional limitations.

The approved credit must be reported on Schedule IN-OCC, found at www.in.gov/dor/6524.htm. Make sure to enclose this schedule with your tax filing. If you are claiming this credit as a pass-through entity, make sure to keep Schedule IN K-1 with your records as the department can require you to provide this information.

Hoosier Business Investment Credit - Logistics 860

This credit is for qualified expenditures for certain logistics investments. Pass-through entities are eligible for this credit. IC 6-3.1-26-8.5

This credit is administered by the Indiana Economic Development Corporation (IEDC), One North Capitol, Suite 700, Indianapolis, IN, 46204. Visit the IEDC website at http://iedc.in.gov or call (317) 234-4046, and get Income Tax Information Bulletin #95 at www.in.gov/dor/3650.htm for additional information.

Note. See the **Restriction for Certain Tax Credits - Limited to One Per Project** and the **Combined Limitation** on page 54 for additional limitations.

The approved credit must be reported on Schedule IN-OCC, found at www.in.gov/dor/6524.htm. Make sure to enclose this schedule with your tax filing. If you are claiming this credit as a pass-through entity, make sure to keep Schedule IN K-1 with your records as the department can require you to provide this information.

Indiana's Research Expense Credit 822 IC 6-3.1-4

Indiana has a research expense credit that is similar to the federal credit for research and experimental expenses paid in carrying on your trade or business in Indiana. S corporations and partnerships may pass through the credit to their shareholders and partners. Enclose your schedule IN K-1 to support your claim.

A completed Form IT-20REC must be kept with your records as the department can require you to provide this information. Get Form IT-20REC at www.in.gov/dor/6525.htm.

Enter code 822 under line 6 if claiming this credit. Also, see the **Combined Limitation** on page 54.

Individual Development Account Credit 823 IC 6-3.1-18

A credit is available for qualified contributions made to a community development corporation participating in an Individual Development Account (IDA) program.

The organization must have an approved program number from the Indiana Housing and Community Development Authority (IHCDA) before a contribution qualifies for pre-approval. Applications for the credit are filed through the IHCDA.

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

To request additional information about the definitions, procedures and qualifications for obtaining this credit, contact: Indiana Housing and Community Development Authority, 30 S. Meridian St., Suite 1000, Indianapolis, IN 46204, telephone number (317) 232-7777.

Keep the approval certification from IEDC or letter of assignment with your records as the department can require you to provide this information. Enter code 823 under line 6 if claiming this credit. Also, see the **Combined Limitation** on page 54.

Industrial Recovery Credit 824 IC 6-3.1-11

This credit is based on a taxpayer's qualified investment in a vacant industrial facility located in a designated industrial recovery site. If the Indiana Economic Development Corporation approves the application and the plan for rehabilitation, you are entitled to a credit based on the "qualified investment." The minimum age for a facility to be eligible for this credit has been reduced from 20 years to 15 years. This credit is available to pass-through entities, such as members of partnerships and S corporations.

Note. Effective July 1, 2019, except for in situations described in the next sentence, a taxpayer is entitled to receive this credit only for a qualified investment made before January 1, 2020. A taxpayer is entitled to receive a credit for a qualified investment made after December 31, 2019, and before January 1, 2030, if the taxpayer is awarded a credit under:

- an application approved by the Indiana Economic Development Corporation (IEDC) before January 1, 2020; or
- an agreement entered into by the taxpayer and IEDC before January 1, 2021.

Important. Any unused credit existing before Jan. 01, 2020, is still eligible for carryforward for an unlimited number of years.

For additional information regarding procedures for obtaining this credit, contact the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN 46204, call (317) 232-8800, or visit their website at http://iedc.in.gov.

Note. See the **Restriction for Certain Tax Credits - Limited to One per Project** and the **Combined Limitation** on page 54 for additional limitations. Enter code 824 under line 6 if claiming this credit.

Military Base Investment Cost Credit 826 IC 6-3.1-11.6

This credit has been repealed. However, any previously approved yet unused credit is available to be claimed. You must enclose approval certification from IEDC or a letter of assignment with your return.

Enter code 826 under line 6 if claiming this credit. See the **Combined Limitation** on page 54 for additional limitations.

Military Base Recovery Credit 827 IC 6-3.1-11.5

This credit has been repealed. However, any previously approved yet unused credit is available to be claimed. You must enclose approval certification from IEDC or a letter of assignment with your return.

Enter code 827 under line 6 if claiming this credit. See the **Combined Limitation** on page 54 for additional limitations.

Natural Gas Commercial Vehicle Credit 858

This credit has sunset. No new credit will be allowed for vehicles placed in service after Dec. 31, 2016. However, any previously approved yet unused credit is available to be claimed. This carryforward credit is available to pass-through entities, such as members of partnerships and S corporations. IC 6-3.1-34.6

The carryforward portion of the previously approved credit must be reported on Schedule IN-OCC, found at www.in.gov/dor/6524.htm. Make sure to enclose this schedule with your tax filing. If you are claiming this credit as a pass-through entity, make sure to keep Schedule IN K-1 with your records as the department can require you to provide this information.

Note. See the **Combined Limitation** on page 54 for additional limitations.

Neighborhood Assistance Credit 828 IC 6-3.1-9

If you made a contribution or engaged in activities to upgrade areas in Indiana, you may be able to claim a credit for this assistance. Contact the Indiana Housing & Community Development Authority, Neighborhood Assistance Program, 30 S. Meridian, Suite 1000, Indianapolis, IN 46204, telephone number (317) 232-7777 (800-872-0371 outside Indianapolis), for more information.

Pass-through entities are eligible for the credit.

Important. Do not report fees paid to your neighborhood association on this line. They are not eligible for this credit.

Enter code 828 under line 6 if claiming this credit. Also, see the **Combined Limitation** on page 54.

New Employer Credit 850 IC 6-3.1-33

This credit has been repealed. However, any previously approved yet unused credit is available to be claimed.

Enter code 850 under line 6 if claiming this credit. See the **Combined Limitation** on page 54 for additional limitations.

Public School Educator Expense Credit 861

If you are an eligible educator working for an Indiana school corporation, you may be entitled to a credit for qualified expenses paid for certain classroom supplies. The credit can be as much as $100 ($200 if married filing joint and both spouses meet the requirements, but not more than $100 each). IC 6-3-3-14.5

You are an **eligible educator** if, during the taxable year, you are employed as a Kindergarten -12 Indiana public school:

- Teacher
- Librarian
- Counselor
- Principal
- Superintendent

Public school means a school maintained by an Indiana school corporation, and includes charter schools. Private schools, parochial schools and homeschools are not public schools.

Qualified expenses are amounts you paid or incurred during the tax year for certain classroom supplies, which include books, supplies, computer equipment (including related software and services), other equipment, and supplementary materials that you use in the classroom. For courses in health and physical education, expenses for supplies are qualified expenses only if related to athletics.

Important. Qualified expenses **do not** include certain expenses for professional development courses related to the curriculum, or to the students, that the educator teaches.

Reimbursements. You must reduce your expenses for the qualified supplies by any reimbursements you received that were not included in box 1 of your Form W-2.

Example 1. Jonah spent $40 for qualified supplies; he was reimbursed for $30 out of petty cash, none of which was included on his W-2. He will claim the $10 difference as a credit.

Figure the credit. The amount of the credit is the lesser of:

1. The total amount paid for qualified supplies, less any reimbursements for those qualified supplies not included on line 1 of your W-2, or $100.

Example 2. Quincy is an 8th grade teacher at an Indiana public school. During the year he spent $314 for qualified supplies. He is eligible to claim a $100 credit.

Example 3. Chris and Pat are employed as teachers at an Indiana public high school. They are filing a joint tax return. During the year Chris spent $74 for qualified supplies; Chris's credit is $74. Pat spent $214 for qualified supplies; Pat's credit is $100 (limited to the lesser of the amount Pat spent or $100). They will claim a $174 combined credit.

Important. Make sure to keep a copy of the expense receipts used to figure this credit as the department can require you to provide this information at a later date.

Note. Claiming an educator expense deduction on your federal tax return in no way prohibits you from being eligible to claim this credit on your state tax return.

Enter code 861 under line 6 if claiming this credit. See the **Combined Limitation** in the next column.

Residential Historic Rehabilitation Credit 831

A credit is available for the repair and rehabilitation of residential property that is listed on the Indiana Register of Historic Sites and Structures, is at least 50 years old, and will be used as your primary residence. All work must meet the Secretary of the Interior's Standards for Rehabilitation of Historic Properties. ***IC 6-3.1-22***

For more information about this credit, see Income Tax Information Bulletin #87A at www.in.gov/dor/3650.htm. Also, contact the Office of Community and Rural Affairs at One North Capitol, Suite 600 Indianapolis, IN 46204-2027, call (317) 233-3762, or visit Residential Historic Rehabilitation Credit at www.in.gov/ocra/2284.htm.

Enter code 831 under line 6 if claiming this credit. Also, see the **Combined Limitation** in the next column.

Riverboat Building Credit 832 ***IC 6-3.1-17***

This credit has been repealed. However, any previously approved yet unused credit is available to be claimed.

Enter code 832 under line 6 if claiming this credit. See the **Combined Limitation** in the next column for additional limitations.

School Scholarship Credit 849 ***IC 6-3.1-30.5***

A credit is available for donations to certain scholarship-granting organizations (SGOs). The amount of credit is equal to 50 percent of the amount of the contribution. While there are no limits to how much a donor can contribute to a qualified SGO, the entire tax credit program cannot award more than $15 million in credits per state fiscal year of July 1, 2019 – June 30, 2020.

To qualify for the credit, you must make a contribution to a scholarship granting organization that is certified by the Department of Education. Visit the Indiana Department of Education's website at www.doe.in.gov/choice/school-scholarships for additional information.

The approved credit must be reported on Schedule IN-OCC, found at www.in.gov/dor/6524.htm. Make sure to enclose this schedule with your tax filing. Also, see the **Combined Limitation** below.

Venture Capital Investment Credit 835 ***IC 6-3.1-24***

A taxpayer that provides qualified investment capital to a qualified Indiana business may be eligible for this credit.

Certification for this credit must be obtained from the Indiana Economic Development Corporation Development Finance Office, VCI Credit Program, One North Capitol, Suite 700, Indianapolis, IN 46204, telephone number (317) 232-8800, or visit http://iedc.in.gov.

Note. See the **Restriction for Certain Tax Credits - Limited to One per Project** and the **Combined Limitation** below for additional limitations. Enter code 835 under line 6 if claiming this credit.

Restriction for Certain Tax Credits - Limited to One Per Project ***IC 6-3.1-1-3; IB #59***

A taxpayer may not be granted more than one credit for the same project. The credits that are included are the alternative fuel vehicle manufacturer credit, community revitalization enhancement district credit, enterprise zone investment cost credit, Hoosier business investment credit, industrial recovery credit, and the venture capital investment credit. Apply this restriction first when figuring your credits. Then apply the **Combined Limitation** below.

Combined Limitation

There is one final limitation if you have more than one credit to be entered on lines 4 through 7 of Schedule 6. These credits, when combined, cannot be greater than the state adjusted gross income tax shown on Form IT-40 line 8; if they are, adjust the amounts before you enter them. This includes any credits reported on Schedule IN-OCC, and carried to line 7 of Schedule 6.

How to Adjust the Amount of Credit to Enter (Examples)

Example. Tanya is eligible to claim both a $200 College Credit and a $300 Credit for Taxes Paid to Other States, for a $500 total amount of offset credits. Her state adjusted gross income tax due (IT-40, line 8) is $360. Since her combined credits are $140 more than her state tax due, she should reduce the last entry (the $300 Credit for Taxes Paid to Other States) by the $140 difference to $160. She will enter the full $200 College Credit on Schedule 6, line 4, and the $160 limited Credit for Taxes Paid to Other States on line 5.

Example. Matthew has a $500 Indiana College Choice 529 Savings Plan Credit and a $600 Industrial Recovery Credit. His state adjusted gross income tax due (IT-40, line 8) is $700. He will report the full $500 Indiana College Choice 529 Savings Plan Credit on Schedule 6, line 6a, and enter $200 of the Industrial Recovery Credit on line 6b. He will carry the $400 remaining unused Industrial Recovery Credit over to next year's tax return.

Schedule 7: Additional Required Information

Line 1 – Federal Filing Information

You must place an "X" in the "yes" or "no" box to answer the question: "Are you filing a federal income tax return for 2019?"

Line 2 – Out-Of-State Income Information

If you and/or your spouse worked in Illinois, Kentucky, Michigan, Ohio, Pennsylvania and/or Wisconsin during 2019, complete this area. Enter the salary, wage, tip and/or other compensation income from those states in the appropriate boxes and the 2-digit code number for the appropriate state in the boxes. Find the 2-digit code number on the chart below.

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

Note. This entry is for information purposes only, and will not change your refund or the amount you may owe.

Line 3 – Extension of Time to File Information

Place an "X" in the box on line 3a if you have a federal extension of time to file (you filed federal Form 4868, Form 2350, or made an online extension payment). Place an "X" in the box on line 3b if you have an Indiana extension of time to file (you filed Form IT-9 or made an online extension payment).

Line 4 – Farmers and Fishermen

Farmers and fishermen have special filing considerations. If at least two-thirds (2/3) of your gross income is from farming or fishing, mark the box provided on Schedule 7, line 4. This will make sure that a penalty for the underpayment of estimated tax is not assessed provided you have followed through by:

- Paying all your estimated tax on or by Jan. 15, 2020, and filing your Form IT-40 by April 15, 2020, or
- Filing your Form IT-40 by March 1, 2020, and paying all the tax due at that time. You are not required to make an estimated tax payment if you use this option.

Important. If you have checked the box, you must enclose the completed Schedule IT-2210 to support your claim.

Line 5 – Date of Death *IC 6-3-4-2(a)*

If the taxpayer and/or spouse died during 2019, and this return is being filed with his/her name on it, make sure to enter the month and day of death in the appropriate box. For example, a date of death of Jan. 9, 2019, would be entered as 01/09/2019. See instructions on page 6 for more information.

Note. If the taxpayer and/or spouse died before 2019, or after Dec. 31, 2019, but before filing his or her tax return, do not enter his/her date of death in this box.

Line 6 – Telephone Number and Email Address Information

If this is a joint return, both you and your spouse must sign and date the tax return. Please enter your daytime telephone number so we can call you if we have any questions about your tax return. Also, enter your email address if you would like us to be able to contact you by email.

Personal Representative Information *45 IAC 15-3-4*

Typically, the department will contact you (and your spouse, if filing jointly) if there are any questions or concerns about your tax return. If you wish to allow the department to discuss your tax return with someone else (e.g. the person who prepared it, a relative or friend, etc.), you will need to complete this area.

First, you must check the "Yes" box, which follows the sentence, "I authorize the department to discuss my tax return with my personal representative."

Next, enter the name of the individual you are designating as your personal representative, that person's telephone number, and that person's complete address.

If you complete this area, you are authorizing the department to be in contact with someone other than you concerning information about this tax return.

Note. If you are due a refund, it will be paid to you (and your spouse, if filing jointly) even if you designate a personal representative.

You may decide at any time to **revoke** the authorization for the department to speak with your personal representative. You will need to provide a signed statement indicating you revoke this authorization. Include your name, Social Security number and the year of your tax return. Mail your statement to Indiana Department of Revenue, P.O. Box 40, Indianapolis, IN 46206-0040.

Paid Preparer Information

Have your paid preparer complete this area (even if the paid preparer is the same individual designated as your personal representative). The paid preparer must provide:

- The name of the firm that he/she represents,
- The preparer's tax identification number (PTIN), and
- The firm's address or his/her address if self-employed.

Opt-Out Designation IC 6-3-4-1.5(b)

There are many benefits to electronic filing, which include:

- Elimination of math errors
- Faster refunds

Paid preparers are required to electronically file all Indiana individual income tax returns if they prepare more than 10 tax returns annually. If you use a paid preparer and do not want your tax return to be filed electronically, you must complete a state Form IN-OPT. This form requires your signature (and your spouse's, if filing jointly), and must be maintained by your paid preparer with his or her records. Get Form IN-OPT at www.in.gov/dor/6524.htm for more information.

Make sure you keep a copy of your completed tax return, including all required enclosures, such as W-2s and schedules.

County Tax Instructions 45 IAC 3.1-4-1

If you live or work in an Indiana county as of January 1 of the tax year, you will probably owe county tax. Complete the county tax Schedule CT-40 to figure if you do owe, and how much it will be.

County Where You Lived Defined IC 6-3.6-8-3(a)

The county where you lived is the county where you maintained your home on Jan. 1, 2019. If you had more than one home in Indiana on this date, then your county of residence as of Jan. 1, 2019, was:

- Where you were registered to vote. If this did not apply, then your county of residence was
- Where your personal automobile was registered. If this did not apply, then your county of residence was
- Where you spent the majority of your time in Indiana during 2019.

45 IAC 3.1-4-7

Enter the county two-digit code for the county where you lived on Jan. 1, 2019, in the area beneath the name and address area on Form IT-40. Find your county two-digit code number on the back of Schedule CT-40.

Did You Move During The Year?

If you moved your residence to a different Indiana county during the year (but after Jan. 1, 2019), the county where you lived for tax purposes *will not change until next year.*

Example. William was a lifelong Scott County resident until he moved to Martin County on March 15, 2019. He will figure Scott County tax when filing his 2019 state tax return (he lived there on Jan. 1, 2019). If he still lived in Martin County on Jan. 1, 2020, he will figure Martin County tax when filing his 2020 state taxes.

County Where You Worked Defined IC 6-3.6-8-3(b)

The county where you worked (county of principal employment) is the county where your main place of business was located or where your main work activity was performed on Jan. 1, 2019. If you began working in another county after Jan. 1, 2019, the county where you worked for reporting purposes *will not change until next year.* Enter the two-digit code number for the county where you worked in the area beneath the name and address area on Form IT-40.

45 IAC 3.1-4-8

Example. Jessie worked in Marion County on Jan. 1, 2019. She quit that job and began a new one in Johnson County on Feb. 10, 2019. She will enter the Marion County two-digit code (49) as the county where she worked even though she changed jobs during the year.

If you had more than one job on Jan. 1, 2019, your principal place of employment is the job where you worked the most hours and earned the most income.

If, on Jan. 1, 2019, your county of principal employment was *not* in Indiana, write county code "00" (out-of-state) in the County Where You Worked box on the front of the IT-40.

Exception: If you worked in any of the following states on Jan. 1, 2019, enter their two-digit code number (instead of **00**):

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

Military Personnel

If you were stationed in Indiana, your county of residence is the county where you lived on January 1 of the year you entered the military service. If, on Jan. 1, 2019, you were single and stationed outside Indiana, or you were stationed outside Indiana and your family was with you, write county code "**00**" (out-of-state) in all the county boxes on Form IT-40 (you won't owe a county tax).

If, however, you maintained your home in an Indiana county and/or your spouse and family were still living in an Indiana county on Jan. 1, 2019, you are considered to be a resident of that county and will be subject to county tax.

County Tax Instructions continued

Retired Persons, Homemakers or Unemployed

If you were retired, a homemaker, or were unemployed on Jan. 1, 2019, put your county of residence two-digit code number in *both* the Indiana County where you lived and Indiana County Where You Worked boxes on Form IT-40. **Do not write the word "Retired," "Homemaker" or "Unemployed" over the boxes.**

Special Note to Married Taxpayers Filing a Joint Return

If you lived in different counties on Jan. 1, 2019, both of you need to figure your county tax separately. See *Schedule CT-40 Line 1 Instructions* below for details on how to do this.

Schedule CT-40: 45 IAC 3.1-4-3 45 IAC 3.1-4-7(b) Line-by-Line Instructions

Line 1

- If you are filing a single return, enter on line 1A the amount from Form IT-40, line 7.
- If you are filing a joint return and you both lived in the same county on Jan. 1, 2019, enter on line 1A the amount from Form IT-40, line 7. Leave Column B blank.
- If you are filing a joint return and you lived in different counties on Jan. 1, 2019, enter each person's share of the amount reported on line 7 of Form IT-40. See how to do this in the following example.

Following are two examples for when a taxpayer and spouse file married filing jointly but live in different counties on January 1 of the tax year.

Example. Jacob and Becca married in 2019 and are filing a joint return. On Jan. 1, 2019, Jacob lived in Greene County and Becca lived in Clay County. Their individual share of the $39,080* amount reported on line 7 of their IT-40 is to be reported on Schedule CT-40 between Column A and Column B in the following way:

Breakdown	Column A Jacob	Column B Becca	IT-40 Line 7
Wages	23,000	21,000	44,000
Interest (joint account)	+ 40	+ 40	+ 80
Renter's deduction	- 1,500	-1,500	-3,000
Subtotal	21,540	19,540	41,080
Exemption	-1,000	-1,000	-2,000
Totals	20,540	18,540	39,080*

Jacob will enter $20,540 on line 1A and Becca will enter $18,540 on line 1B.

Use of exemptions when separating income. Each individual must use his/her own personal $1,000 exemption (reported on Schedule 3, line 1) when figuring his/her share of net income subject to county tax. Additional exemptions, such as for dependents, age 65 or older, etc., should be divvied up in whole* in a way that provides the most benefit to the individuals. This usually results with the individual with the higher county tax rate using all of the exemptions *except* for his/her spouse's personal $1,000 exemption.

*Exemptions must be used in whole. For example, a $1,000 exemption may not be separated into $700 to be used by one spouse, with the remaining $300 to be used by the other spouse. The full $1,000 must be used by one spouse only.

Note. The total amount of exemptions used to reduce income may not be greater than the total amount of exemptions reported on Schedule 3, line 6.

Example. Sam and Molly married in 2019 and are filing a joint return. On Jan. 1, 2019, Sam lived in County A, which has a resident county tax rate of .01. Molly lived in County B, which has a resident county tax rate of .025. They claim their three-year old son Sebastian as a dependent. Their total exemptions are $4,500 ($1,000 each for Sam, Molly and Sebastian, plus the $1,500 additional dependent exemption for Sebastian). Sam's wage income is $49,000; Molly's is $45,000. They claimed a $2,500 homeowner's property tax deduction.

Molly will use all of the exemptions except for Sam's $1,000 personal exemption when figuring her share of income subject to county tax since she has the higher county tax rate.

Their individual share of the $87,000* state taxable income reported on line 7 of their Form IT-40 is to be reported on Schedule CT-40 between Column A and Column B in the following way:

Breakdown	Column A Sam	Column B Molly	IT-40 Line 7
Wages	$49,000	$45,000	$94,000
Property tax deduction	-1,250	-1,250	-2,500
Subtotal	$47,750	$43,750	$91,500
Exemptions	-1,000	-3,500	-4,500
Totals	$46,750	$40,250	$87,000*

Sam will enter $46,750 on line 1A and Molly will enter $40,250 on line 1B.

Line 2

Find the county where you lived on Jan. 1, 2019, on the *2019 Indiana County Income Tax Rates and County Codes* chart located on the back of Schedule CT-40. Find the *County Tax Rate* on that county row and enter it here.

If you are filing a single return or a joint return where you both lived in the same county on Jan. 1, 2019, enter on line 2A the county tax rate. Leave line 2B blank.

If you are filing a joint return and you lived in different counties on Jan. 1, 2019:

- Enter on line 2A your county tax rate from the county tax rate chart.
- Enter on line 2B your spouse's county tax rate from the county tax rate chart.

Line 4 *IC 6-3.6-8-7; 45 IAC 3.1-4-3(a)(2)*

Add the amounts from line 3, Columns A and B and enter the result here. If you were a Perry County resident on Jan. 1, 2019, and worked in the Kentucky counties of Breckinridge, Hancock and/or Meade, review Lines 5 and 6 instructions. Otherwise, skip to line 7.

Lines 5 and 6

If you:

- Were a Jan. 1, 2019 Perry County resident,
- Worked in the Kentucky counties of Breckinridge, Hancock and/or Meade; and
- The income from those counties was subject to either a Kentucky county income tax or a local income tax for a locality in those counties, review the following instructions. Otherwise, skip these lines and go to line 7.

Line 5 – If the Kentucky counties of Breckinridge, Hancock and/or Meade, or a locality located within these counties figured a locality tax on your income, enter the amount of that income here.

Line 6 – Multiply the amount on line 5 by .0181 and enter the result here. Continue to line 7.

Line 7

Subtract any entry on line 6 from the amount on line 4. Enter the result here and on line 9 of Form IT-40.

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INDIANA

A State that Works

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Form
IT-40
State Form 154
(R18 / 9-19)

2019 Indiana Full-Year Resident Individual Income Tax Return

Due April 15, 2020

If filing for a fiscal year, enter the dates (see instructions) (MM/DD/YYYY):

from ☐ ☐ ☐ to: ☐ ☐ ☐

Your Social Security Number ☐ ☐ ☐ Spouse's Social Security Number ☐ ☐ ☐

☐ Place "X" in box if applying for ITIN ☐ Place "X" in box if applying for ITIN

Your first name | Initial | Last name | Suffix

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

If filing a joint return, spouse's first name | Initial | Last name | Suffix

Present address (number and street or rural route)

Place "X" in box if you are married filing separately. ☐

City | State | Zip/Postal code

Foreign country 2-character code (see instructions)

Enter below the **2-digit county code** numbers (found on the back of Schedule CT-40) for the county where you lived and worked on January 1, 2019.

County where **you** lived ☐ County where **you** worked ☐ County where **spouse** lived ☐ County where **spouse** worked ☐

County of residence defined IC 6-3.6-8-3; County of principal employment defined IC 6-3.6-8-3

Round all entries

1. Enter your federal adjusted gross income from your federal income tax return, Form 1040 or Form 1040-SR, line 8b _____ **Federal AGI** 1 *IC 6-3-1-3.5 (a)* .00
2. Enter amount from Schedule 1, line 8, and enclose Schedule 1 _____ **Indiana Add-Backs** 2 .00
3. Add line 1 and line 2 _____ 3 .00
4. Enter amount from Schedule 2, line 12, and enclose Schedule 2 _____ **Indiana Deductions** 4 .00
5. Subtract line 4 from line 3 _____ 5 .00
6. You must complete Schedule 3. Enter amount from Schedule 3, line 6, and enclose Schedule 3 _____ **Indiana Exemptions** 6 .00
7. Subtract line 6 from line 5 _____ **Indiana Adjusted Gross Income** 7 *IC 6-3-1-3.5 (a)* .00
8. State adjusted gross income tax: multiply line 7 by 3.23% (.0323) (if answer is less than zero, leave blank) _____ 8 *IC 6-3-2-1* .00
9. County tax. Enter county tax due from Schedule CT-40 (if answer is less than zero, leave blank) _____ 9 .00
10. Other taxes. Enter amount from Schedule 4, line 4 (enclose sch.) 10 .00
11. Add lines 8, 9 and 10. Enter total here and on line 15 on the back _____ **Indiana Taxes** 11 .00

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12. Enter credits from Schedule 5, line 10 (enclose schedule)___ 12 .00

13. Enter offset credits from Schedule 6, line 8 (enclose schedule) 13 .00

14. Add lines 12 and 13 _____ **Indiana Credits** 14 .00

15. Enter amount from line 11_____ **Indiana Taxes** 15 .00

16. If line 14 is equal to or more than line 15, subtract line 15 from line 14 (if smaller, skip to line 23) 16 .00

17. Enter donations from Schedule IN-DONATE (enclose schedule); cannot be greater than line16 17 ***IC 6-8.1-9-4*** .00

18. Subtract line 17 from line 16_____**Overpayment** 18 .00

19. Amount from line 18 to be applied to your 2020 estimated tax account (see instructions).

Enter your county code ____ county tax to be applied _ $ a .00

Spouse's county code ____ county tax to be applied _ $ b .00

Indiana adjusted gross income tax to be applied _____ $ c .00 ***IC 6-8.1-9-2 (a)***

Total to be applied to your estimated tax account (a + b + c; cannot be more than line 18)_____ 19d ***IC 6-3-4-4.1 (a)(b)(h)*** .00

20. Penalty for underpayment of estimated tax from Schedule IT-2210 or IT-2210A (enclose sch.) _ 20 ***IC 6-3-4-4.1 (c)*** .00

21. Refund: Line 18 minus lines 19d and 20. Note: If less than zero, see line 23 ___ **Your Refund** 21 .00

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

22. Direct Deposit (see instructions)

a. Routing Number

b. Account Number

c. Type: ☐ Checking ☐ Savings ☐ Hoosier Works MC

d. Place an "X" in the box if refund will go to an account outside the United States ☐

23. If line 15 is more than line 14, subtract line 14 from line 15. Add to this any amount on line 20 (see instructions) _____ 23 .00

24. Penalty if filed after due date (see instructions) _____ 24 ***IC 6-8.1-10-2.1*** .00

25. Interest if filed after due date (see instructions) _____ 25 ***IC 6-8.1-10-1*** .00

26. Amount Due: Add lines 23, 24 and 25_____ **Amount You Owe** 26 ***IC 6-8.1-8-1*** .00

Do not send cash. Please make your check or money order payable to:
Indiana Department of Revenue. Credit card payers must see instructions.

Sign and date this return after reading the Authorization statement on Schedule 7. You must enclose Schedule 7.

Your Signature _____ Date _____ Spouse's Signature _____ Date _____

- If enclosing payment mail to: Indiana Department of Revenue, P.O. Box 7224, Indianapolis, IN 46207-7224.
- Mail all other returns to: Indiana Department of Revenue, P.O. Box 40, Indianapolis, IN 46206-0040.

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Schedule 1
Form IT-40, State Form 53995
(R10 / 9-19)

Schedule 1: Add-Backs

2019

Enclosure
Sequence No. **01**

Name(s) shown on Form IT-40

Your Social Security Number

Round all entries

1. Tax add back: certain taxes deducted from federal Schedules C, C-EZ, E and/or F	1	***IC 6-3-1-3.5 (a) (2)***	.00
2. Net operating loss carryforward from federal Form 1040, "Other income" line	2	***IC 6-3-1-3.5 (a) (16)***	.00
3. OOS municipal obligation interest add-back	3	***IC 6-3-1-3.5 (a) (21)***	.00
4. Current year conformity add-back (see instructions)	4		.00
5. Bonus depreciation add-back	5	***IC 6-3-1-3.5 (a) (15)***	.00
6. Section 179 expense excess add-back	6	***IC 6-3-1-3.5 (a) (17)***	.00

7. Other Add-Backs: See instructions.

a. Enter add-back name		code no.	7a	.00
b. Enter add-back name		code no.	7b	.00
c. Enter add-back name		code no.	7c	.00
d. Enter add-back name		code no.	7d	.00
e. Enter add-back name		code no.	7e	.00
f. Enter add-back name		code no.	7f	.00
g. Enter add-back name		code no.	7g	.00
h. Enter add-back name		code no.	7h	.00
i. Enter add-back name		code no.	7i	.00
j. Enter add-back name		code no.	7j	.00
k. Enter add-back name		code no.	7k	.00
l. Enter add-back name		code no.	7l	.00
m. Enter add-back name		code no.	7m	.00
n. Enter add-back name		code no.	7n	.00
o. Enter add-back name		code no.	7o	.00

8. Add lines 1 through 7. Enter total here and on Form IT-40, line 2 **Total Indiana Add-Backs** 8 .00

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Schedule 2
Form IT-40, State Form 53996
(R10 / 9-19)

Schedule 2: Deductions

2019

Enclosure
Sequence No. **02**

Name(s) shown on Form IT-40

Your Social Security Number

1. Renter's deduction
   Address where rented if different from the one on the front page (enter below)

   Landlord's name and address (enter below)

   Amount of rent paid $ .00

   Number of months rented

   Enter the lesser of $3,000 or amount of rent paid

Round all entries

1	*IC 6-3-2-6*	.00

2. Homeowner's residential property tax deduction
   Address where property tax was paid if different from front page (enter below)

   Number of months lived there

   Amount of property tax paid $ .00

Enter the lesser of $2,500 or the amount of property tax paid	2 *IC 6-3-1-3.5 (a)(13)*	.00
3. State tax refund reported on federal return	3 *IC 6-3-1-3.5 (a)(6)*	.00
4. Interest on U.S. government obligations	4 *IC 6-3-1-3.5 (a)(1)*	.00
5. Taxable Social Security benefits	5 *IC 6-3-1-3.5 (a)(7),(8)*	.00
6. Taxable railroad retirement benefits	6 *IC 6-3-1-3.5 (a)(7),(8)*	.00
7. Military service deduction: $5,000 maximum for qualifying person	7 *IC 6-3-2-4 (a)(1)*	.00
8. Private school/homeschool deduction: $1,000 per qualifying child (see instructions)	8 *IC 6-3-2-22*	.00
9. Indiana net operating loss deduction	9 *IC 6-3-2-2.5*	.00
10. Nontaxable portion of unemployment compensation (from line 7 of Unemployment Comp. Worksheet)	10 *IC 6-3-2-10*	.00

11. Other Deductions: See instructions (attach additional sheets if necessary)

a. Enter deduction name		code no.	11a	.00
b. Enter deduction name		code no.	11b	.00
c. Enter deduction name		code no.	11c	.00

12. Add lines 1 through 11. Enter total here and on line 4 of Form IT-40. **Total Deductions** 12 .00

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Schedule 3
Form IT-40, State Form 53997
(R10 / 9-19)

Schedule 3: Exemptions

2019

Enclosure
Sequence No. **03**

Name(s) shown on Form IT-40

Your Social Security Number

Complete and enclose Schedule IN-DEP: Dependent Information and Additional Dependent Child Information if you are claiming dependents on lines 2 and/or 3 below.

Round all entries

1. Enter $2000 if you are married filing jointly; otherwise, enter $1000 _____ 1 ***IC 6-3-1-3.5 (a)(3)*** . 00

2. Enter the number of dependents listed on Schedule IN-DEP, Box 6 [ ] x $1000 _____ 2 ***IC 6-3-1-3.5 (a)(4)(A)*** . 00
   You **MUST** enclose Schedule IN-DEP.

3. You may claim an additional exemption for each qualifying dependent child:
   - who is a son, stepson, daughter, stepdaughter, foster child and/or child for whom you are a legal guardian,
   - who was under the age of 19 by Dec. 31, 2019,
   - or a full-time student who was under the age of 24 by Dec. 31, 2019, and
   - who you are eligible to claim as a dependent on line 2 above.

   Enter the number of additional dependents listed on Schedule IN-DEP, Box 7. [ ] x $1500 _____ 3 ***IC 6-3-1-3.5 (a)(5)(A)(B)*** . 00

4. Place "X" in box(es) below if, by December 31, 2019

   You were age 65 or older [ ] and/or blind [ ]

   Spouse was 65 or older [ ] and/or blind [ ]

   Total number of boxes with Xs [ ] x $1000 _____ 4 ***IC 6-3-1-3.5 (a)(4)(B)*** . 00

5. If age 65 or older, enter amount from Form IT-40, line 1. [ ]
   If this amount is less than $40,000, place "X" in box(es) below if:

   You were age 65 or older [ ]

   Spouse was 65 or older [ ]

   Total number of boxes with Xs [ ] x $500 _____ 5 ***IC 6-3-1-3.5 (a)(5)(C)*** . 00

6. Add lines 1, 2, 3, 4 and 5. Enter here and on Form IT-40, line 6 _____ **Total Exemptions** 6 . 00

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Schedule IN-DEP
Form IT-40/IT-40PNR
State Form 54815
(R8 / 9-19)

Schedule IN-DEP: Dependent Information and Additional Dependent Child Information

Enclosure
Sequence No. **03A/04A**
2019

Name(s) shown on Form IT-40/IT-40PNR

Your Social Security Number

1A. Dependent's First Name

1B. Dependent's Last Name

1C. Dependent's Social Security Number

1D. Dependent's Date of Birth (mm dd yyyy)

1E. Place "X" in box if claiming dependent as an additional dependent child exemption _____ 1E ☐

2A. Dependent's First Name

2B. Dependent's Last Name

2C. Dependent's Social Security Number

2D. Dependent's Date of Birth (mm dd yyyy)

2E. Place "X" in box if claiming dependent as an additional dependent child exemption _____ 2E ☐

3A. Dependent's First Name

3B. Dependent's Last Name

3C. Dependent's Social Security Number

3D. Dependent's Date of Birth (mm dd yyyy)

3E. Place "X" in box if claiming dependent as an additional dependent child exemption _____ 3E ☐

4A. Dependent's First Name

4B. Dependent's Last Name

4C. Dependent's Social Security Number

4D. Dependent's Date of Birth (mm dd yyyy)

4E. Place "X" in box if claiming dependent as an additional dependent child exemption _____ 4E ☐

5A. Dependent's First Name

5B. Dependent's Last Name

5C. Dependent's Social Security Number

5D. Dependent's Date of Birth (mm dd yyyy)

5E. Place "X" in box if claiming dependent as an additional dependent child exemption _____ 5E ☐

6. **Dependent Exemptions.** Add the number of dependents listed above (see instructions). Enter the total here and in the box on line 2 of Schedule 3 (if filing Form IT-40) or Schedule D (if filing Form IT-40PNR) ..... **Box 6**

7. **Additional Dependent Exemptions.** Add the total number of boxes with Xs from lines 1E, 2E, 3E, 4E, and 5E, if applicable. Enter the total here and in the box on line 3 of Schedule 3 (if filing Form IT-40) or Schedule D (if filing Form IT-40PNR) ..... **Box 7**

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Schedule 4
Form IT-40, **State Form 56540**
(R / 9-19)

Schedule 4: Other Taxes

2019

Enclosure
Sequence No. **03B**

Name(s) shown on Form IT-40

Your Social Security Number

1. Use tax on out-of-state purchases from line 4 of Sales/Use Tax Worksheet _____	1	***IC 6-2.5-3***	. 00
2. Household employment taxes. Enclose Schedule IN-H _____	2	***IC 6-3-4-8 (j)(k)***	. 00
3. Recapture of certain Indiana offset credits. Enclose Schedule IN-CR _____	3	***IC 6-3-3-12(q)(r)*** ***IC 6-3.1-16-12 (2017)***	. 00
4. Add lines 1 through 3. Enter here and on Form IT-40, line 10 _____ **Total Other Taxes**	4		. 00

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Schedule 5 / Schedule IN-DONATE
Form IT-40, State Form 53998
(R10 / 9-19)

Schedule 5: Credits

2019

Enclosure
Sequence No. **04**

Name(s) shown on Form IT-40

Your Social Security Number

Round all entries

1. Indiana state tax withheld: enclose W-2s, 1099s showing state tax withholding amounts	1	***IC 6-3-4-8 (h***	.00
2. Indiana county tax withheld: enclose W-2s, 1099s showing county tax withholding amounts	2	***IC 6-3-4-8 (h)***	.00
3. Estimated tax paid for 2019: include any extension payment made with Form IT-9	3	***IC 6-3-4-4.1 (a)(b)***	.00
4. Unified tax credit for the elderly	4	***IC 6-3-3-9***	.00
5. Earned income credit: enclose Schedule IN-EIC and enter amount from line **A-3**	5	***IC 6-3.1-21***	.00
6. Lake County residential income tax credit	6	***IC 6-3.1-20***	.00
7. Economic development for a growing economy credit. Enter amount from Schedule IN-EDGE, line 19 (enclose schedule)	7	***IC 6-3.1-13***	.00
8. Economic development for a growing economy retention credit. Enter amount from Schedule IN-EDGE-R, line 19 (enclose schedule)	8	***IC 6-3.1-13***	.00
9. Headquarters relocation credit (refundable portion - see instructions)	9	***IC 6-3.1-30-11(c)***	.00
10. Add lines 1 through 9. Enter total here and on Form IT-40, line 12 **Total Credits**	10		.00

Schedule IN-DONATE

Important. The amount on line 2 cannot exceed the amount on Form IT-40/IT-40PNR, line 16.

IC 6-8.1-9-4

1. Donations: List fund name, 3-digit code and amount to be donated (see instructions)

a. Enter fund name	code no.	1a		.00
b. Enter fund name	code no.	1b		.00
c. Enter fund name	code no.	1c		.00

2. Add lines 1a through 1c. Enter total here and on Form IT-40/IT-40PNR, line 17 **Total Donations** 2 .00

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Schedule 6
Form IT-40, State Form 53999
(R10 / 9-19)

Schedule 6: Offset Credits

2019

Enclosure
Sequence No. **05**

Name(s) shown on Form IT-40

Your Social Security Number

Round all entries

1. Credit for local taxes paid outside Indiana _____ 1 ***IC 6-3.6-8-6*** . 00

2. Community revitalization enhancement district credit _____ 2 ***IC 6-3.1-19*** . 00

3. Other Local Credits: See instructions (enclose additional sheets if necessary)

a. Enter credit name _____ code no. _____ 3a _____ . 00

b. Enter credit name _____ code no. _____ 3b _____ . 00

Important: Lines 1 through 3 cannot be greater than the county tax due on Form IT-40, line 9 (see *Combined Limitation* instructions)

4. College credit: attach Schedule CC-40 _____ 4 ***IC 6-3-3-5*** . 00

5. Credit for taxes paid to other states: enclose other state's return _____ 5 ***IC 6-3-3-3*** . 00

6. Other Credits: See instructions (enclose additional sheets if necessary)

a. Enter credit name _____ code no. _____ 6a _____ . 00

b. Enter credit name _____ code no. _____ 6b _____ . 00

c. Enter credit name _____ code no. _____ 6c _____ . 00

d. Enter credit name _____ code no. _____ 6d _____ . 00

7. Enter the total credits from Schedule IN-OCC, line 17, and enclose that schedule _____ 7 _____ . 00

Important: Lines 4 through 7 added together cannot be greater than the state adjusted gross income tax due on Form IT-40, line 8 (see *Combined Limitation* instructions)

8. Add lines 1 through 7. Enter total here and on line 13 of Form IT-40_____ **Total Offset Credits** 8 _____ . 00

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Schedule 7
Form IT-40, State Form 54000
(R10 / 9-19)

Schedule 7: Additional Required Information

2019

Enclosure
Sequence No. **06**

Name(s) shown on Form IT-40

Your Social Security Number

1. Federal filing information
Are you filing a federal income tax return for 2019? Place "X" in appropriate box. Yes ☐ No ☐

2. Out-of-state income Complete if you and/or your spouse (if filing a joint return) received any salary, wage, tip and/or commission income from Illinois, Kentucky, Michigan, Ohio, Pennsylvania or Wisconsin. Enter two-digit code number from the back of Schedule CT-40 for state where you and/or your spouse worked.

State where you worked ☐ Your income $ _____ .00 State where spouse worked ☐ Spouse's income $ _____ .00

3. Extension of time to file
a. Place "X" in box if you have filed a federal extension of time to file, Form 4868, or made an online extension payment. ☐

b. Place "X" in box if you have filed an Indiana extension of time to file, Form IT-9, or made an Indiana extension payment online. ☐

4. Farm / Fishing income
Place "X" in box if at least two-thirds of your gross income was made from farming or fishing. ☐
Important: If you placed an "X" in the box, you MUST attach Schedule IT-2210.

5. Date of death
If any individual listed at the top of the IT-40 died *during* 2019, enter date of death (MM/DD).

Taxpayer's date of death ____ ____ 2019 Spouse's date of death ____ ____ 2019

Authorization **Sign Form IT-40 after reading the following statement.** ***IC 6-8.1-6-4***
Under penalty of perjury, I have examined this return and all attachments and to the best of my knowledge and belief, it is true, complete and correct. I understand that if this is a joint return, any refund will be made payable to us jointly and each of us is liable for all taxes due under this return. Also, my request for direct deposit of my refund includes my authorization to the Indiana Department of Revenue to furnish my financial institution with my routing number, account number, account type and Social Security number to ensure my refund is properly deposited. I give permission to the Department to contact the Social Security Administration to confirm that the Social Security number(s) used on this return is correct.

6. Your daytime telephone number _____ **Your email address** _____

I authorize the Department to discuss my return with my personal representative.

Yes ☐ **No** ☐ **If yes, complete the information below.**

Personal Representative's Name (please print)

Telephone number

Address

City

State Zip Code

Paid Preparer: Firm's Name (or yours if self-employed)

☐ ***IC 6-3-4-1.5 (b)*** IN-OPT on file with paid preparer if not filing electronically

PTIN ***IC 6-8.1-17***

Address

City

State Zip Code

Preparer's signature _____

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Schedule CT-40
Form IT-40, State Form 47907
(R18 / 9-19)

County Tax Schedule for Full-Year Indiana Residents

2019

Enclosure
Sequence No. **07**

Name(s) shown on Form IT-40

Your Social Security Number

County of Residence IC 6-3.6-8-3 (a); 45-IAC 3.1-4-7 County of Principal Employment IC 6-3.6-8-3 (b); 45 IAC 3.1-4-8

		Column A - Yourself		Column B - Spouse's	
1. Enter the amount from IT-40, line 7. Note: If both you and your spouse lived in the same county on January 1, enter the entire amount from Form IT-40, line 7 on line 1A (do not complete Column B). See instructions ***IC 6-3.6-2-2***	1A	.00	1B	.00
2. Enter the county tax rate from the chart on the back of this schedule for the county where you lived on Jan. 1, 2019	2A	.	2B	.
3. Multiply line 1 by the rate on line 2 (leave blank if less than zero)	3A	.00	3B	.00
4. Add lines 3A and 3B. Enter the total here. **Note: Perry County residents: If you live in Perry County and worked in the Kentucky counties of Breckinridge, Hancock or Meade, you must complete lines 5 and 6.** Otherwise, enter the total here and on line 7 below (see instructions)	4	.00		
5. Enter the amount of income that was taxed by certain Kentucky localities (see instructions) ***IC 6-3.6-8-7***	5	.00		
6. Multiply line 5 by .0181 and enter total here ***45 IAC 3.1-4-3 (a) (2)***	6	.00		
7. Enter total of line 4 minus line 6. Enter this amount on line 9 of Form IT-40	7	.00		

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(R18 / 9-19)

2019 Indiana County Income Tax Rates and County Codes

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

County Code #	County Name	County Tax Rate
01	Adams	.01624
02	Allen	.0148
03	Bartholomew	.0175
04	Benton	.0179
05	Blackford	.015
06	Boone	.015
07	Brown	.025234
08	Carroll	.022733*
09	Cass	.026*
10	Clark	.02
11	Clay	.02275*
12	Clinton	.023*
13	Crawford	.01
14	Daviess	.015
15	Dearborn	.012*
16	Decatur	.0235
17	DeKalb	.0213*
18	Delaware	.015
19	Dubois	.0105*
20	Elkhart	.02
21	Fayette	.0242*
22	Floyd	.0135*
23	Fountain	.021
24	Franklin	.015
25	Fulton	.0238*
26	Gibson	.007
27	Grant	.0255*
28	Greene	.018*
29	Hamilton	.01
30	Hancock	.0179*
31	Harrison	.01
32	Hendricks	.0155*
33	Henry	.015
34	Howard	.0175
35	Huntington	.0195*
36	Jackson	.021
37	Jasper	.02864
38	Jay	.0245
39	Jefferson	.0035
40	Jennings	.0315*
41	Johnson	.0105*
42	Knox	.01
43	Kosciusko	.01
44	LaGrange	.0165
45	Lake	.015
46	LaPorte	.0095
47	Lawrence	.0175
48	Madison	.0175
49	Marion	.0202
50	Marshall	.0125

County Code #	County Name	County Tax Rate
51	Martin	.0175
52	Miami	.0254
53	Monroe	.01345
54	Montgomery	.023
55	Morgan	.0272
56	Newton	.01
57	Noble	.0175
58	Ohio	.013125*
59	Orange	.0175
60	Owen	.01325*
61	Parke	.0265
62	Perry	.0181
63	Pike	.0075
64	Porter	.005
65	Posey	.0125
66	Pulaski	.0338
67	Putnam	.02025*
68	Randolph	.0225
69	Ripley	.0138
70	Rush	.021
71	St. Joseph	.0175
72	Scott	.0216
73	Shelby	.015
74	Spencer	.008
75	Starke	.0171
76	Steuben	.0179
77	Sullivan	.00875*
78	Switzerland	.01
79	Tippecanoe	.011
80	Tipton	.026
81	Union	.0175
82	Vanderburgh	.012
83	Vermillion	.015
84	Vigo	.02*
85	Wabash	.029
86	Warren	.0212
87	Warrick	.005
88	Washington	.02
89	Wayne	.015
90	Wells	.021
91	White	.0232*
92	Whitley	.015329*

State Code	Certain States	State Code	Certain States
94	Illinois	98	Pennsylvania
95	Kentucky	99	Wisconsin
96	Michigan	00	All Other States
97	Ohio		

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Schedule IN-EIC
Form IT-40/IT-40PNR
State Form 49469
(R19 / 9-19)

Schedule IN-EIC: Indiana's Earned Income Credit

You must enclose if claiming this credit on Forms IT-40 or IT-40PNR

2019

Enclosure
Sequence No. **9**

IC 6-3.1-21

Name(s) shown on Form IT-40/IT-40PNR

Your Social Security Number

Section A: Figure Your Indiana Earned Income Credit

A-1 Enter the earned income credit from your federal income tax return _____ **A-1** . 00

A-2 Enter your earned income (see instructions) _____ **A-2** . 00

A-3 Enter your Indiana earned income credit (see instructions).
Carry this total to Form IT-40, Schedule 5, line 5, or
Form IT-40PNR, Schedule F, line 5, Box A_____ **Indiana Earned Income Credit** **A-3** . 00

Section B: Complete if you claimed one or more children on your federal Schedule EIC. See instructions.

Enter each child's information

	Child 1	**Child 2**
First name		
Last name		
Child's Social Security Number(s)		

Enter letter (e.g. **A**, **B**, **C**, etc.) in boxes below that describes each child's relationship, age and location to you.

	Child 1	**Child 2**
B-1 Relationship: **A** Your Child **B** Grandchild **C** Stepchild **D** Foster Child (not related) **E** Other (related foster child, or other related child - see instructions)		
B-2 Age: **A** Under age 18 **B** Age 18 **C** Age 19 - 24 and full-time student **D** Age 19 or older and totally disabled		
B-3 Location: **A** Child lived with you at least ½ of the year **B** Child was born or died in 2019, and lived with you while alive in 2019.		

Important: You must complete and attach this schedule to your Form IT-40 or IT-40PNR when claiming the earned income credit.

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Instructions for Schedule IN-EIC

The way to figure Indiana's earned income credit (EIC) has changed. Here are some important things to know:

- You must be eligible for and have claimed an EIC on your federal tax return. If not, **STOP**. You are not eligible to claim Indiana's EIC.
- Your income on Form IT-40, line 1 (or Indiana's Schedule A, line 35A), must be less than $46,700. If it is the same amount or more, **STOP**. You are not eligible to claim Indiana's EIC.
- You must complete **Worksheet A** or **Worksheet B**, which can be found in the IT-40 or IT-40PNR instruction booklets.
- Schedule IN-EIC must be completed and enclosed by all filers claiming the EIC.
- Indiana's Publication EIC is available for additional information. It may be viewed online at www.in.gov/dor/6524.htm.

Caution: You must know what your federal earned income credit is before you can figure your Indiana EIC. If you don't know what your federal EIC is by Indiana's filing due date, go ahead and file your Indiana return without claiming the EIC. Then, when you find out what your federal EIC is, file an amended (corrected) Indiana tax return, Form IT-40X, to claim your Indiana EIC.

If, during 2019:

- you were an Indiana resident, and/or
- had income from Indiana sources, and
- you claimed the EIC on your federal income tax return, Form 1040,

then you may be eligible to claim Indiana's EIC.

STOP. You <u>must</u> get the 2019 IT-40 or IT-40PNR instruction booklet before you can continue. The instructions for how to figure Indiana's EIC are located within those booklets. You may find these booklets online at www.in.gov/dor/6524.htm.

Once you get the instructions, review Step 1 through Step 7, and complete either **Worksheet A** or **Worksheet B** to figure your Indiana EIC. After you have completed the worksheet, return to these instructions and finish Schedule IN-EIC.

Caution: Schedule IN-EIC must be filed with your tax return in order for you to be eligible to claim Indiana's EIC.

Section A – Figure Your Indiana Earned Income Credit
Enter the amount of earned income credit from your federal income tax return.

Line A-2. Enter your earned income from **Worksheet A**, Part 1, line 1, or from **Worksheet B**, Part 4, line 4b.

Line A-3. Enter your earned income credit from **Worksheet A**, Part 3, line 11, or from **Worksheet B**, Part 7, line 16.

Section B – Qualifying Child (Children)
You must complete Section B if you are claiming one or two children when figuring Indiana's EIC.

First, complete Step 3 of the EIC instructions. There you'll find the descriptions of who is a qualifying child for Indiana EIC purposes.

Social Security Number. Your qualifying child must have a valid Social Security number (SSN) unless the child was born and died in 2019*.

Important: Enter information for the same child (or children) you entered on your federal Schedule EIC wherever possible.

Example. Marie has four children, three of whom she claimed for federal EIC purposes. All three children meet the requirements to be a qualified child with Indiana. Since Marie may claim up to two qualified children on this schedule, she should list two of the three she claimed for federal EIC purposes.

Example. Tim and Jane claimed their daughter and a foster child (who lived with them for six months) as qualifying children for federal EIC purposes. Since their foster child did not live with them the entire year, the child is not a qualifying child for Indiana EIC purposes. They may only claim their daughter as a qualifying child in Section B.

In **Section B-1**, the 'Foster Child (not related)' box (line D) is an unrelated child who was placed with you by an authorized placement agency and lived with you the entire year.

In **Section B-1**, the 'Other' box (line F) includes a related foster child who lived with you the entire year, or your brother, sister, stepbrother, stepsister, or a descendant of your brother and/or sister, etc. (for example, your niece or nephew), whom you cared for as your own child.

Exception. If your qualified dependent child was born and died in 2019 and you do not have an SSN for the child, enter the word "Died" in the third (largest) Social Security Number box associated with your child's name. You must keep a copy of the child's birth certificate, death certificate and/or hospital records with your records as the Department may request this information at a later date. The documents must show the child was born alive.

Exception Example. [ ] [ ] [Died]

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