



Indiana Department of Revenue

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Income Tax Information Bulletin #59

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

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

Replaces Bulletin #59, dated December 2019

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Summary of Changes

Aside from nonsubstantive, technical changes, this bulletin has been changed to add new credits and to remove expired credits, remove references to repealed taxes (URT, USUT, CAGITs, COITs, and CEDITs), and add references to LITs and PTET.

Introduction

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

Detailed information on selected credits can be found on the department's website at in.gov/dor/individual-income-taxes/filing-my-taxes/tax-credits/. Additionally, some credits are more comprehensively described within other information bulletins, all of which can be found at in.gov/dor/legal-resources/tax-library/information-bulletins/income-tax-information-bulletins/.

Types of Credits

Credits are divided into two types:

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

Type 1: Nonrefundable Credits and Carryovers

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

Type 2: Refundable Credits

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

Credits Available to Taxpayers

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

Type 1 Credits

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

Type 2 Credits

- 2-D. Refundable credits for personal and business activities of Indiana taxpayers

2-E. Refundable credits for estimated and withholding taxes paid to Indiana

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

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

Restrictions and Limitations

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

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

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

Additional Restriction

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

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

Amount of Credit Available

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

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

Key for Tax Types

Identifier	Tax Type	Indiana Code
AGIT	Adjusted Gross Income Tax *	IC 6-3-1 through 6-3-7
LIT	Local Income Tax	IC 6-3.6
FIT	Financial Institutions Tax*	IC 6-5.5
INSUR	Insurance Premium Tax and Nonprofit Agricultural Organization Health Coverage Tax*	IC 27-1-18-2; IC 6-8-15
PTET	Pass Through Entity Tax	IC 6-3
SALES	State Gross Retail and Use Tax – Sales tax due on nonexempt purchases	IC 6-2.5

* May include other Indiana state taxes and fees collected on the annual return.

NOTE: Insurance premium tax, nonprofit agricultural organization health coverage tax, and property tax are not listed taxes under IC 6-8.1-1-1.

Tax Liability Credits Chart

Nonrefundable Credits

Type 1-A Credit for certain charitable contributions within Indiana

Identifier	Tax Liability Credits	Tax Offset	Assignable	Pass Through	Required Enclosure
	Unlimited (No dollar limit to the total amount of credits granted.)				

Identifier	Tax Liability Credits	Tax Offset	Assignable	Pass Through	Required Enclosure
CC 807	Charitable Contributions to Higher Education Institutions (<i>College Credit</i>)	AGIT			Schedule CC-40. Please refer to Income Tax Information Bulletin #14 for further information.
Limited (Approved credits are limited to the amount of grant money available.)					
TBD	Attainable Homeownership Tax Credit (can be claimed beginning in 2025 for the 2024 tax year)	AGIT, FIT		X	TBD
823	Individual Development Account Credit	AGIT, FIT		X (IT-20S/IT-65 only)	Approved Form IDA-20; IN K-1 pass-through
867	Foster Care Donation Credit	AGIT, FIT		X (IT-20S/IT-65 only)	Schedule IN-OCC; IN K-1 pass-through
828	Neighborhood Assistance Credit	AGIT, FIT		X (IT-20S/IT-65 only)	Approved Form NC-20; IN K-1 pass-through
849	School Scholarship Tax Credit	AGIT, INSUR, FIT		X	Schedule IN-OCC; IN K-1 pass-through. Refer to Income Tax Information Bulletin #108 for more information.

Type 1-B Credit for qualified investments (expenditures) made within Indiana

Identifier	Tax Liability Credits	Tax Offset	Assignable	Pass Through	Required Enclosure
Unlimited (No dollar limit to the total amount of credits granted.)					

Identifier	Tax Liability Credits	Tax Offset	Assignable	Pass Through	Required Enclosure
808*	Community Revitalization Enhancement District Credit (CRED credit)	AGIT, LIT, INSUR, FIT	X	X (IT-20S/IT-65 only)	Certification by IEDC; IN K-1 pass-through
TBD	Employer Child Care Expenditure Credit (can be claimed beginning in 2025 for the 2024 tax year)	AGIT, INSUR, FIT		X	TBD
812	Enterprise Zone Employment Expense Credit	AGIT, INSUR, FIT		X	Schedule EZ 1, 2, 3; IN K-1 pass-through
813*	Enterprise Zone Investment Cost Credit	AGIT		X (IT-20S/IT-65 only)	Schedule IN-OCC; IN K-1 pass-through
818	Headquarters Relocation Credit <i>(Some taxpayers may be eligible for a refundable credit. Please refer to Income Tax Information Bulletin #97 for more information)</i>	AGIT, FIT, INSUR		X (IT-20S/IT-65 only)	Schedule IN-OCC; IN K-1 pass-through
820*	Hoosier Business Investment Credit	AGIT, INSUR, FIT		X (IT-20S/IT-65; IT-41 for trusts only)	Certification by IEDC and proof of investment; IN K-1 pass-through; Schedule IN-OCC. Refer to Income Tax Information Bulletin #95 for more information.
822	Indiana Research Expense Credit	AGIT		X (IT-20S/IT-65 only)	Schedule IT-20REC; IN K-1 pass-through
824*	Industrial Recovery Credit	AGIT, INSUR, FIT	X	X	Certification by IEDC and credit assignment
863	Redevelopment Tax Credit	AGIT, INSUR, FIT	X	X (IT-20S/IT-65; IT-41 for trusts only)	Schedule IN-OCC; IN K-1 pass-through

Identifier	Tax Liability Credits	Tax Offset	Assignable	Pass Through	Required Enclosure
Limited (Approved credits are limited to the amount of grant money available.)					
TBD	Affordable and Workforce Housing Tax Credit (can be claimed beginning in 2025 for the 2024 tax year)	AGIT, INSUR**, FIT	X	X (IT-20S/IT-65 only)	TBD
869	Film and Media Production Tax Credit	AGIT, FIT		X	Schedule IN-OCC; IN K-1 pass-through
874	Mine Reclamation Tax Credit (can be claimed beginning in 2024 for the 2023 tax year)	AGIT, INSUR**, FIT	X	X	TBD
835*	Venture Capital Investment Credit	SALES, AGIT, INSUR, FIT	X	X (IT-20S/IT-65 only)	Certification by IEDC, credit assignment, and proof of investment; IN K-1 pass-through; for 2020 and later, IN-OCC.
868	Venture Capital Investment Credit - Qualified Investment Fund	SALES, AGIT, INSUR, FIT	X	X (IT-20S/IT-65 only)	Certification by IEDC, credit assignment, and proof of investment; IN K-1 pass-through; Schedule IN-OCC.

*Additional restriction: Only one credit is allowed for the same project.

**Additional restriction: Not available against the Nonprofit Agricultural Organization Health Coverage Tax.

Type 1-C Credits for income and business activities of Indiana taxpayers

Identifier	Tax Liability Credits	Tax Offset	Assignable	Pass Through	Required Enclosure
Unlimited (No dollar limit to the total amount of credits granted.)					

Identifier	Tax Liability Credits	Tax Offset	Assignable	Pass Through	Required Enclosure
TBD	Credit for Contributions to ABLE Accounts (can be claimed beginning in 2025 for the 2024 tax year)	AGIT			TBD
OOL 810	Credit for Local Taxes Paid Outside Indiana (<i>for individuals only</i>)	LIT			Complete worksheet in IT-40/IT-40PNR Booklet
OOS 811	Credit for Taxes Paid to Other States (<i>for individuals only</i>)	AGIT			Signed copy of return from other state. Refer to Income Tax Information Bulletin #28 for more information.
TBD	Employment of Individuals with Disability Tax Credit (can be claimed beginning in 2025 for the 2024 tax year)	AGIT, INSUR, FIT		X	TBD
814	Enterprise Zone Loan Interest Credit	AGIT, INSUR, FIT		X (IT-20S/IT-65; IT-41 for trusts only)	Schedule LIC; IN K-1 pass-through
837	Indiana College Choice 529 Savings Plan Credit (<i>for individuals only</i>)	AGIT			Proof of contribution to Indiana College Choice 529 Plan account
TBD	Indiana ABLE Account Credit (<i>for individuals only</i>) (can be claimed beginning in 2025 for the 2024 tax year)	AGIT			Proof of contribution to Indiana ABLE 529A savings plan account
821	Indiana Comprehensive Health Insurance Association Credit (<i>for insurance companies only</i>)	INSUR, AGIT			Complete IT-20 Schedule H when claiming credit on Form IT-20

Identifier	Tax Liability Credits	Tax Offset	Assignable	Pass Through	Required Enclosure
817	Indiana Insurance Guaranty Association Credit <i>(for insurance companies only)</i>	INSUR, AGIT			Complete Schedule H when claiming credit on Form IT-20
816	Nonresident Taxpayer Credit <i>(for financial institutions only)</i>	FIT			Schedule FIT-NRTC
TBD	Physician Practice Ownership Tax Credit (can be claimed beginning in 2025 for the 2024 tax year) (for individuals only)	AGIT			TBD
861	Public School Educator Expense Credit (Teacher Purchase of Classroom Supplies) (for individuals only)	AGIT			
	Use Tax Credit	SALES			Complete Sales/Use Tax Worksheet in tax instruction booklets or file Form ST-115
Limited (Approved credits are limited to the amount of grant money available.)					
TBD	Health Reimbursement Arrangement Credit (can be claimed beginning in 2025 for the 2024 tax year)	AGIT, INSUR, FIT			TBD
TBD	Historic Rehabilitation Tax Credit (2024) (can be claimed beginning in 2025 for the 2024 tax year)	AGIT	X	X (IT-20S/IT-65 only)	TBD
831	Residential Historic Rehabilitation Credit (for single individuals and married individuals filing a joint return))	AGIT			Certification by Office of Community and Rural Affairs. Refer to Income Tax Information Bulletin #87A for more information.

Identifier	Tax Liability Credits	Tax Offset	Assignable	Pass Through	Required Enclosure
865	Economic Development for a Growing Economy – Nonresident Employees	AGIT, FIT, INSUR		X (IT-20S/IT-65; IT-41 for trusts only)	Schedule IN K-1; Schedule IN-OCC

Refundable Credits

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

Identifier	Tax Liability Credits	Tax Offset	Assignable	Pass Through	Required Enclosure
Unlimited (No dollar limit to the total amount of credits granted.)					
859	Adoption Credit	AGIT			Complete worksheet in IT-40/IT-40PNR Booklet; refer to <u>Income Tax Information Bulletin #111</u> for further information
EIC	Earned Income Credit <i>(for individuals only)</i>	AGIT			Schedule IN-EIC. Refer to <u>Income Tax Information Bulletin #92</u> for more information.
818	Headquarters Relocation Credit <i>(Only certain taxpayers may be eligible for a refundable credit. Please refer to <u>Income Tax Information Bulletin #97</u> for more information)</i>	AGIT, FIT, INSUR		X (IT-20S/IT-65 only)	Schedule IN-OCC; IN K-1 pass-through
LAKE	Income Tax Credit for Property Taxes Paid on Homesteads in Lake County <i>(for individuals only)</i>	AGIT			Complete worksheet in IT-40/IT-40PNR Booklet

Identifier	Tax Liability Credits	Tax Offset	Assignable	Pass Through	Required Enclosure
UTCE	Unified Tax Credit for the Elderly <i>(for individuals only)</i> [Restriction – Tax credit allowed only if claim is timely filed within six months from the end of the tax year or by the extended due date for filing the annual IT-40 return.]	AGIT			Follow instructions on IT-40/IT-40PNR return unless qualified to file claim on Form SC-40
Limited (Approved credits are limited to the amount of grant money available.)					
EDGE (839)	Economic Development for a Growing Economy	AGIT, FIT, INSUR		X (IT-20S/IT-65; IT-41 for trusts only)	Schedule IN-EDGE
EDGE-R (857)	Economic Development for a Growing Economy – Job Retention Credit	AGIT, FIT, INSUR		X (IT-20S/IT-65; IT-41 for trusts only)	Schedule IN-EDGE-R

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

Identifier	Tax Liability Credits	Tax Offset	Assignable	Pass Through	Required Enclosure
Unlimited (Credit is allowed for the total amount of tax withheld or paid. Refundable if claimed within three years of the due date, including extensions.)					
EST	Credit for Estimated Tax Paid	AGIT, FIT			Follow instructions on annual income tax return to claim amount of estimated taxes paid for the taxable year

Identifier	Tax Liability Credits	Tax Offset	Assignable	Pass Through	Required Enclosure
PTET	Credit for Pass Through Entity Tax	AGIT, FIT			IT-40 Schedule 5 or IT-40PNR Schedule F; Schedule IN K-1 or IT-41 Schedule K-1
WTH	Credit for State and County Income Taxes Withheld (Refundable if claimed within three years of the due date, including extensions.)	AGIT			Form(s) W-2, W2-G, 1099, 1099R, 1099-NEC, Schedule IN K-1, and IT-41 Schedule K-1, showing Indiana tax withheld (for more information, refer to <u>General Tax Information Bulletin #100</u>)

How to Claim Credit

To claim credits, you must follow application or claim procedures specified by each tax credit program. Complete the appropriate forms and provide all required supporting documentation. Refer to in.gov/dor/legal-resources/tax-library/information-bulletins/income-tax-information-bulletins/ for additional information issued by the department, or contact the agency administering the credit to verify eligibility requirements and filing instructions.

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

Administering Agency	Tax Credit
<p>Indiana Department of Revenue Taxpayer Services Division 100 N. Senate Ave. Indianapolis IN 46204 (317) 232-2240 www.in.gov/dor</p>	<ul style="list-style-type: none"> • Affordable and Workforce Housing Tax Credit • Charitable Contributions to Higher Education Institutions • Credit for Contributions to ABLE Accounts • Credit for Estimated Tax Paid • Credit for Local Taxes Paid Outside Indiana • Credit for Taxes Paid to Other States • Credit for Taxes Withheld • Earned Income Credit • Employer Child Care Expenditure Credit • Employment of Individuals with Disability Tax Credit • Foster Care Donation Credit • Health Reimbursement Arrangement Credit • Income Tax Credit for Property Taxes Paid by a For Profit Hospital • Indiana Research Expense Credit • Income Tax Credit for Property Taxes Paid on Homesteads in Lake County • Nonresident Taxpayer Credit • Physician Practice Ownership Tax Credit • Teacher Classroom Supplies Tax Credit • Unified Tax Credit for the Elderly • Use Tax Credit

<p>Indiana Economic Development Corporation One North Capitol, Suite 700 Indianapolis, IN 46204 (317) 232-8800 www.in.gov/iedc</p>	<ul style="list-style-type: none"> • Attainable Homeownership Tax Credit • Coal Gasification Technology Investment • Community Revitalization Enhancement District Credit (CRED) • Economic Development for a Growing Economy (Job Retention Credit) • Economic Development for a Growing Economy (Nonresident Employees) • Enterprise Zone Employment Expense Credit • Enterprise Zone Investment Cost Credit • Enterprise Zone Loan Interest Credit (LIC) • Film and Media Production Tax Credit • Headquarters Relocation Credit • Historic Rehabilitation Tax Credit • Hoosier Business Investment Credit • Indiana Research Expense Credit (with regard to aerospace industry, but note that the IT-20 REC schedule is still needed) • Industrial Recovery Credit • Mine Reclamation Tax Credit • Redevelopment Tax Credit • Venture Capital Investment Credit
<p>Indiana Educational Savings Authority One North Capitol, Suite 444 Indianapolis, IN 46204 (317) 232-5259 www.in.gov/iesa www.collegechoiceplan.com</p>	<ul style="list-style-type: none"> • Indiana College Choice 529 Savings Plan Credit
<p>Indiana Comprehensive Health Insurance Association 4550 Victory Lane P.O. Box 33730 Indianapolis, IN 46203 (317) 614-2018</p>	<ul style="list-style-type: none"> • Indiana Comprehensive Health Insurance Association Credit
<p>Indiana Life and Health Insurance Guaranty Association 251 E. Ohio St., Suite 1070 Indianapolis, IN 46204 www.inlifega.org/</p>	<ul style="list-style-type: none"> • Indiana Insurance Guaranty Association Credit
<p>Indiana Housing and Community Development Authority Neighborhood Assistance Program</p>	<ul style="list-style-type: none"> • Neighborhood Assistance Credit

30 S. Meridian St., Suite 1000 Indianapolis, IN 46204 (317) 232-7777 (800) 872-0371 (outside Indianapolis)	
Office of Community and Rural Affairs One North Capitol, Suite 600 Indianapolis, IN 46204 (317) 233-3762 www.in.gov/ocra	<ul style="list-style-type: none">• Residential Historic Rehabilitation Credit

If you have any questions concerning this bulletin, please contact the Tax Policy Division at taxpolicy@dor.in.gov.



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