



INDIANA DEPARTMENT OF REVENUE

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INFORMATION BULLETIN #110
INCOME TAX
APRIL 2022
(Replaces Information Bulletin # 110, dated August 2014)
Effective Date: Upon Publication

SUBJECT: Automatic Taxpayer Refund Issued in 2022

REFERENCES: IC 4-10-22

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SUMMARY OF CHANGES

This bulletin provides guidance on how Indiana will issue and treat the Automatic Tax Refund for the 2021 tax year.

I. INTRODUCTION

For the state fiscal year ending on June 30, 2021, Indiana was determined to have excess reserves that triggered an automatic tax refund under IC 4-10-22-3(a)(2). As a result, for the 2021 tax year, Indiana will issue a \$125 refund (the “ATR”) to eligible taxpayers. This bulletin provides guidance on how the ATR will be issued, the expected timing of the ATR, and other issues relevant to issuing the ATR.

II. ELIGIBILITY

The ATR for 2021 will be issued to all individuals who filed an Indiana resident return for the 2020 tax year and whose return had a postmark date of Jan. 3, 2022, or earlier. An Indiana resident return means:

1. A Form IT-40. If a couple was married filing jointly on their 2020 IT-40, then both spouses will be treated as filing an Indiana resident return.
2. A Form SC-40, provided that the individual indicated residence in Indiana for the year in question. An individual that indicated residence in Indiana for less than six months in the

taxable year will not be treated as filing an Indiana resident tax return for the taxable year. See the information below for possible issues that may arise with SC-40 filers.

3. A Form IT-40PNR, provided that the individual was married filing jointly **and** was an Indiana resident for the entire taxable year, as verified by Schedule H of the Form IT-40PNR. See the information below for possible issues that may arise with IT-40PNR filers.

III. ISSUANCE OF THE ATR DURING CALENDAR YEAR 2022

The ATR will not be claimed directly on an individual's 2021 income tax return or be combined with a taxpayer's tax year 2021 refund, but will be issued as a separate direct deposit or check beginning in late April 2022 and continuing through September.

The ATR will be issued first to eligible individuals who file a 2021 individual income tax return and have listed direct deposit checking or savings information on that return. For these individuals, the ATR will be paid as a direct deposit to the account designated on the return. For married individuals filing a joint tax return under this scenario, the ATR for both spouses (if applicable) will be deposited into the designated account.

If an eligible individual listed a direct deposit checking or savings account as a result of a taxpayer's request for a refund anticipation loan or similar advance refund payments, this account listed on the return also will be used for direct deposit of the ATR in most cases. However, some eligible individuals who have a direct deposit account listed for a refund anticipation loan will receive their ATR as a check. The exact treatment will depend on the direct deposit account listed on the eligible individual's return.

For eligible individuals who have not requested direct deposit for refunds on their return or who have not filed a return by late June 2022, the ATR will be issued as a check beginning in July and continuing through September 2022. In the case of married couples filing jointly and both spouses are eligible for ATR, under this scenario the spouses will be issued one combined check. These checks will be mailed to the last known address of the individual, generally the address listed on the most recently filed individual income tax return. In addition, if the department attempts to issue an ATR by direct deposit but is unable to do so, a check will be issued to the eligible individual(s).

If an eligible individual is to receive an ATR and has an unpaid state income tax liability, their ATR will first be applied against the state tax liability prior to issuance of any remaining ATR. ATRs will be applied to 2021 individual income tax liabilities, then to individual income tax liabilities for earlier years. In addition, if an eligible individual has an unpaid Indiana tax liability for another tax type, their ATR will be applied against that liability as well. Further, if the individual has a liability to a state agency, state university, local government, or the IRS, and the individual's normal tax refund for 2021 otherwise would be offset against that liability, their ATR will be offset against that liability as well. Eligible individuals who receive an ATR reduced by any offset will be notified by the department of their reduced ATR.

For tax year 2020 SC-40 and IT-40PNR filers, the department will use its best efforts to filter eligibility for full-year residents. However, due to filter application complexities, it is possible that an SC-40 or IT-40PNR filer properly entitled to an ATR may not initially receive it. Eligible

individuals who have not received an ATR by Aug. 31, 2022, should contact the department after that date for resolution

If an ATR check is lost, taxpayers will be required to complete an Affidavit of Lost or Not Received Warrant (State Form 42850). If a check is issued to an eligible individual who is now deceased, that individual's estate will be required to complete a Distributee's Affidavit for Distribution of Estates (State Form 49377), if applicable, or an Affidavit of Lost or Not Received Warrant. These forms are available at dor.in.gov/auditor/forms (this link will redirect to the Auditor of State's website).



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Commissioner