Tax Chapter 2022
for the 2021 Filing Year

Indiana Department of Revenue
The Tax Chapter is provided through DOR’s Business Education Outreach Program.

The Business Education Outreach Program provides taxpayer education and advice through speakers, presentations and programs for Hoosier organizations including professional associations, colleges, businesses and civic groups. For more information visit dor.in.gov/business-tax/business-education-outreach-program or email bizoutreach@dor.in.gov.

Disclaimer: Every attempt is made by the department to provide information that is consistent, with the appropriate statutes, rules and court decisions at the time of publication. Any information provided by the department in this publication that is not consistent with the law, regulations or court decisions is not binding on either the taxpayer or the department. Therefore, the information provided herein should serve only as a foundation for further investigation and study of the current law and procedures related to the subject matter covered herein.
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Commissioner’s Letter

Tax Professional Partners,

The Indiana Department of Revenue (DOR) is pleased to provide you this 2022 Tax Chapter. Our team has worked diligently to prepare this publication to help you and your clients accurately prepare returns for Indiana’s 2021 tax year.

2021 was another challenging year—one in which we completed a complex and extended individual tax season, as well as successfully implemented Rollout 3 of Project NextDOR, bringing increased functionality for individual taxes, FIT, refund fraud, ID protection and selected gaming taxes to INTIME. That’s on top of managing all the other components of agency operations, making substantive progress on several service improvement and innovation projects, and keeping the safety and well-being of our team members and all our customers a top priority.

Due to the commitment and great work of the 650 Hoosiers on the DOR team, we have continued to find ways to meet most of our critical service levels and deploy our most senior resources to key service channels, including our tax practitioner service line and our walk-in services throughout the state. We have stayed focused on keeping our systems, operations and services functioning during very difficult times, ensuring we continue to serve the partners, stakeholders and customers that count on us.

It was another year of success that we were proud to be recognized for. In 2021, our team was recognized with two more Top Workplaces awards—one Top Workplace USA award and a third straight Top Workplace *IndyStar* award. Our team was also recognized by the Federation of Tax Administrators with two 2021 FTA awards for impactful training and employee engagement work during the pandemic. The DOR team cares deeply about the work we perform and the Hoosiers we serve. We don’t do it for awards, but it makes us proud to receive this recognition.

Operating a very complex financial services organization like DOR in good times is incredibly difficult. Doing it during a once in a generation modernization project and once in a century pandemic is as hard as it sounds. But the amazing Hoosiers who are part of the DOR family continue to live our “find-a-way” mantra to serve Indiana and everyone who counts on us—one day, one challenge, one transaction and one customer service interaction at a time. It has been another incredibly challenging, but successful year and we are excited about what the future holds.

The entire DOR team truly values the trust-based relationships we have built with the tax practitioner community. We thank you for your partnership and for the incredibly important work you do to serve your clients and Indiana. Stay safe and let us know how we can help you.

Respectfully,

Bob Grennes,
Commissioner
Get to Know Project NextDOR and INTIME

Project NextDOR
Project NextDOR is DOR’s four-year modernization of Indiana’s tax processing system, including a new internal tax processing software that will replace outdated technology to enable more efficient operations and service offerings. For more information, visit ProjectNextDOR.dor.in.gov.

INTIME
The Indiana Taxpayer Information Management Engine (INTIME) is DOR’s new, 24/7, secure self-service e-portal enabling business and individual customers to view tax account information and correspondence from DOR, register tax accounts and manage and pay taxes online. Register for INTIME and learn more by visiting intime.dor.in.gov.

The new system is being released in four rollouts covering specific tax types, as shown in the timeline above. Rollout 3, which features individual income, fiduciary income and several gaming taxes, successfully launched Sept. 7, 2021. The graphic below illustrates the tax types that moved to DOR’s new state tax administration system, the Indiana Tax System (ITS) in Rollout 3.
Be in the Know: Changes and Updates for 2021 Tax Year

Added INTIME Functionality for Individual and Fiduciary Tax Types

Project NextDOR’s Rollout 3 focuses on individual income, fiduciary income and a handful of gaming taxes. The designated tax types affected are:

- Controlled Substance
- Fiduciary
- Gaming Excise (Charity Gaming)
- Individual Income
- Firework Public Safety
- Pari-Mutuel Wagering
- Racino Fees
- Racino Wagering
- Riverboat Wagering
- Sports Betting
- Supplemental Wagering
- Type II Gaming

Individual income tax customers can make payments and refund status inquiries without being required to log in. Creating an INTIME account offers additional access and functionality such as viewing and responding to DOR correspondence, viewing payment history, requesting return transcripts, establishing a payment plan, online customer support through secure messaging and more.
Fiduciary customers are also now able to file Form IT-41 with certified providers thanks to Modernized Electronic Filing (MeF) enhancements. Those enhancements include the ability to make amendments to both individual and fiduciary returns. Additionally, customers who file Type II Gaming (TTG), Charity Gaming Excise (CGE) and Fireworks Public Safety taxes can now use INTIME to manage their accounts.

For more information, the following INTIME resources are available:


**IRC Conformity**

Indiana is a static conformity state, meaning that Indiana’s tax code is linked to the Internal Revenue Code (IRC) as of a certain date. On April 22, 2021, the Indiana General Assembly passed House Enrolled Act (HEA) 1001 and HEA 1436, which became law shortly thereafter. These acts updated Indiana’s IRC conformity date to the version of IRC that was in effect on March 31, 2021, and specifically decoupled from certain provisions contained in three federal COVID-19 stimulus acts. This decoupling may require Hoosiers to add back the amount of certain federal stimulus benefits or affect the way those benefits are treated for purposes of Indiana Adjusted Gross Income (AGI). Below is a list of federal stimulus provisions from the three COVID-19 acts (as well as the tax extenders) and Indiana’s tax treatment of these provisions.

**Provisions impacting federal AGI and passing directly into Indiana AGI:**

- Thirty-year Depreciation of Certain Residential Real Property
- Special Rules for Retirement Distributions
- Depreciation on Qualified Improvement Property
- Treatment of Menstrual Care Products
- Coronavirus-Related Teacher Supply Expenses
- Paycheck Protection Program Loans
- Qualified Emergency Financial Aid Grants
- United States Treasury Program Management Authority Loans
- Emergency EIDL Grants and Targeted EIDL Advances
- Extenders

**Provisions impacting federal AGI from which Indiana wholly or partially decouples:**

- Business Meal Deductions
- Unemployment Benefits
- Earned Income Tax Credit Special Income Rule
- Individual Charitable Contributions under CARES Act
- Student Loan Payments by an Employer
- Section 461(l) Loss Limitation Suspension
- Student Loan Discharge
- Employee Retention Credit Wages Disallowed for Federal Purposes

**Provisions that do not impact Indiana:**

- Excess Interest Deductions
- Net Operating Loss Changes
- Corporate Charitable Contributions under CARES Act

For more details on these impacts, visit dor.in.gov/legal-resources/tax-library/2020-and-2021-federal-legislation and Income Tax Information Bulletin #119 at dor.in.gov/files/ib119.pdf.
Unemployment compensation is taxable in Indiana, with a deduction available to certain Indiana taxpayers (see revised worksheet at dor.in.gov/files/UnempCompWorksheet.pdf for additional information). However, updates to federal and state law throughout 2020 and 2021 have complicated many customers’ understanding of DOR’s treatment of unemployment compensation.

Background
For tax year 2020, the American Rescue Plan Act (ARPA) of 2021 enacted a retroactive change under IRC § 85(c), allowing an exclusion of unemployment compensation of up to $10,200 per individual, provided that the taxpayer (single or married) had a Federal Adjusted Gross Income (FAGI) of less than $150,000 prior to inclusion of unemployment compensation. Under HEA 1436, Indiana required that any excluded unemployment for 2020 be added back in determining Indiana AGI. However, a threshold of $12,000 for single taxpayers and $18,000 for married taxpayers filing jointly, determined by adding FAGI and any unemployment compensation excluded from federal gross income for 2020, determines the taxability of unemployment compensation benefits in Indiana.

Customers who filed before March 11, 2021
Customers who filed before the ARPA was enacted for federal tax purposes would have included all unemployment income in their FAGI. They do not need to file an amended return and should have paid any remaining balance due by May 17.

Customers who filed after March 11, 2021
After the ARPA was enacted, many vendors updated their tax preparation software products to perform the appropriate addback of unemployment income. However, the way they updated their software created several different gaps. In any gap where a particular vendor had updated federal law but had not also created an addback in Indiana due to its static conformity date, taxpayers would have underreported income and underpaid tax owed to Indiana. Practitioners can check IT-40 Schedule 1 or IT-40PNR Schedule B to see if the excluded portion of unemployment income was added back to their customers’ Indiana return as an “Other Add Back Code 120” (accounting for other potentially non-conformity additions included in Schedule 1/B, Code 120).

* Electronic filers: DOR reviewed and made necessary changes to MOST e-filed returns, so these customers who did not correctly report or add back unemployment income should not need to file amended returns. However, customers in this situation who did not receive a bill from DOR by July 6, may need to file an amended return.
* Paper filers: Those who filed using paper forms and misreported or underpaid tax on unemployment income need to file an amended return, as DOR could not or did not adjust paper-filed returns.

Additional Information
DOR revised the unemployment compensation deduction worksheet to account for the difference between federal and state treatment of unemployment income in 2020. This worksheet is available at dor.in.gov/files/UnempCompWorksheet.pdf.

Under Indiana law, DOR has the authority to waive penalties but not interest. However, Gov. Holcomb issued an Executive Order directing DOR to waive interest related to the underpayment due to software issues through Sept. 30, 2021.

Bills for unpaid taxes were generated in June 2021 with payments due by the date listed on the bill. Taxpayers who disagree with their bill should review their return, and protest (see dor.in.gov/legal-resources/appeals for more information) or file an amended return as appropriate.

Earned Income Credit
The federal government made several changes to the Earned Income Credit (EIC) for tax year 2021, including a special income rule, expansions for childless individuals and more. However, Indiana has decoupled from these provisions, and they will be disregarded for the purposes of the 2021 Indiana EIC.

The Indiana Earned Income Credit Publication provides additional information on the EIC including how to calculate Indiana’s EIC, rules for taxpayers with a qualifying child, worksheets, definitions and special rules. This publication will be updated and available in December 2021 at dor.in.gov/tax-forms/2021-individual-income-tax-forms. Until then, practitioners may also reference last year’s publication at forms.in.gov/download.aspx?id=14479.

Excess Reserves Tax Credit
Under Indiana’s “Use of Excess Reserves” law (IC 4-10-22), Indiana must use excess budget reserves in specific ways, including refundable tax credits to Hoosier taxpayers. On July 14, 2021, Auditor of State Tera Klutz announced a $3.9 billion state budget surplus, and that Indiana would divide $1.1 billion of that surplus equally between the state’s teachers’ retirement fund and a refundable tax credit for Hoosier taxpayers.

There is no immediate impact to Hoosier taxpayers, and DOR is not issuing additional tax refund checks or automated deposits because of this announcement. Currently, DOR is reviewing eligibility requirements and other details as defined by law. DOR will coordinate with the Office of Management and Budget (OMB), Auditor of State and the State Budget Agency (SBA) to announce additional information in late fall and will widely communicate the process for claiming this tax credit, along with amounts and eligibility requirements. For more information about Indiana’s “Use of Excess Reserves” law, visit iga.in.gov/legislative/laws/2021/ic/titles/004/#4-10-22.

Partnership Audit Adjustment Changes
Effective July 1, 2021, Indiana has adopted a modified version of the Multistate Tax Commission (MTC) partnership model Revenue Agent Report (RAR), which provides a mechanism for the partnership to report changes and either elect to directly pay the tax or provide the federal changes to its partners report and pay the tax due. Indiana now mirrors the pre-2018 federal approach wherein if there is a dispute, DOR will resolve it at the partnership level, and it binds the partners.

This means the litigation and protests will occur at partnership level rather than with partners. These changes will streamline Indiana partnership audits and protests by allowing those most involved in partnership operations to be aware of and engage in these processes. More detailed information on these changes can be found in Income Tax Information Bulletin #72A, which will be available soon at dor.in.gov/legal-resources/tax-library/information-bulletins. Additional guidance regarding changes to the partnership audit process and its impact on customers will be forthcoming.

Mandatory Electronic Filing for Corporations
C Corporations with over $1 million in gross receipts for federal tax purposes are required to file returns electronically beginning with tax years ending in 2022. This filing requirement also applies to amended returns. If the return is not filed electronically, the corporation is subject to a 10% penalty for any tax listed as due on the return. This penalty applies even if the taxes are otherwise timely paid.

This requirement does not apply to financial institutions, nonprofits, S corporations or partnerships. In addition, if electronic filing is not possible due to DOR system issues, a traditional paper return may be filed. A list of general exceptions will be available on DOR’s website later this year.

Electronic filing simplifies the tax process and reduces costs associated with traditional paper returns. Electronically filed returns are also faster for DOR to process and usually result in fewer errors, which will benefit corporations impacted by this change.
Payroll Service Provider and Withholding Tax Remittance
Several new rules and procedures are being put in place to provide greater accountability of payroll service providers (PSP). A PSP is defined as a third-party service provider that is authorized to prepare and file returns, withdraw funds and hold the funds in the PSP’s bank account, remit payment, and take other similar reporting and compliance actions on behalf of a business client regarding that client’s tax withholding and remittance duties.

PSP Registration
Effective Jan. 1, 2022, PSPs are required to register annually with DOR and include a list of all responsible persons of the PSP that provide third-party payroll services. Also required is certification and acknowledgment that the bank account the PSP uses for employer withholding tax deposits will only be used for employer withholding tax liabilities and other payroll obligations of client employers, and that withdrawal or use of funds in the account for any other purpose by the PSP constitutes fraud.

Notification
DOR will also provide electronic notice to all employers registered in INTIME, whose Indiana withholding tax report or remittance is 7 days past due. The email notification will be sent to the designated officer of the business responsible for reporting withholding, directing them to log into INTIME for more information. This individual cannot be a PSP. Once logged into their INTIME account, the recipient will be able to access the withholding liability notice.

Liabilities
It is now a Class A misdemeanor for a responsible person within a PSP to knowingly or intentionally, fail to remit taxes that were withheld. The associated penalty will increase depending on the amount of unremitted taxes. The liability of the PSP responsible person shall not be construed to relieve the liability of the employer or any person otherwise with a duty to withhold.

Registered Retail Merchant Certificates
This legislative change allows DOR to release information about Registered Retail Merchant Certificates (RRMCs) to the public. RRMCs allow businesses to legally conduct retail sales in Indiana. Prior to the passing of this legislation, DOR was not permitted to provide taxpayers with information about whether businesses were in good standing. This change allows DOR to disclose whether a business has an active RRMC in Indiana to taxpayers, giving them the ability to assess a business’ standing. Customers may request this information by calling DOR’s business tax line, 317-232-4692, or by sending a secure message through INTIME.

Foster Care Donation Tax Credit
During the 2021 legislative session the Indiana General Assembly adopted the Foster Care Donation Tax Credit, which provides a tax credit against AGI tax and financial institutions tax liability for monetary contributions to a qualifying foster care organization. As a result, Indiana taxpayers will be able to claim the credit on their 2022 tax return for approved donations made after Dec. 31, 2021. The credit is equal to 50% of the amount of the contribution but cannot exceed $10,000 for a taxable year. This is a nonrefundable tax credit that cannot be carried forward. There is a $2 million cap on the total amount of tax credits allowed each year and the tax credit will sunset on July 1, 2025.

Those interested in applying for the Foster Care Donation Tax Credit must submit a completed application to DOR to be pre-approved. The application and additional information will be available on DOR’s website in December 2021. Once approved, proof of donation must be provided to DOR within 30 days. Taxpayers who meet these conditions may claim this credit when filing their taxes.
Secondary Review Requests

During the 2020 legislative session, the Indiana General Assembly adopted DOR’s Secondary Review process, which provides a conference process if a taxpayer receives a notice of adjustment or application denial from DOR that does not result in a tax change. Those impacted taxpayers should first receive a notice from DOR detailing the adjustment to the return or the application denial. The taxpayer has 60 days from the date the notice of adjustment or application denial is issued to file a written response that explains why the taxpayer disagrees with the adjustment or application denial, provide any necessary documentation and request a conference with DOR.

A Secondary Review Request is not an adjustment that will result in a change to a refund amount or the tax amount due, official tax protest or automatic reversal of any DOR application denial. The Secondary Review Request form and further information on the process are provided to those that receive a notice detailing the adjustment to the return or the application denial. Any response provided by DOR to a request for a secondary review of adjustment or application denial will not represent a final determination per IC 6-8.1-5-1.5.
Tax Year 2021 Updates to DOR Forms

Add-Backs

- Employer Student Loan Payment Add-Back (IND)
  - 3-digit code 148
- Meal Deduction Add-Back (IND & COR)
  - 3-digit code 149
- Student Loan Discharge Add-Back (IND)
  - 3-digit code 150
- Tax Add-Back (IND & COR)
  
  The portion of wagering taxes required to be added back as a tax based on or measured by income is being phased out. The percentage of taxes required to be added back for 2021 is 62.5%.

Credits

- Earned Income Credit Ceiling Increase (IND)
  - 2022 first year
  - State credit ceiling increased
  - Cannot exceed 10% of federal EIC (was 9% through 2021 tax year)
- EDGE-NR (IND & COR)
  - 3-digit code 865; composite 4-digit code 1865
  - 2021 first year
  - Nonrefundable
  - Reported on Schedule IN-OCC
- Foster Care Donation Credit (IND & COR)
  - 3-digit code 867; composite 4-digit code 1867
  - 2022 first year
  - Nonrefundable
  - Reported on Schedule IN-OCC

- Lake County Residential Income Tax Credit – New Married Filing Separately (MFS) rule (IND)
  
  2021 first year. Provides that in the case of a married individual filing an MFS return, the amount of credit shall be 50% of the amounts listed in IC 6-3.1-20-5(b) and (c) (see worksheets in 2021 IT-40/IT-40PNR instruction booklets).

- Public School Educator Expense Credit Conformity Issue (IND)
  
  2021 first year. The following expenses are not allowed when figuring this state credit:
  
  - COVID-19 protective items (e.g., face masks)
  - Disinfectant for use against COVID-19
  - Hand soap and sanitizer
  - Disposable gloves
  - Tape, paint, or chalk to guide social distancing
  - Physical barriers (e.g., clear plexiglass)
  - Air purifiers
  - Other items recommended by the CDC to be used to prevent the spread of COVID-19.

- School Scholarship Tax Credit Contribution Ceiling Increase (IND & COR)
  
  The total of allowable net contributions to the program has changed to:
  
  - $17.5 million for the program’s fiscal year of July 1, 2021 – June 30, 2022
  - $18.5 million for the program’s fiscal year of July 1, 2022 – June 30, 2023
  - $16.5 million for the program’s fiscal year of July 1, 2023 – June 30, 2024 and later
• Venture Capital Investment – Qualified Investment Fund Credit (IND & COR)
  ° 3-digit code 867; composite 4-digit code 1867
  ° 2023 first year
  ° Nonrefundable
  ° Reported on Schedule IN-OCC

Deductions

• COVID-related Employee Retention Credit Disallowed Expenses Deduction (IND & COR)
  ° 3-digit code 634
  ° 2021 first year

• Indiana Education Scholarship Account Deduction (IND)
  ° 3-digit code 635
  ° 2022 first year

• Indiana-only Tax-exempt Bonds Deduction (IND & COR)
  ° 3-digit code 636

• Indiana Partnership Long-Term Care Policy Premiums Deduction – New MFS rule (IND)
  2021 first year. Allows a married individual filing an MFS return who is otherwise entitled to the Indiana Partnership Long-Term Care Policy Premiums Deduction to subtract an amount equal to the portion of any premiums paid during the taxable year by the individual for the individual, but not for the individual’s spouse.

• Renter’s Deduction – New MFS rule (IND)
  2021 first year. Allows a married individual filing an MFS return for a particular taxable year who rents an Indiana dwelling as a principal place of residence to deduct the amount of rent paid by the individual with respect to the dwelling during the taxable year up to the lesser of the amount paid by the individual or $1,500.

• Residential Homeowner’s Property Tax Deduction – New MFS rule (IND)
  2021 first year. Allows a married individual filing an MFS return for a particular taxable year who pays Indiana property tax on a dwelling as the individual’s principal place of residence to deduct the amount of property tax paid by the individual with respect to the dwelling up to the lesser of the amount paid by the individual or $1,250.

• Disability Retirement Deduction – New MFS rule (IND)
  2021 first year. Establishes, for purposes of calculating the disability retirement deduction in IC 6-3-2-9, a threshold of $7,500 on line 4 in the case of a married individual filing an MFS return. Line 4 previously had a threshold of $15,000 without regard to the filing status of a married individual.

Exemptions

• Exemption for Individuals Aged 65 or Older – New MFS rule (IND)
  2021 first year. Allows a married individual filing an MFS return to claim the additional $500 Indiana exemption for taxpayers aged 65 or older if the individual’s FAGI is less than $20,000 (previously $40,000).

New Schedules

• Schedule IN-40PA (IND)
  Replaces Worksheet IN-40PA for married filing jointly (MFJ) taxpayers to indicate if they are filing as a spouse who claims to not be liable for all or part of a tax liability. Required to be filed with Indiana individual return if line 5 checkbox on Schedule 7 or line 4 checkbox on Schedule H is checked.

• Schedule IN-40SA (IND)
  Replaces Worksheet IN-40SA for MFJ taxpayers to indicate if they are filing as an injured spouse. Taxpayers who qualify as an injured spouse will be sent Schedule IN-40SA after filing.

• Schedule IN-EL (COR)
  Captures information related to being taxed at partnership level. Required to be filed with Form IT-65 if line R is checked and box for “check box if amended” and / or “check box if amendment is due to a federal audit,” is also checked.
• **Schedule IN-UBI (COR)**
  Created to capture a nonprofit organization’s unrelated business income from more than one line of business. Required to be filed with Form IT-20NP if line M has been checked.

• **IT-41 Schedule 1 (COR)**
  Created to identify and capture different tax types on other income. Required to be filed with Form IT-41 if an amount is entered on line 11.

### Sunset Forms

• **Form IT-40X (IND)**
  This form will no longer be available for tax year 2021 and forward. Instead, taxpayers will use the designated box on Form IT-40, IT-40PNR or IT-40RNR to indicate that they are filing an amended return. Taxpayers will still be able to use the IT-40X to file for prior years.

### Miscellaneous

• **IRC Update (IND & COR)**
  Line 1 of Form IT-40 assumes conformity with the Internal Revenue Code of 1986, as amended and in effect on March 31, 2021. If the 2022 Indiana General Assembly does not conform to the most current changes to the Internal Revenue Code, you may have to amend your 2021 tax return at a later date to reflect any differences between Indiana and federal law. You may wish to periodically check DOR’s homepage at dor.in.gov for updates.
Due Dates for Tax Filers

### Individual Forms

<table>
<thead>
<tr>
<th>Date</th>
<th>Form Type/Payment/Filing Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/18/22</td>
<td>Farmer/fisherman 2/3rd rule: only on estimated payment due IT-40ES/ES-40 2021: 4th estimated installment payment due</td>
</tr>
<tr>
<td>02/01/22</td>
<td>File 2021 IND return, pay all tax due, no 4th installment payment due</td>
</tr>
<tr>
<td>03/01/22</td>
<td>Farmer/fisherman 2/3rd rule: file 2021 return/pay all tax due by March 1, 2022, no est. tax due</td>
</tr>
<tr>
<td>04/18/22</td>
<td>Filing due date for: 2021 IT-40, IT-40PNR, IT-40RNR, SC-40, IT-9 (extension of time to file) IT-40ES/ES-40 2022: 1st estimated tax installment payment due</td>
</tr>
<tr>
<td>06/15/22</td>
<td>IT-40ES/ES-40 2022: 2nd estimated tax installment payment due</td>
</tr>
<tr>
<td>09/15/22</td>
<td>IT-40ES/ES-40 2022: 3rd estimated tax installment payment due</td>
</tr>
<tr>
<td>11/14/22</td>
<td>IND return filing due date if filing under extension (federal Form 4868; state Form IT-9; online)</td>
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<tr>
<td>01/17/23</td>
<td>IT-40ES/ES-40 2022: 4th estimated tax installment payment due</td>
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### Corporate Forms

<table>
<thead>
<tr>
<th>Date</th>
<th>Form Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due 15th day of fifth month following the end of the taxable year</td>
<td>Form IT-20</td>
</tr>
<tr>
<td>Due 15th day of fourth month following the end of the tax year</td>
<td>Form IT-20S</td>
</tr>
<tr>
<td>Due 15th day of fourth month following the end of the tax year</td>
<td>Form IT-65</td>
</tr>
<tr>
<td>Extended due date is 30 days after 15th day of tenth month following the end of the taxpayer’s taxable year</td>
<td>Form IT-20</td>
</tr>
<tr>
<td>Extended due date is 15th day of tenth month after the end of the taxpayer’s tax year</td>
<td>Form IT-20S (Indiana S Corp) and Form IT-65 (Indiana Partnership)</td>
</tr>
</tbody>
</table>

### Nonprofit Forms

<table>
<thead>
<tr>
<th>Date</th>
<th>Form Type</th>
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</thead>
<tbody>
<tr>
<td>Due 15th day of fifth month following the end of the taxable year</td>
<td>Form IT-20NP</td>
</tr>
<tr>
<td>Due 15th day of fifth month following the end of the taxable year</td>
<td>NP-20</td>
</tr>
<tr>
<td>Due 120 days after the nonprofit’s formation</td>
<td>NP-20A</td>
</tr>
</tbody>
</table>

*These can be completed through INTIME at [intime.dor.in.gov](http://intime.dor.in.gov).

For additional tax filing deadlines and information, visit [dor.in.gov/individual-income-taxes/filing-my-taxes/tax-filing-deadlines](http://dor.in.gov/individual-income-taxes/filing-my-taxes/tax-filing-deadlines).
Electronic Filing and Payment Information

Individual, Business and Corporate Taxes – INTIME
Selected tax filings and most tax payments are available for tax types in Rollout 1, 2 and 3 of DOR’s four-phase implementation. INTIME, accessible at intime.dor.in.gov, currently supports the following tax types and forms:

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>Tax Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>County Innkeeper’s</td>
<td>CIT-103</td>
</tr>
<tr>
<td>Food and Beverage</td>
<td>FAB-103</td>
</tr>
<tr>
<td>Heavy Equipment Rental</td>
<td>HRT-103</td>
</tr>
<tr>
<td>Motor Vehicle Rental</td>
<td>MVR-103</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>ST-103, ST-103MP, ST-103CAR</td>
</tr>
<tr>
<td>Tire Fee</td>
<td>TIF-103</td>
</tr>
<tr>
<td>Utilities Services Use</td>
<td>USU-103</td>
</tr>
<tr>
<td>Wireless Prepaid Card</td>
<td>WPC-103</td>
</tr>
<tr>
<td>Withholding</td>
<td>WH-1, WH-3</td>
</tr>
<tr>
<td>Nonprofit</td>
<td>NP-20</td>
</tr>
<tr>
<td>Utility Receipts</td>
<td>URT-1</td>
</tr>
<tr>
<td>Charity Gaming (New)</td>
<td>CGE-103</td>
</tr>
<tr>
<td>Fireworks Public Safety (New)</td>
<td>FPS-103</td>
</tr>
<tr>
<td>Type II Gaming (New)</td>
<td>TTG-103</td>
</tr>
<tr>
<td>Pari-Mutuel Wagering (New)</td>
<td>RG-Recap</td>
</tr>
</tbody>
</table>

In addition, INTIME provides increased access and functionality for tax preparers including:

- Access to view and manage multiple customers under one login.
- Ability to file returns, make payments and view filing and payment history for clients.
- Power of attorney (ePOA) request for authorization to act on behalf of clients.
- Ability to view and respond to DOR correspondence for clients.
- Access online customer service support through secure messaging.

For more information, see the INTIME user guides at dor.in.gov/online-services/intime-tax-center.

Payment Plans – INTIME
Payment plan functionality previously available through INtax Pay has now moved to INTIME. Individuals and businesses who have received a bill after the tax season ends may be able to set up a payment plan for a liability online at intime.dor.in.gov.

DOR payment plans require little to no down payment and allow customers up to 36 months to pay an outstanding tax obligation. Generally, the amount of tax due must be more than $100 for individuals or $500 for businesses to establish a payment plan.

Payment Plans available through INTIME

<table>
<thead>
<tr>
<th>Amount Owed - Individual Income Tax</th>
<th>Amount Owed - Business Tax</th>
<th>Maximum months</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100 or less</td>
<td>$500 or less</td>
<td>full payment required</td>
</tr>
<tr>
<td>$101 to $1,000</td>
<td>$501 to $1,000</td>
<td>up to 12 months</td>
</tr>
<tr>
<td>$1,001 to $5,000</td>
<td>$1,001 to $5,000</td>
<td>up to 24 months</td>
</tr>
<tr>
<td>$5,001 and above</td>
<td>$5,001 and above</td>
<td>up to 36 months</td>
</tr>
</tbody>
</table>
Additional Tax Types – INtax
INtax, available at intax.in.gov, is DOR’s free online tool to manage business tax obligations for alcohol excise tax, aviation fuel tax, gasoline use tax, motor fuel tax, other tobacco products excise tax, peer to peer ride share tax, special fuel tax and transporter tax. NOTE: These tax types will move to INTIME during the final rollout in July 2022.

Alcohol, Cigarette and Other Tobacco Products Taxes
Businesses in Indiana must file and pay their alcohol excise taxes, cigarette taxes and other tobacco product (OTP) taxes electronically. Any informational returns that do not require a tax payment also must be filed electronically.

There are two methods for creating electronic files. The first method involves extracting the data from the taxpayer’s recordkeeping system and using the XML schema definitions to format the data correctly. In the second method, taxpayers enter data in an Excel template and export it to XML using a converter tool.

Once the file is in XML format, taxpayers have two options for submitting it to DOR. Option 1 involves logging in to a website and attaching the file, while option 2 requires a bulk upload.

Taxpayers can also file and pay their alcohol excise taxes and OTP taxes using INtax. For more detailed information, visit the following webpages:

- Cigarette and OTP: dor.in.gov/business-tax/cigarette-and-other-tobacco-products-tax

Motor Carrier Services
All motor carriers are required by law to file and pay their fuel taxes and registrations electronically. Carriers can visit motorcarrier.dor.in.gov to manage their fleet and related tax filings and permits in one place. For more information on Motor Carrier Services, visit dor.in.gov/mcs.

INBiz
INBiz serves as a single point of contact for those registering a business with the state. Customers can register at inbiz.in.gov and use a variety of online functionalities such as:

- Registering with the Secretary of State
- Filing a Business Entity Report
- Completing Tax Registration
- Ordering a Certificate of Existence

Tax types that businesses can use INBiz to register for include Indiana retail sales, withholding, out-of-state sales, gasoline use taxes and metered pump sales, tire fees, fuel taxes, wireless prepaid fees, food and beverage taxes, county innkeeper’s taxes, heavy vehicle rental tax and motor vehicle rental taxes.
Working Together
Information and Tips to Help Your Clients

Power of Attorney

DOR’s INTIME system features electronic Power of Attorney (ePOA) functionality for many individual, business and corporate tax types. Once ePOA access has been requested through INTIME and approved by your client, you will be able to see and perform the same actions as your client. Both ePOAs and the POA-1 form are valid for five years before renewal is required.

DOR considers an INTIME ePOA equivalent to the POA-1 form for the purpose of discussing tax matters. DOR reserves the right to request the POA-1 form in certain circumstances, but in general, DOR will not require a POA-1 form in addition to an approved INTIME ePOA access request. The INTIME ePOA allows clients to approve access to the accounts currently in INTIME. See page 15 for a full list of tax types currently covered.

A POA-1 is needed for tax types not currently active on INTIME. For more information and to download a POA-1 form see dor.in.gov/tax-professionals/power-of-attorney-procedures-and-form. You may submit the form in one of the following ways:

- Fax: 317-615-2605
- Mail: Indiana Department of Revenue
  P.O. Box 7230
  Indianapolis, IN 46207-7230

DOR Correspondence Reminder

When corresponding with DOR by mail, email or through secure messaging on INTIME, include a copy of any notice that you previously received from DOR. This confirms your account with DOR and allows for efficient processing.

DOR Audit Manual

DOR’s Audit Manual, a comprehensive overview of the procedures and guidelines available to aid in the completion of various types of audits, is available at dor.in.gov/files/audit-manual.pdf.

Audit Procedure and Policies

DOR cannot accept or transmit documentation or work papers containing taxpayer information through a flash drive or external hard drive. All electronic documentation and/or work papers must be transmitted through DOR’s secure email process or uploaded via DOR’s secure server.

Practitioners who have power of attorney on file may receive a copy of the audit report if the taxpayer designates the POA to receive email notifications in INTIME, which gives them notification of and access to the correspondence in INTIME. A paper copy of the audit report is only provided to the taxpayer and is sent via U.S. mail.
Updated Secure Email Messaging
DOR now uses Office 365 Message Encryption (OME) Secure Mail, a secure email feature which enables employees to securely email sensitive information. This feature replaces DataMotion, DOR’s previous secure email system. Customers who receive OME messages will click on an embedded link, which will navigate a recipient to a secure site. After requesting and receiving a one-time passcode that will be sent to their personal email address, customers will be able to click the appropriate box in the message, and then read and respond to these messages for 12 continuous hours before needing to request another one-time passcode.

Income Statements
Income statements (e.g., W-2, 1099s, certain IN K-1s with nonresident partners/shareholders) must be included with a paper return to claim Indiana credit for state and/or local withholding. Do not send W-2s with information on the front and back. DOR only accepts single-sided withholding statements.

Certified Forms
Use DOR-provided forms or DOR-approved and certified tax preparation software only. Also, make sure your software is updated regularly, as older versions lack the most up-to-date forms or county tax rates. Using unapproved or old forms will cause delays in processing and delay refunds. For a list of certified software developers, visit dor.in.gov/tax-professionals/certified-software-developers.

Include a Payment Voucher with All Checks
Customers should not pay their tax liability using a bill pay service provided through their bank or other third-party. DOR receives thousands of checks without the appropriate payment voucher, leaving tax analysts to manually determine the customer’s tax account. Please use the appropriate DOR payment portal for ACH or e-checks. See page 15 for information on electronic payment portals.

Mailing Instructions
Mailing instructions for individual income tax returns are determined by payment status:

- If enclosing payment, mail to: P.O. Box 7224, Indianapolis, IN 46207-7224.
- Mail all other returns to: P.O. Box 40, Indianapolis, IN 46206-0040.

Form WH-3 will be mailed based on payment status:

- If requesting a refund, mail to: P.O. Box 7220, Indianapolis, IN 46207-7220.
- Mail all other Form WH-3s to: P.O. Box 6108, Indianapolis, IN 46206-6108.

Correspondence regarding individual tax issues should be mailed to: P.O. Box 7207, Indianapolis, IN 46207-7207.

Address Changes
Individual income tax customers can now request a change of address for their account and business customers can change a business account or location address on INTIME at intime.dor.in.gov. Instructions for individuals are available at dor.in.gov/individual-income-taxes/change-my-address and additional information on business address changes is available at dor.in.gov/business-tax/change-business-address-contact-name-andor-phone-number.
Reporting Tax Fraud
Tax practitioners are encouraged to help DOR combat and prevent tax fraud by reporting suspected fraudulent activities through INTIME at intime.dor.in.gov or completing DOR’s Tax Fraud Referral Form at dor.in.gov/fraud-prevention/tax-fraud-and-how-to-report-it and mailing or faxing it to:

Indiana Department of Revenue
Special Investigations Unit
P.O. Box 6480
Indianapolis, IN 46206
Fax: 317-233-6107

Taxpayer Advocate Office (TAO)
TAO assists customers in rectifying problems that have not been settled through other DOR programs and is a final resource to resolve customer issues. Visit dor.in.gov/contact-us/taxpayer-advocate-office for more information on TAO services such as:

• Claim for Hardship
• Offer-in-Compromise
• Tax Warrant Expungement
• Active-Duty Military Assistance
• Incarcerated Individual Assistance
2021 Legislative Overview Highlights
The following is a summary of legislation passed by the 2021 Indiana General Assembly, highlighting some of the most significant items that affect taxpayers and tax practitioners.

**Income Taxes**

- Venture Capital Investment Tax Credit: Amends the venture capital investment tax credit to apply to taxpayers that provide qualified investment capital to certain qualified Indiana investment funds. Provides that the Indiana Economic Development Corporation (IEDC) may only certify a fund as a qualified fund if the fund meets the definition of a venture capital fund under federal regulations and the fund makes investments according to specified policy requirements and priorities. Provides that a taxpayer may not claim a credit concerning a qualified fund before July 1, 2023. Specifies the maximum available tax credits in a calendar year concerning a qualified fund. Increases the maximum available tax credits in a calendar year with regard to qualified Indiana businesses under current law, including an additional increase in the maximum amount if the qualified Indiana business is a minority business enterprise or a women’s business enterprise. Caps the total amount of credits that IEDC may award in a calendar year at $20 million, provided that not more than $7.5 million is awarded for proposed investments in a qualified fund.

- Hoosier Business Investment Tax Credit: Provides that, in the case of the Hoosier business investment tax credit, IEDC may under a written agreement accelerate payment (at a discounted amount) of any unused excess tax credit that certain taxpayers would otherwise be eligible to carry forward to a subsequent tax year. Provides that a written agreement for an accelerated payment may include a provision for liquidated damages:
  - For failure to comply with the terms and conditions for the tax credit.
  - That are in addition to any tax assessment DOR may make for noncompliance.
  - In a partnership, S corporation or similar pass-through entity, the partners personally guarantee shareholders or pass-through entity members.

Also provides that the total amount of accelerated tax credits that IEDC may approve may not exceed $17 million in a state fiscal year.

- Indiana Career Accelerator Fund: Establishes the Indiana Career Accelerator Fund to be administered by INvestED Indiana. Provides that INvestED Indiana may award financial assistance awards from the fund to assist individuals in obtaining credentials from qualified education programs. Defines “qualified education program” for purposes of an award. Directs DOR to calculate for 10 years any increased adjusted gross income over the base year earned by graduates of INvestED-approved programs and annually transfer the collective increase to the appropriate state fund for INvestED’s use.

**Sales and Use Taxes**

- Utility-Scale Battery Exemption: Creates a new exemption from sales and use tax for transactions involving utility scale battery energy storage systems acquired by a public utility or a power subsidiary. A utility-scale battery energy storage system is defined as a system that is capable of storing and releasing greater than 1MW of electrical energy for a minimum of one hour utilizing an AC inverter and DC storage, or equipment that receives, stores and delivers energy using batteries, compressed air, pumped hydropower, hydrogen storage (including hydrolysis), thermal energy storage, regenerative fuel cells, flywheels, capacitors and superconducting magnets, but does not include foundations or property used to directly or indirectly connect the AC inverter or DC storage of such system to electrical energy production equipment or the customer’s meter.

- Public Safety Equipment Exemption: Codifies previous guidance concerning the exemption for public safety equipment and materials purchased by contractors and predominately used in public works construction or maintenance. Defines “public safety equipment and materials” and provides examples of items that do not meet that definition.
• Addition of Remote Seller Nexus Provisions to Other Similar Taxes: Adds economic nexus language to the following taxes: fireworks public safety fee, prepaid wireless service charge and the waste tire management fee.

• Reporting requirement for One-to-one Meter Changes: Requires a utility provider to maintain records sufficient to document each one-to-one meter change. Allows a person to request that DOR reissue an exemption certificate with a new meter number in the event of a one-to-one meter change.

• School Scholarship Tax Credit: Increases the total amount of tax credits that taxpayers can claim for contributions to a scholarship granting organization from $16.5 million for FY21 to $17.5 million for FY22 and $18.5 million for FY23.

Local Taxes
• St. Joseph County Innkeeper Tax: Authorizes St. Joseph County fiscal body to adopt an ordinance to increase the county innkeeper tax rate to no more than 8%.

• Daviess County Innkeeper Tax: Increases the maximum rate for the Daviess County innkeeper’s tax from 5% to 9%. Provides for collection procedures of a county innkeeper’s tax by DOR if a county fiscal body adopts an ordinance making a change concerning the imposition of the innkeeper’s tax. Requires a county to notify DOR at least thirty days prior to a rate change or change in the party responsible for enforcement and collection.

• Nashville Food and Beverage Tax Sunset: Extends the expiration date of the Nashville Food and Beverage Tax.

Other Taxes
• Revision of Fuel Tax Factors: Sets a floor on the computed fuel tax indexes each year of not less than the rate in the preceding year.

• Electronic Cigarette Tax and Closed System Cartridge Tax: Imposes an excise tax, known as the electronic cigarette tax, on the retail sale of vapor products and consumable material in Indiana at a rate of 15% of the gross retail income received by the retail dealer for sale (does not include closed system cartridges). Imposes a separate wholesale tax, known as the closed system cartridge tax, on the distribution of closed system cartridges at a rate of 25%.

• Aviation Fuel Tax: Provides that, beginning July 1, 2021, all aviation fuel excise tax revenue is transferred to the Airport Development Grant Fund.

Tax Administration
• Motor Carrier Trailer Registration Fees: Under current practice, registration fees for full trailers registered under the International Registration Plan (IRP) should be prorated based on the percentage of miles driven in Indiana. This was not clear in Indiana Code after the overhaul of Title 9 in 2016, and SEA 383 remedies this by confirming that the registration fees are allowed to be prorated.

• Allen County professional sports development area (PSDA): Increases the maximum amount of covered taxes that may be captured in the Allen County PSDA from $3 million to $5 million. Provides for distribution of the covered taxes in the Allen County PSDA as follows:
  1. The first $2.6 million to the Allen County War Memorial Coliseum.
  2. The next $0.4 million to the Allen County-Fort Wayne Capital Improvement Board for the Grand Wayne Center.
  3. The remaining amount to the Allen County-Fort Wayne Capital Improvement Board to be split evenly between the Allen County War Memorial Coliseum and the Grand Wayne Center.

• Evansville PSDA: Provides that the Evansville PSDA is renewed after June 30, 2021, for an additional 20 years. Also adds the downtown convention center hotel to the Evansville PSDA.
• South Bend PSDA: Provides that the South Bend PSDA is renewed after June 30, 2021, for an additional 20 years. Also adds three downtown hotels, the Howard Park event center and facilities located at the Indiana University South Bend campus to the South Bend PSDA. Provides that the maximum amount of covered taxes that may be captured in the renewed South Bend PSDA is $2 million per year.

Extends the deadline for establishing an additional PSDA in Marion County from July 1, 2022, to July 1, 2024. Provides that taxes may not be collected in the additional PSDA until after the earlier of certain conditions having been met or June 30, 2023.
Legislative Summary by Tax Type

This synopsis contains a list of legislation passed by the 2021 Indiana General Assembly that affects DOR. Legislation is organized according to tax type.

Office of Technology (IC 4-13.1)
Summary: Requires a state agency (as defined in IC 4-1-10-2) other than state educational institutions and a political subdivision (as defined in IC 36-1-2-13) to report any cybersecurity incident using their best professional judgment to the Indiana office of technology without unreasonable delay and not later than two business days after discovery of the cybersecurity incident in a format prescribed by the chief information officer; and provide the office with the name and contact information of any individual who will act as the primary reporter of a cybersecurity incident before September 1, 2021, and before September 1 of every year thereafter.

Effective Date: July 1, 2021
Code: IC 4-13.1-2-9
Enrolled Act: HEA 1169, Sec. 5

Tribal-State Compact with the Pokagon Band of Potawatomi Indians (IC 4-29.5)
Summary: Codifies the Tribal-State Compact with the Pokagon Band of Potawatomi Indians. Asserts that nothing in the Compact authorizes the state to impose any tax, fee, charge, or assessment upon the Band or any Band gaming operation or Gaming Facility except for the reimbursement of expenses expressly authorized pursuant to the compact. Confirms that to the extent that the Band is required under federal law to withhold federal income tax from the gaming winnings of non-tribal patrons, the Band agrees to withhold State individual income tax from gaming winnings of non-tribal patrons. Requires the Band to maintain Band taxes on retail sales, food and beverage service, and hotel occupancy, which taxes shall be in an amount that is equal to or greater than any corresponding State and local taxes which would be applicable to the Band’s Class III gaming operation if it were not located on the South Bend Site. Requires the Band to remit amounts withheld for State individual income tax together with Form WH-1 to the department. Requires the Band to annually submit Form WH-3 to the department in order to reconcile the total amounts remitted and submitted on Form WH-1 and the details of the amounts withheld per individual.

Effective Date: Upon passage
Code: IC 4-29.5-10-1
Enrolled Act: HEA 1055

Taxation and Distribution of Pari-Mutuel Revenues (IC 4-31-9)
Summary: Requires the daily pari-mutuel breakage on wagers to be paid to the department, instead of the Auditor of State, for deposit in the appropriate breed development fund.

Effective Date: July 1, 2021
Code: IC 4-31-9-10
Enrolled Act: SEA 383, Sec. 1

Indiana Career Accelerator Fund (IC 5-34)
Summary: Defines, for purposes of the Indiana Career Accelerator Fund, “base year state income tax liability” to mean the amount of state income tax paid by an individual who receives a financial assistance award from the fund during the taxable year immediately preceding the taxable year in which the individual enrolled in the qualified education program.

Effective Date: July 1, 2021
Code: IC 5-34-1-2
Enrolled Act: HEA 1001, Sec. 65
Summary: Defines, for purposes of the Indiana Career Accelerator Fund, “INvestED Indiana” to mean the Indiana-based, nonprofit financial aid literacy and student loan organization commonly known as INvestED.

**Effective Date:** July 1, 2021  
**Code:** IC 5-34-1-5  
**Enrolled Act:** HEA 1001, Sec. 65

Summary: Defines, for purposes of the Indiana Career Accelerator Fund, “qualified education program” to mean a program that is certified by INvestED Indiana.

**Effective Date:** July 1, 2021  
**Code:** IC 5-34-1-6  
**Enrolled Act:** HEA 1001, Sec. 65

Summary: Establishes the Indiana career accelerator fund to provide financial assistance awards to assist individuals in obtaining credentials from qualified education programs.

**Effective Date:** July 1, 2021  
**Code:** IC 5-34-2-1  
**Enrolled Act:** HEA 1001, Sec. 65

Summary: Establishes that the Indiana career accelerator fund consists of the following: appropriations made by the general assembly; grants and gifts intended for deposit in the fund; repayments of awards from the fund; interest that accrues from investments of money in the fund; and money received from the department under IC 5-34-3-2.

**Effective Date:** July 1, 2021  
**Code:** IC 5-34-2-2  
**Enrolled Act:** HEA 1001, Sec. 65

Summary: Directs that INvestED Indiana shall administer the Indiana career accelerator fund.

**Effective Date:** July 1, 2021  
**Code:** IC 5-34-2-3  
**Enrolled Act:** HEA 1001, Sec. 65

Summary: Requires that for each individual who receives a financial assistance award from the Indiana career accelerator fund, the department shall, in each of the 10 taxable years following the taxable year in which the individual graduates from the qualified education program, determine the difference between the individual’s base year state income tax liability and the amount of state income tax liability the individual paid in that particular taxable year.

**Effective Date:** July 1, 2021  
**Code:** IC 5-34-3-1  
**Enrolled Act:** HEA 1001, Sec. 65

Summary: Directs that if the amount determined in IC 5-34-3-1 for a particular taxable year is greater than zero, the department shall transfer an amount equal to the amount determined in IC 5-34-3-1 to INvestED Indiana for deposit in the Indiana career accelerator fund.

**Effective Date:** July 1, 2021  
**Code:** IC 5-34-3-2  
**Enrolled Act:** HEA 1001, Sec. 65

Summary: Requires a qualified education program and INvestED Indiana to provide the department any information necessary for the department to carry out IC 5-34-3. Restricts the use of the information shared under IC 5-34-3-3 to making the determinations required by IC 5-34-3.

**Effective Date:** July 1, 2021  
**Code:** IC 5-34-3-3  
**Enrolled Act:** HEA 1001, Sec. 65
Summary: Authorizes the department to adopt rules under IC 4-22-2 necessary to implement IC 5-34-3.

Effective Date: July 1, 2021
Code: IC 5-34-3-4
Enrolled Act: HEA 1001, Sec. 65

Utility Receipts Tax (IC 6-2.3)
Summary: Changes the amount of the penalty for underpaying the quarterly estimated payment of the utility receipts tax to the difference between the actual amount paid by the taxpayer on the estimated return and the lesser of 20% of the final tax liability for the taxable year or 25% of the final tax liability for the taxpayer’s previous taxable year. Prior to this change, the amount of the penalty was the difference between the actual amount paid by the taxpayer on the estimated return and 25% of the taxpayer’s final utility receipts tax liability for the taxable year.

Effective Date: July 1, 2021
Code: IC 6-2.3-6-1
Enrolled Act: SEA 383, Sec. 2

State Gross Retail and Use Taxes (IC 6-2.5)
Summary: Makes a technical correction to the definition of “gross retail income,” replacing “changes” with “charges” in subsection (d).

Effective Date: Upon passage
Code: IC 6-2.5-1-5
Enrolled Act: SEA 383, Sec. 3

Summary: Clarifies that in a transaction for consumable materials, vapor products, or closed system cartridges, the gross retail income includes the closed system cartridge tax or the electronic cigarette tax, as applicable.

Effective Date: July 1, 2021
Code: IC 6-2.5-1-5
Enrolled Act: HEA 1001, Sec. 69

Summary: Repeats a statute included in SEA 383-2021. Clarifies that in a transaction for consumable materials, vapor products, or closed system cartridges, the gross retail income includes the closed system cartridge tax or the electronic cigarette tax, as applicable.

Effective Date: July 1, 2021
Code: IC 6-2.5-1-5
Enrolled Act: SEA 383, Sec. 3

Summary: Creates a new exemption from sales and use tax for transactions involving utility scale battery energy storage systems acquired by a public utility or a power subsidiary. Utility scale battery energy storage system is defined as a system that is capable of storing and releasing greater than 1MW of electrical energy for a minimum of one hour utilizing an AC inverter and DC storage, or equipment which receives, stores, and delivers energy using batteries, compressed air, pumped hydropower, hydrogen storage (including hydrolysis), thermal energy storage, regenerative fuel cells, flywheels, capacitors, and superconducting magnets, but does not include foundations or property used to directly or indirectly connect the AC inverter or DC storage of such system to electrical energy production equipment or the customer’s meter.

Effective Date: May 1, 2021
Code: IC 6-2.5-5-10.5
Enrolled Act: SEA 383, Sec. 4
Summary: Codifies previous guidance concerning the exemption for public safety equipment and materials purchased by contractors and which are predominately used in public works construction or maintenance. Defines “public safety equipment and materials” as well as providing examples of items that do not meet that definition.

   Effective Date: July 1, 2021
   Code: IC 6-2.5-5-55
   Enrolled Act: SEA 383, Sec. 5

Summary: Eliminates the requirement that if the department determines that a person’s estimated monthly gross sales and use tax liability for the current year or average monthly gross sales and use tax liability for the preceding year; exceeds $5,000, the person shall pay the monthly gross sales and use taxes due by electronic funds transfer or by delivering in person or by overnight courier a payment by cashier’s check, certified check, or money order to the department.

   Effective Date: July 1, 2021
   Code: IC 6-2.5-6-1
   Enrolled Act: SEA 383, Sec. 6

Summary: Adds a delinquency in remitting the electronic cigarette tax to the reasons that the department may not renew a registered retail merchant certificate.

   Effective Date: July 1, 2021
   Code: IC 6-2.5-8-1
   Enrolled Act: HEA 1001, Sec. 70

Summary: Provides that unless the department revokes the exemption certificate, an exemption certificate issued by the department to a power subsidiary, or a person engaged as a public utility pursuant to IC 6-2.5-4-5 remains valid regardless of a one-to-one meter change. Further provides that a power subsidiary or a person engaged as a public utility is a retail merchant furnishing or selling electrical energy, natural or artificial gas, water, steam, or steam heating service to a person for commercial or domestic consumption must maintain records sufficient to document each one to one meter change. Further, a person may request the department to reissue an exemption certificate with a new meter number in the event of a one-to-one meter change.

   Effective Date: July 1, 2021
   Code: IC 6-2.5-8-8
   Enrolled Act: SEA 383, Sec. 7

Summary: Provides that any person who removes, alters, defaces, or covers a sign posted by the department that states no retail transactions or sales can be made at a retail merchant’s location now commits a Class C infraction. A retail merchant shall notify the department of any violation of subsection (a) that occurs on the retail merchant’s premises. A retail merchant who fails to give the notice required by subsection (b) within two business days after the violation of subsection (a) occurs now commits a Class B infraction.

   Effective Date: July 1, 2021
   Code: IC 6-2.5-9-7
   Enrolled Act: HEA 1115, Sec. 3

State Income Taxes (IC 6-3)

Summary: Provides, in the definition of adjusted gross income, a new addback for 2020 for above-the-line charitable contributions by individuals. Provides a new addback for individuals beginning in 2020 for student loan payments from employers excluded from federal adjusted gross income. Permits a deduction against adjusted gross income for interest otherwise disallowed on student loan payments from employers excluded from federal adjusted gross income. Provides a new addback for the increased portion of meal expenses permitted for federal purposes (amounts allowable pre-2021 continue to be permitted). Provides a new addback for individuals, estates, and trusts starting in 2018 and ending in 2020 for excess business losses and permits bonus depreciation and other expensing to be deferred in certain cases. Provides a new addback for individuals for certain student loans discharged and available
for exclusion from federal adjusted gross income, along with a provision that permits the exclusion if the federal
insolvency exception from income inclusion would apply otherwise. Provides a new deduction for 2020 and later for
expenses disallowed as a result of claiming a federal employee retention credit. Permits a deduction for individuals for
Indiana education scholarship account donations that are (1) required to be included in federal adjusted gross income
and (2) are used to pay for qualifying expenses.

**Effective Date:** July 1, 2021 [date changed to January 1, 2020 by HEA 1436]

**Code:** IC 6-3-1-3.5

**Enrolled Act:** HEA 1001, Sec. 71

**Summary:** Adds a new subsection (i) providing that in the case of federal adjustments, adjusted gross income
includes the amounts of partnership-level adjustments that would have been includable in federal income tax even
if there is not an actual adjustment to the taxpayer’s return. Provides the adjusted gross income does not include
amounts taxable at the partnership level if the partnership makes a valid election to be taxed at the partnership level.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-1-3.5

**Enrolled Act:** SEA 383, Sec. 8

**Summary:** Requires, for 2020, the addback of the amount of unemployment compensation excluded from federal
gross income under Section 85(c) of the Internal Revenue Code. This statute also incorporates amendments made by
other bills to avoid competing versions of the same statute.

**Effective Date:** January 1, 2020 (RETROACTIVE)

**Code:** IC 6-3-1-3.5

**Enrolled Act:** HEA 1436, Sec. 3

**Summary:** Defines the “Internal Revenue Code” to mean the Internal Revenue Code of 1986 of the United States as
amended and in effect on March 31, 2021.

Provides that to the extent a federal statute in the United States Code is enacted or amended in a title other than the
Internal Revenue Code on or before March 31, 2021, and affects federal adjusted gross income, federal taxable
income, federal tax credits, or other federal tax attributes, the federal statute shall be considered part of the Internal
Revenue Code as amended and in effect on March 31, 2021.

Provides that federal regulations pertaining to provisions of the Internal Revenue Code or other federal statutes
affecting federal taxation as described in the preceding paragraph properly adopted on or before March 31, 2021,
shall be regarded as rules adopted by the department under IC 6-3, unless the department adopts specific rules that
supersede the regulation.

**Effective Date:** January 1, 2021 (RETROACTIVE)

**Code:** IC 6-3-1-11

**Enrolled Act:** HEA 1001, Sec. 72

**Summary:** Defines “partnership” for purposes of IC 6-3 to mean an entity subject to the requirements of Subchapter K
of the Internal Revenue Code.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-1-19

**Enrolled Act:** SEA 383, Sec. 9

**Summary:** Adds “an estate” to the list of “pass through entities” for purposes of IC 6-3.

**Effective Date:** July 1, 2021

**Code:** IC 6-3-1-35

**Enrolled Act:** SEA 383, Sec. 10
Summary: Provides that net operating losses for individuals does not include the portion of net operating losses attributable to itemized deductions. For 2018 through 2020, provides that an excess business loss disallowed for the taxable year is part of the net operating loss for that taxable year. Provides that the adjustments required under IRC section 172(d) are part of the net operating loss computation if specified adjustments under IC 6-3-1-3.5 create a negative Indiana adjusted gross income. Breaks out adjusted gross income for individuals and federal taxable income for estates and trusts as part of the secondary net operating loss computation.

Effective Date: July 1, 2021 [date changed to January 1, 2020 by HEA 1436]
Code: IC 6-3-2-2.5
Enrolled Act: HEA 1001, Sec. 73

Summary: Updates a citation in the net operating loss statute for residents to reflect the addition of IC 6-3-1-3.5(a)(33). The updated citation refers to the disallowance of net operating losses for deductions under a catch-all provision now found at IC 6-3-1-3.5(a)(34). This statute also incorporates amendments made by other bills to avoid competing versions of the same statute.

Effective Date: January 1, 2020 (RETROACTIVE)
Code: IC 6-3-2-2.5
Enrolled Act: HEA 1436, Sec. 4

Summary: Provides that net operating losses for individuals does not include the portion of net operating losses attributable to itemized deductions. For 2018 through 2020, provides that an excess business loss disallowed for the taxable year and from Indiana sources is part of the net operating loss for that taxable year. Provides that the adjustments required under IRC section 172(d) are part of the net operating loss computation if specified adjustments under IC 6-3-1-3.5 create a negative Indiana adjusted gross income. Breaks out adjusted gross income for individuals and federal taxable income for all other entities as part of the secondary net operating loss computation.

Effective Date: July 1, 2021 [date changed to January 1, 2020 by HEA 1436]
Code: IC 6-3-2-2.6
Enrolled Act: HEA 1001, Sec. 74

Summary: Updates a citation in the net operating loss statute for nonresidents to reflect the addition of IC 6-3-1-3.5(a)(33). The updated citation refers to the disallowance of net operating losses for deductions under a catch-all provision now found at IC 6-3-1-3.5(a)(34). This statute also incorporates amendments made by other bills to avoid competing versions of the same statute.

Effective Date: January 1, 2020 (RETROACTIVE)
Code: IC 6-3-2-2.6
Enrolled Act: HEA 1436, Sec. 5

Summary: Clarifies the calculation methodology for Indiana’s unemployment compensation deduction.

Effective Date: January 1, 2021 (RETROACTIVE)
Code: IC 6-3-2-10
Enrolled Act: HEA 1001, Sec. 75

Summary: Adds a new subsection (d) to allow for a taxpayer who is eligible for a credit for taxes paid to a foreign county to provide evidence of the tax that would be due to the foreign country. This applies only if there is a timing difference between the inclusion of the foreign source income in Indiana adjusted gross income tax and the payment of foreign income tax on that income.

Effective Date: January 1, 2017
Code: IC 6-3-3-3
Enrolled Act: SEA 383, Sec. 11
Summary: Clarifies various issues regarding estimated taxes for individuals and corporations, including application of penalties based on failure to pay local income tax and the scope of credits applicable against individual income tax. Provides that the penalty is the amount prescribed by IC 6-8.1-10-2.1 (previously had been the penalty prescribed by IC 6-8.1-10-2.1). Provides that a failure to remit estimated taxes required to be remitted by electronic funds transfer is subject to a 10% penalty. Provides that the department may prescribe procedures dealing with short taxable years and estimated payments along with partnership and fiduciary withholding payments.

Effective Date: July 1, 2021  
Code: IC 6-3-4-4.1  
Enrolled Act: SEA 383, Sec. 12

Summary: Provides that in the case of federal audit adjustments, the date federal adjustments are considered final for corporations filing a consolidated or combined return is the last day for any member of the group. Provides that if the Internal Revenue Service and a taxpayer agree on final federal adjustments, the date the adjustments are considered final is the last day on which the agreement is signed. Changes language related to federal tax to provide for a wider range of tax attributes.

Effective Date: July 1, 2021  
Code: IC 6-3-4-6  
Enrolled Act: SEA 383, Sec. 13

Summary: Removes two amounts from the required information provided on each employer filing of the WH-1 withholding statement. Those amounts are the total amount of wages paid to the employer’s employees; and the amount deducted therefrom in accordance with the provisions of the Internal Revenue Code.

Effective Date: July 1, 2021  
Code: IC 6-3-4-8  
Enrolled Act: SEA 383, Sec. 14

Summary: Eliminates the requirement that if the department determines that a person’s estimated monthly withholding tax remittance for the current year or average monthly withholding tax remittance for the preceding year exceeds $5,000, the person shall pay the monthly gross retail and use taxes due by electronic funds transfer or by delivering in person or by overnight courier a payment by cashier’s check, certified check, or money order to the department.

Effective Date: July 1, 2021  
Code: IC 6-3-4-8.1  
Enrolled Act: SEA 383, Sec. 15

Summary: Requires the department to provide notice electronically to an employer whose WH-1 monthly tax report or withholding tax remittance is past due. The notice must be made within seven days of the due date and may be done by advising the employer to check the employer’s online portal account for an important message that the department may not have received the employer’s Form WH-1 monthly withholding tax report or employer’s withholding tax remittance.

Effective Date: July 1, 2021  
Code: IC 6-3-4-15.1 (new)  
Enrolled Act: SEA 234, Sec. 1

Summary: Adds a new section providing the department with the authority to provide procedures to handle unusual passthrough withholding situations.

Effective Date: July 1, 2021  
Code: IC 6-3-4-15.1 (new)  
Enrolled Act: SEA 383, Sec. 16
Summary: Adds a new section requiring corporations with over $1,000,000 in gross receipts to file returns electronically beginning with the 2022 taxable year. Authorizes the department to provide exceptions and to publish those exceptions in the Indiana Register. Provides that a return includes an amended return.

Effective Date: July 1, 2021  
Code: IC 6-3-4-16.3 (new)  
Enrolled Act: SEA 383, Sec. 17

Summary: Provides various definitions for purposes of a chapter IC 6-3-4.5.

Effective Date: July 1, 2021  
Code: IC 6-3-4.5-1  
Enrolled Act: SEA 383, Sec. 18

Summary: Provides that references to amended returns or amended statements includes original returns or statements if none had been previously issued. Provides that references to taxes include penalties and interest. Provides that, if an adjustment for federal purposes is treated as occurring in a particular tax year for purposes of computing federal tax interest and penalties, that adjustment is treated as occurring in the same taxable year as federal purposes (federal law will require that prior-year adjustments be subject to tax in a later year, but interest and penalties are computed from the due date of the prior-year return. This treats the federal adjustment as occurring in the prior year). Provides that a state adjustment follows the taxable year of the adjustment unless the change is required to occur in a different year under federal law. Provides that a reference to local income tax includes previously repealed taxes where appropriate. Provides a tiering rule for tiered partnerships. Provides a definition of applicable deadline for partnerships, tiered partners, and end partners, and rules applicable to partners and other entities that are subject to multiple deadlines.

Effective Date: July 1, 2021  
Code: IC 6-3-4.5-2  
Enrolled Act: SEA 383, Sec. 18

Summary: Provides that if the department disagrees with a partnership’s reporting of partnership attributes, the department shall issue a report of proposed partnership adjustments. If the report of proposed partnership adjustments could result in an assessment to one or more partners, the report of proposed partnership adjustments is treated as a proposed assessment to the partnership. If the report of proposed partnership adjustments could result in an assessment to any partner (i.e., all partners have refunds or no change), the department must issue a report of proposed partnership adjustments; however, the partners are responsible for filing any refunds. Further provides that, if partnership adjustments result from an assessment for one period and a refund (or zero tax adjustment) for another period, both periods are to be treated as a proposed assessment.

Effective Date: July 1, 2021  
Code: IC 6-3-4.5-3  
Enrolled Act: SEA 383, Sec. 18

Summary: Provides that a report of proposed partnership adjustments is considered a proposed assessment to the partnership for purposes of protest and appellate rights.

Effective Date: July 1, 2021  
Code: IC 6-3-4.5-4  
Enrolled Act: SEA 383, Sec. 18
Summary: Provides that a report of proposed partnership adjustments generally becomes final when no further administrative or judicial appeal can be taken. Provides that, if a determination is made that would adjust a report of proposed partnership adjustments, the department has 180 days to issue a report of final partnership adjustments. If the report is not provided in the 180 day-period, a partnership is given an extra day to act without sanction under IC 6-3-4.5-18 for each day the report of final partnership adjustments is delayed. Provides that, in the event of a settlement, the report of final partnership adjustments must be issued within 180 days of the execution of the settlement.

   Effective Date: July 1, 2021
   Code: IC 6-3-4.5-5
   Enrolled Act: SEA 383, Sec. 18

Summary: Requires a partnership to issue a partner level adjustments report to its direct partners no later than 90 days after the report of final partnership adjustments is issued to the partnership. Requires that the partnership provide a copy of the partner level adjustments report to the department within 90 days of the report of final partnership adjustments and, if applicable, pay any additional withholding tax due. Provides that tiered partners generally have an additional 30 days from the date the tiered partners receives a partner level adjustments report or other amended statement arising from a partner level adjustments report to provide amended statements to indirect partners and the department, as well as remit any withholding tax due on the adjustments. Provides that the ultimately taxable partner has 90 days from the date the end partner receives a partner level audit report or statement arising from a partner level audit report to file an amended return and remit any tax due. Allows a partnership to make an election to be taxed at the partnership level. Requires that an election be filed prior to the deadline for filing a protest (in the case of an audited partnership) or the deadline for filing an amended return (in the case of a tiered partner). Requires that a partnership that has previously made an election to be taxed at the partnership level for a taxable year be treated as having made a timely election to be taxed at the partnership level.

   Effective Date: July 1, 2021
   Code: IC 6-3-4.5-6
   Enrolled Act: SEA 383, Sec. 18

Summary: Provides that if a partner has not reported the proper amount of tax due, the department shall issue an assessment to the partner. However, any information in the partner level adjustments report shall be considered final.

   Effective Date: July 1, 2021
   Code: IC 6-3-4.5-7
   Enrolled Act: SEA 383, Sec. 18

Summary: Provides that if a partnership did not correctly report or allocate a tax attribute for a taxable year or receives a final federal determination, the partnership shall file an amended return. Provides that the partnership shall provide to its direct partners with amended statements reflecting the changes and, if applicable, remit any tax withholding tax due. Provides that tiered partners generally have an additional 30 days from the date the tiered partners receive an amended statement to provide amended statements to indirect partners, as well as remit any withholding tax due on the adjustments. Provides that the ultimately taxable partner has 90 days from the date they receive an amended statement to file an amended return and remit any tax due. Allows a partnership to make an election to be taxed at the partnership level. Requires that an election be filed at the time of filing the amended partnership return (in the case of the partnership filing the amended return) or the deadline for filing an amended return (in the case of a tiered partner). Requires that a partnership that has previously made an election to be taxed at the partnership level for a taxable year be treated as having made a timely election to be taxed at the partnership level.

   Effective Date: July 1, 2021
   Code: IC 6-3-4.5-8
   Enrolled Act: SEA 383, Sec. 18
Summary: Provides that a partnership shall file an amended return and provide amended statements to partners within 180 days after the partnership receives final federal adjustments. Provides that the partnership shall provide to its direct partners with amended statements reflecting the changes and, if applicable, remit any tax withholding tax due. Provides that tiered partners generally have an additional 30 days from the date the tiered partners receive an amended statement to provide amended statements to indirect partners, as well as remit any withholding tax due on the adjustments. Provides that the ultimately taxable partner has 90 days from the date they receive an amended statement to file an amended return and remit any tax due. Allows a partnership to make an election to be taxed at the partnership level. Requires that an election be filed prior to the deadline the amended partnership return (in the case of the partnership receiving the federal adjustments). Provides computations of tax for various groups of partners. Requires that a partnership that has previously made an election to be taxed at the partnership level for a taxable year be treated as having made a timely election to be taxed at the partnership level.

Effective Date: July 1, 2021
Code: IC 6-3-4.5-9
Enrolled Act: SEA 383, Sec. 18

Summary: Provides that direct and indirect partners are subject to the payment and reporting requirements under IC 6-3-4.5-8 (related to amended returns). Provides that tiered partners that are partnership can make an election to be taxed at the partnership level related to federal adjustments no later than the date by which the partnership is required to provide statements or other reports to its partners under IC 6-3-4.5-8. Permits the department to adopt rules under IC 4-22 governing federal adjustments and elections to be taxed at the partnership level.

Effective Date: July 1, 2021
Code: IC 6-3-4.5-10
Enrolled Act: SEA 383, Sec. 18

Summary: Provides that a partnership and the department may enter into an agreement on how to compute taxes under a partnership election to remit taxes at the partnership level. Provides that the election must be made no later than the deadline for the partnership to file an amended return related to federal adjustments for an affected taxable year.

Effective Date: July 1, 2021
Code: IC 6-3-4.5-11
Enrolled Act: SEA 383, Sec. 18

Summary: Provides that an election to be taxed at the partnership level is irrevocable unless the department provides otherwise. Provides that taxes paid at the partnership level are treated as the tax for the direct and indirect partners of the partnership. Provides that, if an election is determined to be invalid, the taxes paid on behalf of an entity shall be treated as withholding taxes.

Effective Date: July 1, 2021
Code: IC 6-3-4.5-12
Enrolled Act: SEA 383, Sec. 18

Summary: Provides that the partnership must appoint a partnership representative. Provides that if a federal partnership representative is appointed, that person will be treated as the state partnership representative unless the partnership appoints a different representative. Allows the department to set qualifications for state partnership representatives.

Effective Date: July 1, 2021
Code: IC 6-3-4.5-13
Enrolled Act: SEA 383, Sec. 18
Summary: Provides that an assessment against a partner related to a report of final partnership adjustments may not be issued if the department does not issue a report of proposed partnership adjustments prior to specified dates based on the partnership’s return filing. Provides that, if a partnership that is a tiered partner fails to report the proper information related to a report of final partnership adjustments, the date is 180 days after the applicable deadline for the tiered partner or the deadline otherwise applicable to a partnership.

Effective Date: July 1, 2021
Code: IC 6-3-4.5-14
Enrolled Act: SEA 383, Sec. 18

Summary: Provides that if a taxpayer fails to properly report adjustments related to a department audit, the department has the latest of (1) 180 days from the date the department receives the statement or other information related to the department adjustment from the entity required to provide the information, (2) 180 days from the applicable deadline for the taxpayer, or (3) the statute of limitations otherwise applicable to the partner under IC 6-8.1-5-2 to issue a proposed assessment to the taxpayer. Provides that, if the taxpayer would be subject to multiple different deadlines arising from the same set of department adjustments, the statute of limitations for an assessment is the latest of the deadlines. Provides that a taxpayer can appeal a proposed assessment; however, the department adjustments are considered conclusive with regard to the taxpayer (in other words, the partner cannot contest the results of the partnership audit).

Effective Date: July 1, 2021
Code: IC 6-3-4.5-15
Enrolled Act: SEA 383, Sec. 18

Summary: Provides that if a partnership correctly reports attributes on an original or amended return, but the partner fails to report the information correctly, the department has the later of (1) 180 days from the applicable deadline for the taxpayer or (2) the regular statute of limitations under IC 6-8.1-5-2 to issue an assessment against a taxpayer. Provides that, in the case of a refund arising from an amended return, the deadline is (1) the regular deadline provided under IC 6-8.1-9-1, if the change is not the result of federal adjustments by the Internal Revenue Service or (2) the applicable deadline for the taxpayer (generally 270 days from the final date plus 30 days per additional tier for tiered partnerships), if the adjustment arises from Internal Revenue Service adjustments. Provides that, in the case of an appeal from an amended return, the amended return is considered conclusive with regard to the partner.

Effective Date: July 1, 2021
Code: IC 6-3-4.5-16
Enrolled Act: SEA 383, Sec. 18

Summary: Provides that if a partner reports partnership attributes in an inconsistent manner from the partnership and does not disclose the inconsistent reporting in the manner prescribed by the department, the statute of limitations for assessing the partner is the later of (1) the statute of limitations under rules similar to IC 6-8.1-5-2 for the partnership’s return or (2) the statute of limitations for the partner. Provides that if a partnership fails to file a return or provide the partner with a statement of tax attributes from the partnership, the partner is automatically considered to have reported all attributes in an inconsistent matter. Provides that the partnership’s reporting of tax attributes is conclusive with regard to the partner unless the partnership’s reporting is fraudulent or in bad faith.

Effective Date: July 1, 2021
Code: IC 6-3-4.5-17
Enrolled Act: SEA 383, Sec. 18

Summary: Provides that if an entity is required to provide statements to partners and fails to do so in a timely manner, the entity is subject to assessment of tax for any tax otherwise due from the partners. Provides that the entity is subject to tax at the highest rate provided under Indiana law unless the partnership can establish that a lower rate is applicable. Provides that the entity is not subject to tax if the entity has made a valid election to be taxed at the partnership level. Provides that the tax is considered due on the due date of the entity’s return for purposes interest
and penalties. Provides that reports, statements or other information are issued but returned to the entity and the partnership either (1) does not take reasonable steps to do so within 30 days after the document is returned or (2) takes reasonable steps but fails to reissue the returned document within 30 days after the document is returned, then the document is considered to have not been issued. Provides that an assessment must be issued within three years after the department receives a return or amendment return from which the non-issued statements relate. Provides that if a taxpayer files a return and remits the tax otherwise due, the assessment shall be reduced by the amount of tax paid. Provides that a taxpayer who subsequently reports the tax attributes is permitted to treat the tax as paid on their behalf; however, a taxpayer cannot seek a refund. Provides that this section does not relieve the entity of any duty to issue statements and authorizes the department to grant relief to other entities that are affected by the unissued statements.

**Effective Date:** July 1, 2021  
**Code:** IC 6-3-4.5-18  
**Enrolled Act:** SEA 383, Sec. 18

**Summary:** Provides that if a taxpayer would be permitted a refund for taxes paid on its behalf by a partnership or tiered partner (e.g., a withholding tax payment), the taxpayer may claim a refund no later than the applicable deadline for the taxpayer or the date otherwise permitted under IC 6-8.1-9-1.

**Effective Date:** July 1, 2021  
**Code:** IC 6-3-4.5-19  
**Enrolled Act:** SEA 383, Sec. 18

**State Tax Liability Credits (IC 6-3.1)**  
**Summary:** Increases the state earned income tax credit to an amount equal to 10% (instead of 9%) of the Indiana-modified federal earned income tax credit that an individual claimed for a taxable year.

**Effective Date:** January 1, 2022  
**Code:** IC 6-3.1-21-6  
**Enrolled Act:** HEA 1009, Sec. 1

**Summary:** Defines “qualified Indiana investment fund” for purposes of the venture capital investment tax credit to mean any private fund that meets the definition of a venture capital fund in 17 CFR275.203(l)-1 and that is certified by the Indiana economic development corporation (IEDC) as provided in IC 6-3.1-24-7.5.

**Effective Date:** January 1, 2022  
**Code:** IC 6-3.1-24-2.5  
**Enrolled Act:** HEA 1001, Sec. 76
Summary: Expands the definition of “qualified investment capital” for purposes of the venture capital investment tax credit to include otherwise permissible debt or equity capital that is provided to a qualified Indiana investment fund.

Effective Date: January 1, 2022
Code: IC 6-3.1-24-3
Enrolled Act: HEA 1001, Sec. 77

Summary: Defines “substantial presence” for purposes of the venture capital investment tax credit to mean maintaining a company headquarters in Indiana or maintaining at least 75% of a company’s total payroll in Indiana. For a company receiving qualified investment capital from a qualified Indiana investment fund the company shall be considered to have substantial presence in Indiana if the company commits to relocate its headquarters or 75% of its total payroll to Indiana within one year of receiving qualified investment capital from a qualified Indiana investment fund.

Effective Date: January 1, 2022
Code: IC 6-3.1-24-4.5
Enrolled Act: HEA 1001, Sec. 78

Summary: Establishes that a taxpayer that provides qualified investment capital to a qualified Indiana investment fund and fulfills the requirements of the IEDC under IC 6-3.1-24-12.5 is entitled to a credit against the taxpayer’s state tax liability in a taxable year equal to the amount specified in IC 6-3.1-24-8.5.

Effective Date: January 1, 2022
Code: IC 6-3.1-24-6
Enrolled Act: HEA 1001, Sec. 79

Summary: Establishes the requirements for the IEDC certifying that an investment fund is a qualified Indiana investment fund.

The IEDC may only certify a fund as a qualified Indiana investment fund if the fund makes investments according to a policy that: requires eligible companies to be primarily focused on the commercialization of research and development, technology transfer, or application of new technology; and prioritizes investments in companies that have received a grant, loan, or other investment funds provided by the Indiana twenty-first century research and technology fund established by IC 5-28-16-2 or maintain a substantial presence in Indiana.

An investment fund must apply to be certified as a qualified Indiana investment fund on a form prescribed by the IEDC. If an investment fund is certified as a qualified Indiana investment fund, the IEDC shall provide a copy of the certification to the investors in the qualified Indiana investment fund for inclusion in tax filings.

Effective Date: January 1, 2022
Code: IC 6-3.1-24-7.5
Enrolled Act: HEA 1001, Sec. 80

Summary: Establishes that for a calendar year beginning after December 31, 2021, the maximum amount of venture capital investment tax credits generally available for the provision of qualified investment capital to a particular qualified Indiana business equals the lesser of 25% of the total amount of qualified investment capital provided to the qualified Indiana business in the calendar year or $1,000,000.

Establishes that for a calendar year beginning after December 31, 2021, the maximum amount of venture capital investment tax credits available for the provision of qualified investment capital to a particular qualified Indiana business, if the qualified Indiana business is a minority business enterprise or a women’s business enterprise, equals the lesser of 30% of the total amount of qualified investment capital provided to the qualified Indiana business in the calendar year or $1,500,000.

Effective Date: January 1, 2022
Code: IC 6-3.1-24-8
Enrolled Act: HEA 1001, Sec. 81
Summary: Provides that the maximum amount of venture capital investment tax credits available for the provision of qualified investment capital to a qualified Indiana investment fund equals the lesser of 20% of the total amount of qualified investment capital provided to the qualified Indiana investment fund in the calendar year or $5,000,000.

   Effective Date: January 1, 2022
   Code: IC 6-3.1-24-8.5
   Enrolled Act: HEA 1001, Sec. 82

Summary: Prohibits a taxpayer making an investment in a qualified Indiana investment fund from claiming the venture capital investment tax credit before July 1, 2023.

   Effective Date: January 1, 2022
   Code: IC 6-3.1-24-12.5
   Enrolled Act: HEA 1001, Sec. 86

Summary: Caps, after December 31, 2021, the total amount of venture capital investment tax credits that the IEDC may award in a calendar year at $20 million, provided that not more than $7.5 million is awarded for proposed investments in a qualified Indiana investment fund. Prior to January 1, 2021, the total amount of venture capital investment tax credits that IEDC may award in a calendar year remains $12 million.

   Effective Date: January 1, 2022
   Code: IC 6-3.1-24-15
   Enrolled Act: HEA 1001, Sec. 87

Summary: Provides that, in the case of the Hoosier business investment tax credit, the IEDC may under a written agreement accelerate payment (at a discounted amount) of any unused excess tax credit that a taxpayer that is not a pass through entity would otherwise be eligible to carry forward to a subsequent tax year. To be eligible for this agreement for accelerated payment the taxpayer must proposes at least $250,000,000 in total investment over a 5-year period, enter into a written agreement with IEDC before July 1, 2022, and agree to claim tax credits for not more than $170,000,000 of qualified investment that is made as part of the proposed investment in the agreement.

If a Hoosier business investment tax credit exceeds a taxpayer’s state income tax liability for the taxable year, IEDC may accelerate to that taxable year the excess amount of the tax credit that could otherwise be carried forward under IC 6-3.1-26-15(a). The excess amount of the tax credit accelerated shall be discounted as determined under a written agreement entered into by the taxpayer and IEDC. The discounted amount of the excess tax credit accelerated as determined by IEDC may be remitted to the taxpayer as provided in the written agreement between IEDC and the taxpayer.

Limits the total amount of qualified investments for which tax credits may be accelerated under IC 6-3.1-26-15(g) and IC 6-3.1-26-16(g) to and aggregate $170,000,000.

   Effective Date: Upon passage
   Code: IC 6-3.1-26-15
   Enrolled Act: HEA 1001, Sec. 88

Summary: Provides that, in the case of the Hoosier business investment tax credit, the IEDC may under a written agreement accelerate payment (at a discounted amount) of any unused excess tax credit that a taxpayer that is a shareholder, member, or partner of a pass through entity would otherwise be eligible to carry forward to a subsequent tax year. To be eligible for this agreement for accelerated payment the pass through entity must proposes at least $250,000,000 in total investment over a 5-year period, enter into a written agreement with IEDC before July 1, 2022, and agree to claim tax credits for not more than $170,000,000 of qualified investment that is made as part of the proposed investment in the agreement.

IC 6-3.1-26-15(g-h) expire December 31, 2031.
If a Hoosier business investment tax credit exceeds a taxpayer’s state income tax liability for the taxable year, IEDC may accelerate to that taxable year the excess amount of the tax credit that could otherwise be carried forward under IC 6-3.1-26-15(a). The excess amount of the tax credit accelerated shall be discounted as determined under a written agreement entered into by the taxpayer and IEDC. The discounted amount of the excess tax credit accelerated as determined by IEDC may be remitted to the taxpayer as provided in the written agreement between IEDC and the taxpayer.

Limits the total amount of qualified investments for which tax credits may be accelerated under IC 6-3.1-26-15(g) and IC 6-3.1-26-16(g) to and aggregate $170,000,000.

IC 6-3.1-26-16(g-h) expire December 31, 2031.

**Effective Date:** Upon passage  
**Code:** IC 6-3.1-26-16  
**Enrolled Act:** HEA 1001, Sec. 89

**Summary:** Makes a technical correction by replacing the word “section” with “chapter.”  
**Effective Date:** July 1, 2021  
**Code:** IC 6-3.1-29-13  
**Enrolled Act:** HEA 1084, Sec. 11

**Summary:** Increases the total amount of school scholarship credits that may be awarded for fiscal years 2022 and 2023. The new limits are $17,500,000 for fiscal year 2022 and $18,500,000 for fiscal year 2023. The limit returns to $16,500,000 for fiscal year 2024 and following fiscal years.  
**Effective Date:** July 1, 2021  
**Code:** IC 6-3.1-30.5-13  
**Enrolled Act:** HEA 1001, Sec. 90

**Summary:** Changes the taxable year for which the redevelopment tax credit may be claimed from the taxable year in which the qualified investment is made to the year for which the Indiana economic development corporation credits the qualified investment.  
**Effective Date:** January 1, 2021 (RETROACTIVE)  
**Code:** IC 6-3.1-34-11  
**Enrolled Act:** SEA 383, Sec. 19

**Summary:** Defines terms for purposes of the newly established foster care support tax credit.  
Defines “foster care” to mean living in a place licensed under IC 31-27. Defines “person” to mean an individual, a corporation, a limited liability company, a partnership, or another legal entity.

Defines “qualifying foster care organization” to mean an organization that meets the following qualifications: the organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code; the organization provides foster care prevention services and programs as required by 42 U.S.C. 671 or direct assistance to individuals in the foster care system; the organization spends at least 50% of its available revenue on qualified services to Indiana residents; the organization affirms that it will continue spending at least 50% of its available revenue on qualified services to Indiana residents; and the organization provides ongoing qualified services to at least 200 Indiana residents.

Defines “state fiscal year” to mean a 12 month period beginning on July 1 and ending on June 30.

Defines “state tax liability” to mean the taxpayer’s total tax liability that is incurred under: IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax); and IC 6-5.5 (the financial institutions tax); as computed after the application of the credits that, under IC 6-3.1-1-2, are to be applied before the foster care support tax credit.
Defines “tax credit” to mean a deduction from any tax otherwise due under IC 6-3 or IC 6-5.5.

**Effective Date:** July 1, 2021  
**Code:** IC 6-3.1-35.8-1  
**Enrolled Act:** HEA 1001, Sec. 91

**Summary:** Provides that a person who makes a monetary contribution to a qualifying foster care organization shall receive a tax credit as provided in IC 6-3.1-35.8-3.

**Effective Date:** July 1, 2021  
**Code:** IC 6-3.1-35.8-2  
**Enrolled Act:** HEA 1001, Sec. 91

**Summary:** Directs that the department shall grant a tax credit against any state tax liability due equal to 50% of the amount of the monetary contribution by a person to a qualifying foster care organization that is approved by the Department of Child Services under IC 6-3.1-35.8-4. However, the tax credit which a taxpayer receives may not exceed $10,000 for any taxable year of the taxpayer.

Provides that if a person that is: exempt from adjusted gross income tax (IC 6-3-1 through IC 6-3-7) under IC 6-3-2-2.8(2) or a partnership does not have any tax liability against which the foster care support tax credit may be applied, a shareholder or a partner of the business firm is entitled to a credit against the shareholder’s or partner’s liability under the adjusted gross income tax. In this case, the amount of the tax credit provided is equal to the tax credit determined for the business firm for the taxable year multiplied by the percentage of the business firm’s distributive income to which the shareholder or the partner is entitled. The tax credit provided in this case is in addition to any foster care support tax credit to which a shareholder or partner is otherwise entitled. However, a business firm and a shareholder or partner of that business firm may not claim a credit for the same monetary contribution to a qualifying foster care organization.

**Effective Date:** July 1, 2021  
**Code:** IC 6-3.1-35.8-3  
**Enrolled Act:** HEA 1001, Sec. 91

**Summary:** Directs that any business firm or person that desires to claim the foster care support tax credit shall file with the department, in the form that the department may prescribe, an application stating the amount of the contribution or investment that it proposes to make that would qualify for a tax credit, and the amount sought to be claimed as a credit.

Directs the department promptly to notify an applicant whether, or the extent to which, the tax credit is allowable in the state fiscal year in which the application is filed. If the credit is allowable in that state fiscal year, the applicant shall within 30 days after receipt of the notice file with the department a statement, in the form and accompanied by the proof of payment as the department may prescribe, setting forth that the amount to be claimed as a credit has been paid to a qualifying foster care organization for an approved program or purpose, or permanently set aside in a special account to be used solely for an approved program or purpose.

Authorizes the department to disallow any credit claimed for which the statement or proof of payment is not filed within the 30-day period.

Requires that an organization must apply to the Department of Child Services for approval as a qualifying foster care organization. Directs the Department of Child Services shall approve each organization applicant that is a qualifying foster care organization as defined in IC 6-3.1-35.8-1(c) and provide a list of each approved organization annually to the Department of Revenue before July 1 of each year.

**Effective Date:** July 1, 2021  
**Code:** IC 6-3.1-35.8-4  
**Enrolled Act:** HEA 1001, Sec. 91
Summary: Limits the amount of foster care support tax credits allowed to $2,000,000 in any state fiscal year beginning July 1, 2021, through June 30, 2025. Requires the department to record the time of filing of each application for allowance of a tax credit and shall approve the applications, if they otherwise qualify for a tax credit, in the chronological order in which the applications are filed in the state fiscal year. When the total tax credits approved equals the maximum amount allowable in any state fiscal year, no application thereafter filed for that same fiscal year shall be approved. However, if any applicant for whom a credit has been approved fails to file the required statement of proof of payment, an amount equal to the credit previously allowed or set aside for the applicant may be allowed to any subsequent applicant in the year. In addition, the department may, if the applicant so requests, approve a credit application, in whole or in part, with respect to the next succeeding state fiscal year.

Effective Date: July 1, 2021
Code: IC 6-3.1-35.8-5
Enrolled Act: HEA 1001, Sec. 91

Summary: Provides that a tax credit is only allowable for the taxable year of the taxpayer in which the contribution qualifying for the credit is paid. Prohibits the refund of any unused credit.

Effective Date: July 1, 2021
Code: IC 6-3.1-35.8-6
Enrolled Act: HEA 1001, Sec. 91

Summary: Establishes that the foster care support tax credit only applies to taxable years beginning after December 31, 2021.

Effective Date: July 1, 2021
Code: IC 6-3.1-35.8-7
Enrolled Act: HEA 1001, Sec. 91

Summary: Expires the foster care support tax credit chapter (IC 6-3.1-35.8) July 1, 2025.

Effective Date: July 1, 2021
Code: IC 6-3.1-35.8-8
Enrolled Act: HEA 1001, Sec. 91

Local Taxation (IC 6-3.5)
Summary: Clarifies that county vehicle excise tax imposed by a county will be due and shall be paid each year at the time the vehicle is registered except as provided in IC 6-3.5-4-7.5 (a new statute added in Section 3 of this bill).

Effective Date: July 1, 2021
Code: 6-3.5-4-2
Enrolled Act: HEA 1356, Sec. 1

Summary: Provides that the Bureau of Motor Vehicles shall remit certain taxes not more than 21 days after the collection of the tax. Provides that in the first year an amended surtax or wheel tax rate is effective, the prior surtax or wheel tax rate (as applicable) for the previous calendar year applies to vehicle registrations.

Effective Date: January 1, 2022
Code: IC 6-3.5-4-5, IC 6-3.5-4-9, IC 6-3.5-5-7, IC 6-3.5-5-11, IC 6-3.5-10-5, IC 6-3.5-10-9, IC 6-3.5-11-7, IC 3.5-11-12
Enrolled Act: HEA 1285

Summary: Clarifies that for except for a person described in IC 6-3.5-4-7.5 (a new statute added in Section 3 of this bill), a person may not register a vehicle in a county that has adopted the surtax unless the person pays the surtax to the Bureau of Motor Vehicles.

Effective Date: July 1, 2021
Code: 6-3.5-4-7
Enrolled Act: HEA 1356, Sec. 2
Summary: Creates a new section addressing permanent registration for trailers with a declared gross vehicle weight of 3,000 pounds or less under IC 9-18.1-5-13. Under the new section, a person shall pay twice the amount of the surtax otherwise due annually when the person obtains a permanent registration for a trailer with a declared gross vehicle weight of 3,000 pounds or less under IC 9-18.1-5-13. A person who pays twice the surtax amount for a permanent trailer registration is not subject to additional surtax payments under this chapter for the trailer.

**Effective Date:** July 1, 2021  
**Code:** 6-3.5-4-7.5  
**Enrolled Act:** HEA 1356, Sec. 3

Summary: Clarifies that except for as provided in IC 6-3.5-10-8.5 (a new statute added in Section 6 of this bill), the municipal vehicle excise tax imposed by IC 6-3.5-10 for a vehicle is due and shall be paid each year at the time the vehicle is registered.

**Effective Date:** July 1, 2021  
**Code:** 6-3.5-10-2  
**Enrolled Act:** HEA 1356, Sec. 4

Summary: Creates a new section addressing the permanent registration for a trailer with a declared gross vehicle weight of 3,000 pounds or less under IC 9-18.1-5-13. If a person has obtained a permanent registration for a trailer with a declared gross vehicle weight of 3,000 pounds or less under IC 9-18.1-5-13 (a new statute added in Section 9 of this bill), the person shall pay twice the amount of the surtax otherwise due other this chapter when the person obtains a permanent registration for a trailer with a declared gross vehicle weight of 3,000 pounds or less under IC 9-18.1-5-13. Also adds that if a person who has obtained a permanent trailer registration is not subject to additional surtax payments under this chapter for a trailer after paying twice the surtax payments as described above.

**Effective Date:** July 1, 2021  
**Code:** 6-3.5-10-8.5  
**Enrolled Act:** HEA 1356, Sec. 5

**Local Income Taxes (IC 6-3.6)**

Summary: Makes a technical correction by adjusting a reference to the appropriate subsections within the statute.

**Effective Date:** July 1, 2021  
**Code:** IC 6-3.6-3-6  
**Enrolled Act:** HEA 1084, Sec. 12

Summary: Makes a conforming change to dates regarding local income tax councils that have a single voting bloc to reflect the revised expiration of IC 6-3.6-2-7.4.

**Effective Date:** Upon passage  
**Code:** IC 6-3.6-3-9  
**Enrolled Act:** SEA 383, Sec. 24

Summary: Makes a technical correction by removing references dates.

**Effective Date:** July 1, 2021  
**Code:** IC 6-3.6-9-6  
**Enrolled Act:** HEA 1084, Sec. 13
Summary: Requires the department, before October 1, 2023, and October 1 of each year thereafter, to provide each county a report for the fiscal year ending in the calendar year of the report. The report shall contain at least the following information: the number of returns filed by single, joint, and married filing separate status; the number of returns filed by full-year and filers who are not full-year residents; the amounts billed to county taxpayers for underpayment of tax during the fiscal year; the amounts collected from county taxpayers for amounts billed prior to the end of the state fiscal year ending in the calendar year of the report; and the amounts reported on the individual lines of the annual returns filed by or for county taxpayers during the fiscal year ending in the calendar year of the report. If the amounts reported on one or more individual returns can reasonably identify the return information of one or more county taxpayers or can reasonably result in a disclosure not permitted under Section 6103 of the Internal Revenue Code, the department may redact those amounts and such other amounts necessary to prevent the disclosure of the return information of such county taxpayers.

Effective Date: July 1, 2023
Code: IC 6-3.6-9-19
Enrolled Act: HEA 1001, Sec. 96

Summary: Makes a conforming change to dates regarding local income tax councils that have a single voting bloc to reflect the revised expiration of IC 6-3.6-2-7.4.

Effective Date: July 1, 2021
Code: IC 6-3.6-3-9.5
Enrolled Act: SEA 383, Sec. 25

Taxation of Financial Institutions (IC 6-5.5)

Summary: Adds a new subsection (e) providing that in the case of federal adjustments, adjusted gross income includes the amounts of partnership-level that would have been subject to federal income tax even if there is not an actual adjustment to the taxpayer’s return. Provides the adjusted gross income does not include amounts taxable at the partnership level if the partnership makes a valid election to be taxed at the partnership level.

Effective Date: July 1, 2021
Code: IC 6-5.5-1-2
Enrolled Act: SEA 383, Sec. 26

Summary: For purposes of the definition of adjusted gross income for purposes of the financial institutions tax, provides a new addback for the increased portion of meal expenses permitted for federal purposes (amounts allowable pre-2021 continue to be permitted). Provides a new deduction for 2020 and later for expenses disallowed as a result of claiming a federal employee retention credit.

Effective Date: January 1, 2021; date changed to 1/1/2020 by HEA 1436
Code: IC 6-5.5-1-2
Enrolled Act: HEA 1001, Sec. 98

Summary: Clarifies that the Internal Revenue Code use of “article” in IC 6-3-1-11 also applies to financial institutions tax.

Effective Date: Upon passage
Code: IC 6-5.5-1-11
Enrolled Act: HEA 1001, Sec. 99
Summary: Provides that the definition of partnership for financial institutions tax is the same as the adjusted gross income tax definition.

   Effective Date: July 1, 2021
   Code: IC 6-5.5-1-19
   Enrolled Act: SEA 383, Sec. 27

Summary: Provides that in the case of federal audit adjustments, the date federal adjustments are considered final for corporations filing a combined return is the last day for any member of the group. Provides that if the Internal Revenue Service and a taxpayer agree on final federal adjustments, the date the adjustments are considered final is the last day on which the agreement is signed. Changes language related to federal tax to provide for a wider range of tax attributes.

   Effective Date: July 1, 2021
   Code: IC 6-5.5-6-6
   Enrolled Act: SEA 383, Sec. 28

Summary: Provides that the penalty is the amount prescribed by IC 6-8.1-10-2.1 (previously had been the penalty prescribed by IC 6-8.1-10-2.1). Provides that a failure to remit estimated taxes required to be remitted by electronic funds transfer is subject to a 10% penalty. Provides that the department may prescribe procedures dealing with short taxable years and estimated payments along with partnership and fiduciary withholding payments.

   Effective Date: July 1, 2021
   Code: IC 6-5.5-7-1
   Enrolled Act: SEA 383, Sec. 29

Summary: Adds that counties may use any funds from the financial institution tax for any legal purposes.

   Effective Date: July 1, 2021
   Code: IC 6-5.5-8-2
   Enrolled Act: HEA 1271, Sec. 47

Motor Fuel & Vehicle Excise Taxes (IC 6-6)

Summary: Provides that the annual index calculation cannot result in a decrease in the gasoline excise tax.

   Effective Date: July 1, 2021
   Code: IC 6-6-1.1-201
   Enrolled Act: SEA 383, Sec. 30

Summary: Adds a new subsection (c) to provide that if there is a revision to the inflation or Indiana personal income factors after the annual index factors after May 31, the factors as published (i.e., prior to revision) shall be used to determine the next year’s index factors.

   Effective Date: July 1, 2021
   Code: IC 6-6-1.6-3
   Enrolled Act: SEA 383, Sec. 31

Summary: Provides that the annual index calculation cannot result in a decrease in the special fuel license tax.

   Effective Date: July 1, 2021
   Code: IC 6-6-2.5-28
   Enrolled Act: SEA 383, Sec. 32

Summary: Adds that counties may use any funds from the commercial vehicle excise tax for any legal purposes.

   Effective Date: July 1, 2021
   Code: IC 6-6-5.5-20
   Enrolled Act: HEA 1271, Section 48
Summary: Adds that the sale of aviation fuel is exempt from the aviation fuel excise tax if made to a current Federal Aviation Administration 14 CFR Part 137 certified aerial applicator performing agricultural operations.

Effective Date: July 1, 2021
Code: IC 6-6-13-7
Enrolled Act: HEA 1271, Sec. 49

Summary: Provides that beginning July 1, 2021, the department transfer aviation fuel excise taxes to the new airport development grant fund.

Effective Date: July 1, 2021
Code: IC 6-6-13-15
Enrolled Act: HEA 1001, Sec. 100

Tobacco Taxes (IC 6-7)

Summary: Provides a definition of a “closed system cartridge.”

Effective Date: July 1, 2022
Code: IC 6-7-2-0.5
Enrolled Act: HEA 1001, Sec. 101

Summary: Provides a definition of “consumable material.”

Effective Date: July 1, 2022
Code: IC 6-7-2-0.7
Enrolled Act: HEA 1001, Sec. 102

Summary: Replaces the term “tobacco products” with the term “taxable products” within the definition of “distributor.”

Effective Date: July 1, 2022
Code: IC 6-7-2-2
Enrolled Act: HEA 1001, Sec. 103

Summary: Creates a definition of a “taxable product” to mean either a tobacco product or a closed system cartridge.

Effective Date: July 1, 2022
Code: IC 6-7-2-3.5
Enrolled Act: HEA 1001, Sec. 104

Summary: Replaces the term “tobacco products” with the term “taxable products” within the definition of “retail dealer.”

Effective Date: July 1, 2022
Code: IC 6-7-2-4
Enrolled Act: HEA 1001, Sec. 105

Summary: Provides a definition of a “vapor product.”

Effective Date: July 1, 2022
Code: IC 6-7-2-5.5
Enrolled Act: HEA 1001, Sec. 106

Summary: Creates a consumer responsibility for remitting the other tobacco products tax when the consumer purchases untaxed product.

Effective Date: July 1, 2022
Code: IC 6-7-2-7
Enrolled Act: HEA 1001, Sec. 107
Creates the closed system cartridge tax, which is a tax collected by a distributor on sales of closed system cartridges and imposed at 25% of the wholesale price. Provides the requirements for collection on the distributor. Imposes a consumer responsibility for remitting the tax when the consumer purchases untaxed product.

**Effective Date:** July 1, 2022  
**Code:** IC 6-7-2-108  
**Enrolled Act:** HEA 1001, Sec. 108

Replaces the term “tobacco products” with the term “taxable products” within the section providing for distributor licensure requirements of the OTP tax chapter.

**Effective Date:** July 1, 2022  
**Code:** IC 6-7-2-8  
**Enrolled Act:** HEA 1001, Sec. 109

Replaces the term “tobacco products” with the term “taxable products.” and “the tax” with “a tax” within the section providing for filing requirements of the taxes imposed in the OTP tax chapter. Adds the wholesale price of closed system cartridges sold as an item required to be included with a closed system cartridge tax return.

**Effective Date:** July 1, 2022  
**Code:** IC 6-7-2-12  
**Enrolled Act:** HEA 1001, Sec. 110

Replaces the term “tobacco products” with the term “taxable products.” and “tax” with “taxes” within the section providing for a collection allowance for taxes collected under the OTP tax chapter.

**Effective Date:** July 1, 2022  
**Code:** IC 6-7-2-13  
**Enrolled Act:** HEA 1001, Sec. 111

Replaces the term “tobacco products” with the term “taxable products.” and “tax” with “taxes” within the section providing for credit or refunds of the taxes imposed in the OTP tax chapter to distributors.

**Effective Date:** July 1, 2022  
**Code:** IC 6-7-2-14  
**Enrolled Act:** HEA 1001, Sec. 112

Replaces the term “tobacco products” with the term “taxable products” within the section providing for a bad debt deduction for taxes under the OTP tax chapter.

**Effective Date:** July 1, 2022  
**Code:** IC 6-7-2-14.5  
**Enrolled Act:** HEA 1001, Sec. 113

Replaces the term “tobacco products” with the term “taxable products” within the section providing for manufacturer, importer, broker, and shipper registration requirements of the OTP tax chapter.

**Effective Date:** July 1, 2022  
**Code:** IC 6-7-2-15  
**Enrolled Act:** HEA 1001, Sec. 114

Replaces the term “tobacco products” with the term “taxable products” within the section providing for manufacturer, importer, broker, and shipper filing requirements of the OTP tax chapter.

**Effective Date:** July 1, 2022  
**Code:** IC 6-7-2-16  
**Enrolled Act:** HEA 1001, Sec. 115
Summary: Replaces the term “tobacco products” with the term “taxable products” within the section providing for criminal consequences of selling products without a license required in the OTP tax chapter.

Effective Date: July 1, 2022
Code: IC 6-7-2-18
Enrolled Act: HEA 1001, Sec. 116

Summary: Replaces the term “tobacco products” with the term “taxable products” within the section providing for manufacturers, importers, brokers, and shippers who do not register or file the returns required in the OTP tax chapter.

Effective Date: July 1, 2022
Code: IC 6-7-2-19
Enrolled Act: HEA 1001, Sec. 117

Summary: Replaces the term “the tax” with “a tax” within the section providing for distributors who either knowingly disregard requirements of the OTP tax chapter or act with intent to evade the taxes imposed by the OTP tax chapter.

Effective Date: July 1, 2022
Code: IC 6-7-2-21
Enrolled Act: HEA 1001, Sec. 118

Summary: Creates the electronic cigarette tax. The tax is imposed on the retail sale of consumable material and vapor products in Indiana at a rate of 15% on the gross retail income received by the retail dealer. The person acquiring the consumable material or vapor product is liable for the tax, and the tax is a separate amount added to the consideration. Further specifies the registration requirements for dealers, the filing and remittance requirements, directions for the state to deposit and disburse the funds, and criminal consequences for not acting in accordance with the requirements of this chapter.

Effective Date: July 1, 2022
Code: IC 6-7-4
Enrolled Act: HEA 1001, Sec. 119

Department of State Revenue Tax Administration (IC 6-8.1)
Summary: Adds the closed system cartridge tax and the electronic cigarette tax to the listed taxes under this section.

Effective Date: July 1, 2022
Code: IC 6-8.1-1-1
Enrolled Act: HEA 1001, Sec. 120

Summary: Provides that the department may not issue or renew an electronic cigarette tax dealer’s certificate to a taxpayer on the most recent monthly tax warrant list unless certain requirements are met. Adds merchants whose electronic cigarette retail dealer’s certificate has been revoked or suspended to the list the department publishes of merchants whose registered retail merchant certificate has not been renewed or has been revoked.

Effective Date: July 1, 2022
Code: IC 6-8.1-3-16
Enrolled Act: HEA 1001, Sec. 121

Summary: Makes a technical correction to references to IC 5-28-38-2 within this statute, noting that it has been repealed.

Effective Date: Upon passage
Code: IC 6-8.1-3-25
Enrolled Act: HEA 1001, Sec. 122
Summary: Adds the closed system cartridge tax to the list of taxes that the department’s special tax division is required to enforce and administer.

Effective Date: July 1, 2022
Code: IC 6-8.1-4-1.6
Enrolled Act: HEA 1001, Sec. 123

Summary: Establishes the deadline by which an assessment must be issued by the department in the case of a credit against a listed tax based on payments of taxes to a state or local jurisdiction outside Indiana or payments of amounts that are subsequently refunded or returned. In this case, a proposed assessment for the refunded or returned credit must be issued by the later of the date by which a proposed assessment otherwise must be issued under IC 6-8.1-5-2 or 180 days from the date the taxpayer notifies the department of the refund or return of payment. For purposes of IC 6-8.1-5-2, if a taxpayer receives a refund of an amount paid by or on behalf of the taxpayer for a listed tax, that refund shall not be considered the payment of an amount that is subsequently refunded or returned.

Effective Date: July 1, 2021
Code: IC 6-8.1-5-2
Enrolled Act: SEA 383, Sec. 33

Summary: Permits the department to release the name and business address of a person that is issued a retail merchant’s certificate for the purpose of reporting the status of the person’s certificate.

Effective Date: July 1, 2021
Code: IC 6-8.1-7-1
Enrolled Act: SEA 383, Sec. 34

Summary: Provides that if an apparent owner of unclaimed property is subject to a tax warrant issued under IC 6-8.1-8-2, the department may levy on the unclaimed property by filing a claim with the attorney general in accordance with the procedures described in the newly revised unclaimed property act found in IC 32-34-1.5-48.

Effective Date: July 1, 2021
Code: IC 6-8.1-8-15
Enrolled Act: SEA 188, Sec. 6

Summary: Provides that the last date for refund claims arising from federal partnership adjustments includes the last date under IC 6-3-4.5. Provides that for protective payments made in anticipation of federal audit adjustments, the refund date is 180 days from the date the federal adjustments are final, or the date otherwise prescribed under IC 6-8.1-9-1, whichever is later. Extends the statute of limitations for refunds based on taxes paid to another state, country, or local jurisdiction as a result of an assessment by the other jurisdiction after the normal refund statute of limitations had expired to 180 days after the date the tax is paid to the other jurisdiction.

Effective Date: July 1, 2021
Code: IC 6-8.1-9-1
Enrolled Act: SEA 383, Sec. 35

Summary: Modifies the date from which interest is accrued on a refund claim to account for a refund claim based on payment of a tax by the taxpayer to another state, country, or locality.

Effective Date: July 1, 2021
Code: IC 6-8.1-9-2
Enrolled Act: SEA 383, Sec. 36

Summary: Adds failure to file a return in the electronic manner required by the department if such return is required to be filed electronically to preexisting filing failures that subject a taxpayer to penalty under IC 6-8.1-10-2.1.

Effective Date: July 1, 2021
Code: IC 6-8.1-10-2.1
Enrolled Act: SEA 383, Sec. 37
Summary: Requires the department to establish and manage a payroll service provider registration system. Establishes requirements to be included in a contract entered into by a business client with a payroll service provider. Establishes criminal penalties for a responsible person of the payroll service provider who knowingly or intentionally fails to remit taxes withheld by an employer and collected by the payroll service provider.

Effective Date: January 1, 2022
Code: IC 6-8.1-18 (generally)
Enrolled Act: SEA 234, Sec. 2

Summary: Defines a “payroll service provider” as a third party service provider that is authorized to prepare and file returns, withdraw funds and hold the funds in the payroll service provider’s bank account, remit payment, and take other similar reporting and compliance actions on behalf of a business client with regard to that client’s tax withholding and remittance duties under IC 6-3-4-8.

Effective Date: January 1, 2022
Code: IC 6-8.1-18-1
Enrolled Act: SEA 234, Sec. 2

Summary: Defines a “responsible person” as an officer or director of a payroll service provider, or an employee or any other person affiliated with a payroll service provider, who is responsible for collecting, accounting for, and paying withholding taxes on behalf of a business client of the payroll service provider.

Effective Date: January 1, 2022
Code: IC 6-8.1-18-2
Enrolled Act: SEA 234, Sec. 2

Summary: Directs the department to require each payroll service provider to annually register with the department in the manner prescribed by the department. Directs the department to prescribe the annual registration form to be used by a payroll service provider registrant. The form must require at least the following: (1) a list of all responsible persons of the payroll service provider that provide third party payroll services. (2) a certification and acknowledgment by the payroll service provider that the bank account it uses for employer withholding tax deposits shall only be used for employer withholding tax liabilities and other payroll obligations of client employers and may not be used for any other purpose (other than using the account as a sweep account IC 6-8.1-18-4), including for the payment of operating expenses or personal use, and that a payroll service provider’s withdrawal or use of funds in the account for any other purpose constitutes fraud.

Effective Date: January 1, 2022
Code: IC 6-8.1-18-3
Enrolled Act: SEA 234, Sec. 2

Summary: Permits a payroll service provider to retain any income generated on client funds while held in a payroll service provider’s legal possession pending remittance to authorized payees if the client agreement expressly permits it and the payroll service provider meets a list of requirements. The payroll service provider must: (1) comply with the National Automated Clearing House Association rules; (2) maintain bank and custodial accounts for client funds that are segregated from any operating funds of the payroll service provider; and (3) either: (A) be a publicly held company (subject to Securities Exchange Commission reporting, public company accounting standards, and audit requirements); (B) be subject to federal or Indiana financial regulatory oversight related to the handling of client funds; (C) be subject to review by partner financial institutions at least annually; or (D) conduct annual SOC 1 or SOC 2 reports of security and integrity controls.

Effective Date: January 1, 2022
Code: IC 6-8.1-18-4
Enrolled Act: SEA 234, Sec. 2
Summary: Requires that a contract entered into by a business client with a payroll service provider for third party payroll services must include a provision that substantially specifies that if the payroll service provider fails to deposit a business client’s employer withholding taxes when due, and the failure is caused by an error or omission of the payroll service provider and not by the business client, the payroll service provider shall be required to reimburse the business client for the business client’s payment of any penalties or interest assessed by the department as a result of the failure.

Effective Date: January 1, 2022
Code: IC 6-8.1-18-5
Enrolled Act: SEA 234, Sec. 2

Summary: Establishes that if a payroll service provider knowingly or intentionally fails to remit taxes withheld pursuant to IC 6-3-4, the payroll service provider is liable and the responsible persons of the payroll service provider shall be personally liable for such taxes that were withheld by the employer and collected by the payroll service provider and not remitted, along with any penalties and interest on such taxes.

Effective Date: January 1, 2022
Code: IC 6-8.1-18-6
Enrolled Act: SEA 234, Sec. 2

Summary: Establishes that a responsible person of the payroll service provider who knowingly or intentionally fails to remit taxes withheld by an employer and collected by the payroll service provider pursuant to IC 6-3-4 commits failure to remit taxes, a Class A misdemeanor. Elevates the offense to a Level 6 felony if the amount of the unremitted taxes is at $750 and less than $50,000, and a Level 5 felony if the amount of the unremitted taxes is at least $50,000.

Effective Date: January 1, 2022
Code: IC 6-8.1-18-6
Enrolled Act: SEA 234, Sec. 2

Summary: Clarifies that the liability under IC 6-8.1-18-6 shall not be construed to relieve the liability of the employer, or any person otherwise with a duty to withhold and remit taxes under IC 6-3-4 for taxes that were withheld or should have been withheld pursuant to IC 6-3-4.

Effective Date: January 1, 2022
Code: IC 6-8.1-18-6
Enrolled Act: SEA 234, Sec. 2

Summary: Provides that any amounts paid to or collected by the department pursuant to IC 6-8.1-18-6 from a payroll service provider or responsible person of a payroll service provider must be credited to the employer’s liability in the same manner as if the employer or person otherwise with a duty to withhold and remit taxes under IC 6-3-4 had remitted that amount.

Effective Date: January 1, 2022
Code: IC 6-8.1-18-6
Enrolled Act: SEA 234, Sec. 2

Summary: Permits the department to charge an annual fee for registration under IC 6-8.1-18. Establishes the following restrictions on the amount of the fee charged by the department: the fee must be imposed in a range of amounts based on the number of clients of a payroll service provider; and the estimated annual revenue from the fee may not exceed the cost to implement the provisions of IC 6-8.1-18 and ongoing maintenance. Any fees collected shall be deposited into a special account in the state general fund known as the payroll service provider registration fee account. Annually appropriates money in the payroll service provider registration fee account to the department for its use in carrying out the purposes of IC 6-8.1-18.

Effective Date: January 1, 2022
Code: IC 6-8.1-18-7
Enrolled Act: SEA 234, Sec. 2
**Summary:** Establishes the employer’s address as the address of record with the department for withholding tax purposes. An employer’s address of record with the department may be changed only by direct written request from the employer. A payroll service provider may not change an address of record with the department.

**Effective Date:** January 1, 2022  
**Code:** IC 6-8.1-18-8  
**Enrolled Act:** SEA 234, Sec. 2

**Summary:** Requires the department to provide notice to an employer when a payment of taxes pursuant to IC 6-3-4 has been remitted by either the employer or the payroll service provider or any other entity that pays the taxes on behalf of the employer. The department may provide the notice under this section by advising the employer to check the employer’s online portal account.

**Effective Date:** January 1, 2022  
**Code:** IC 6-8.1-18-9  
**Enrolled Act:** SEA 234, Sec. 2

**Summary:** Authorizes the department to adopt rules under IC 4-22-2, including emergency rules in the manner provided under IC 4-22-2-37.1, for the administration and enforcement of IC 6-8.1-18.

**Effective Date:** January 1, 2022  
**Code:** IC 6-8.1-18-10  
**Enrolled Act:** SEA 234, Sec. 2

**Innkeeper’s Taxes; Other Local Taxes (IC 6-9)**

**Summary:** Provides that the St. Joseph County Innkeeper’s Tax Board of Managers shall support and assist the Potawatomi Zoo to secure bonds up to a term of 20 years to pay costs associated with financing projects for the Potawatomi Zoo. Directs that any funds received as a result of issuing bonds under IC 6-9-1-4 shall be given to the Potawatomi Zoo, and the Potawatomi Zoo shall have complete control over funds received as a result of issuing the bonds. Permits the board of managers may require that the Potawatomi Zoo issue an annual report that describes how funds are used to support a project; and provides a current update of a project’s development.

**Effective Date:** July 1, 2021  
**Code:** IC 6-9-1-4  
**Enrolled Act:** SEA 164, Sec. 1

**Summary:** Authorizes, after June 30, 2021, the county fiscal body to adopt an ordinance to increase the St. Joseph County innkeeper’s tax rate to not more than 8%. Requires that if the county fiscal body adopts an ordinance to increase the tax rate after June 30, 2021, under it must: (1) specify the effective date of the ordinance to provide that the ordinance takes effect: at least 30 days after the adoption of the ordinance, and on the first day of a month; and (2) immediately send a certified copy of the ordinance to the commissioner of the Department of Revenue. If the county fiscal body does not immediately send a certified copy of the ordinance to the commissioner of the department as required, the department shall treat an increase in the tax rate as having been adopted on the later of: the first day of the month that is not less than 30 days after the ordinance is sent; or on the effective date specified in the ordinance.

**Effective Date:** July 1, 2021  
**Code:** IC 6-9-1-5  
**Enrolled Act:** SEA 164, Sec. 2

**Summary:** Restates that the amount of revenue collected by the county treasurer as a result of a 5% rate shall be deposited quarterly in the convention and exhibition center fund. Establishes the distribution of revenue collected above the result of a 5% rate.

**Effective Date:** July 1, 2021  
**Code:** IC 6-9-1-6  
**Enrolled Act:** SEA 164, Sec. 3
Summary: Establishes the distribution of revenue to the Mishawaka indoor sports complex fund depending on the rate of the innkeeper’s tax:

- If the tax is imposed at a rate of 6%, 60% of the amount of revenue collected by the county treasurer as a result of a 1% (6%-5%) rate.
- If the county fiscal body adopts an ordinance to increase the tax to a rate of more than 6%, but less than 8%, the sum of: 20% of the amount of revenue that is attributable to the increased tax rate; plus 60% of the amount of revenue collected as a result of a 1% rate.
- If the county fiscal body adopts an ordinance to increase the tax rate imposed under this chapter to a rate of 8%, the amount of revenue collected as a result of a 1% rate.

Extends the expiration of the Mishawaka indoor sports complex fund from July 1, 2024 to July 1, 2046.

Effective Date: July 1, 2021
Code: IC 6-9-1-6.2
Enrolled Act: SEA 164, Sec. 4

Summary: Establishes the distribution of revenue to the Potawatomi Zoo fund depending on the rate of the innkeeper’s tax:

- If the tax is imposed at a rate of 6%, 40% of the amount of revenue collected by the county treasurer as a result of a 1% (6%-5%) rate.
- If the county fiscal body adopts an ordinance to increase the tax to a rate of more than 6%, but less than 8%, the sum of: 5% of the amount of revenue that is attributable to the increased tax rate; plus 40% of the amount of revenue collected as a result of a 1% rate.
- If the county fiscal body adopts an ordinance to increase the tax rate imposed under this chapter to a rate of 8%, the amount of revenue collected as a result of a 0.5% rate.

Extends the expiration of the Potawatomi Zoo fund from July 1, 2024 to July 1, 2046.

Effective Date: July 1, 2021
Code: IC 6-9-1-6.3
Enrolled Act: SEA 164, Sec. 5

Summary: Establishes the Morris Performing Arts Center fund if the county fiscal body adopts an ordinance to increase the St. Joseph County innkeeper’s tax rate. Establishes the distribution of revenue to the Morris Performing Arts Center fund depending on the rate of the innkeeper’s tax:

- If the county fiscal body adopts an ordinance to increase the tax to a rate of more than 6%, but less than 8%, 25% of the amount of revenue that is attributable to the increased tax rate.
- If the county fiscal body adopts an ordinance to increase the tax rate imposed under this chapter to a rate of 8%, the amount of revenue collected as a result of a 0.5% rate.

Establishes an expiration date for the Morris Performing Arts Center fund of July 1, 2046.

Effective Date: July 1, 2021
Code: IC 6-9-1-6.4
Enrolled Act: SEA 164, Sec. 6
Establishes the tourism capital investment fund if the county fiscal body adopts an ordinance to increase the St. Joseph County innkeeper’s tax rate. Establishes the distribution of revenue to the tourism capital investment fund depending on the rate of the innkeeper’s tax.

- If the county fiscal body adopts an ordinance to increase the tax to a rate of more than 6%, but less than 8%, 50% of the amount of revenue that is attributable to the increased tax rate.
- If the county fiscal body adopts an ordinance to increase the tax rate imposed under this chapter to a rate of 8%, the amount of revenue collected as a result of a 1.0% rate.

Establishes altered distribution formulae for the tourism capital investment fund should the Mishawaka indoor sports complex fund, the Potawatomi Zoo fund, and/or the Morris Performing Arts Center fund expire.

Effective Date: July 1, 2021
Code: IC 6-9-1-6.5
Enrolled Act: SEA 164, Sec. 7

Summary: Changes the distribution formula for money in the Tippecanoe County innkeeper’s tax fund. Reduces from 30% to 10% the amount distributed to the Department of Natural Resources for the development of projects in the state park on the county’s largest river, including its tributaries. Allocates 20% to be used as determined by the county fiscal body.

Effective Date: July 1, 2021
Code: IC 6-9-7-7
Enrolled Act: SEA 381, Sec. 1

Summary: Establishes that after June 30, 2021, the highest permissible rate for the Daviess County innkeeper’s tax is 9%.

Effective Date: July 1, 2021
Code: IC 6-9-18-3
Enrolled Act: SEA 381, Secs. 2

Summary: Provides that all or part of the revenue received from imposition of the innkeeper’s tax in Boone County may, subject to authorization by the county fiscal body, be pledged towards payment of obligations issued or entered into by a political subdivision in the county to finance the construction, acquisition, enlargement, and equipping of a sports and recreation facility.

Effective Date: Upon passage
Code: IC 6-9-18-6
Enrolled Act: SEA 381, Secs. 3 & 4

Summary: Allows the Henry County food and beverage tax to be used to finance, construct, renovate, improve, equip, or maintain an expo center.

Effective Date: July 1, 2021
Code: IC 6-9-25-9.5
Enrolled Act: HEA 1271, Sec. 50
Summary: Provides that if a county fiscal body makes a change between collection of the tax by the county treasurer or the department, the ordinance must specify the effective date of the ordinance to provide that the ordinance takes effect: at least 30 days after the adoption of the ordinance; and on the first day of a month. If the department collects the revenue from the county innkeeper’s tax, the department shall begin collecting the tax at the rate provided in the ordinance on the later of: the first day of the month that is not less than 30 days after the ordinance is sent to the commissioner of the department; or the effective date specified in the ordinance. If an ordinance does not specify an effective date, the ordinance shall be considered effective on the earliest date allowable.

**Effective Date:** July 1, 2021  
**Code:** IC 6-9-29-1.5  
**Enrolled Act:** SEA 381, Sec. 5

Summary: Defines “obligations,” for purposes of the Wayne County food and beverage tax, as having the meaning set forth IC 5-1-3-1(2).

**Effective Date:** Upon passage  
**Code:** IC 6-9-38-9  
**Enrolled Act:** HEA 1437, Sec. 8

Alcohol & Tobacco (IC 7.1)

Summary: Amends the definition of “beer” to include beverages obtained by the fermentation of cereal byproducts.

**Effective Date:** July 1, 2021  
**Code:** IC 7.1-1-3-6  
**Enrolled Act:** HEA 1396, Sec. 12

Summary: Amends the definition of “flavored malt beverage” to remove the restriction that the beverage cannot be distributed in aluminum or other metal containers.

**Effective Date:** July 1, 2021  
**Code:** IC 7.1-1-3-16.7  
**Enrolled Act:** HEA 1396, Sec. 14

Summary: Changes the distribution amount for the wine excise tax to 25 cents.

**Effective Date:** July 1, 2021  
**Code:** IC 7.1-4-7-5  
**Enrolled Act:** HEA 1001, Sec. 125

Summary: Requires a municipality to notify the Chairman of the Alcohol and Tobacco Commission of any retailer or dealer premises annexed into the municipality, in order to ensure the correct distribution of excise funds. Not later than 10 days after an annexation ordinance is filed under IC 36-4-3-22; or the second of two approvals of an annexation is filed under IC 36-3-2-7, the annexing municipality shall provide notice to the chairman of the commission of any retailer’s or dealer’s premises located within the annexed territory. The notice shall be in writing, sent by certified mail, and must include the effective date of the annexation and the business name and street address of the retailer’s or dealer’s premises. The distribution from the excise fund shall continue to be paid to the jurisdiction on record with the commission, until the chairman of the commission receives the notice under this section that the retailer’s or dealer’s premises have been annexed into the city or town. An annexing city or town shall be paid distributions that accrue after the date the chairman receives notice; and is not entitled to retroactive payment of any distributions accruing before the date the chairman receives notice.

**Effective Date:** July 1, 2021  
**Code:** IC 7.1-4-9-7  
**Enrolled Act:** HEA 1396, Sec. 63
**Overweight Divisible Load (IC 9-13-2-120.7)**

**Summary:** Removes the list of commodities and the specific weight limitations for certain commodities from the definition of “overweight divisible load.” The gross vehicle weight limit is more than 80,000 pounds but not exceeding 120,000 pounds.

- **Effective Date:** July 1, 2021
- **Code:** IC 9-13-2-120.7
- **Enrolled Act:** HEA 1190, Sec. 1

**Certificates of Title; Liens (IC 9-17-5)**

**Summary:** Allows the Bureau of Motor Vehicles to contract with one or more qualified vendors to develop and implement a statewide electronic lien and title system; or develop and make available to qualified service providers, a well-defined set of information services that will enable secure access to the data and internal application components necessary to facilitate the creation of a statewide electronic lien and title system.

- **Effective Date:** Upon passage
- **Code:** IC 9-17-5-6
- **Enrolled Act:** SEA 400

**Motor Vehicle Registration (IC 9-18.1)**

**Summary:** Defines permanent registration as a certificate of registration or any other indication of registration issued by the bureau or motor carrier services division of the Department of Revenue where the term of registration does not expire unless the registered owner sells or disposes of the registered vehicle.

- **Effective Date:** July 1, 2021
- **Code:** IC 9-18.1-1-4.5
- **Enrolled Act:** HEA 1356, Sec. 7

**Summary:** Codifies the department’s prior interpretation that carriers registering full trailers with Indiana under the International Registration Plan should be charged a prorated amount based on their Indiana mileage.

- **Effective Date:** July 1, 2021
- **Code:** IC 9-18.1-5-8
- **Enrolled Act:** SEA 383, Sec. 38

**Size and Weight Regulation (IC 9-20)**

**Summary:** Provides that a person who transports a vehicle or combination of vehicles with an overweight divisible load is subject to overweight divisible load permitting. Removes certain requirements regarding transportation of commodities.

- **Effective Date:** July 1, 2021
- **Code:** IC 9-20-4-2
- **Enrolled Act:** HEA 1150, Sec. 1
Summary: Provides that the Department of Transportation may not issue a permit for an overweight divisible load if the owner or operator of the vehicle has not provided the Department of Revenue with full payment for the permit prior to transporting the overweight divisible load.

   **Effective Date:** July 1, 2021  
   **Code:** IC 9-20-5-8  
   **Enrolled Act:** HEA 1150, Sec. 2

Summary: Provides that the Department of Transportation may issue an overweight permit for transporting overweight vehicles and loads carrying resources on certain highways in the state highway system.

   **Effective Date:** July 1, 2021  
   **Code:** IC 9-20-6-1  
   **Enrolled Act:** HEA 1190, Sec 2

Summary: Provides that no more than 8,500 single trip permits may be issued annually for applicants with a total equivalent single axle load calculation of more than 2.40 equivalent single axle load credit. Provides that the trip permit limit and trip weight limit do not include overweight divisible load permits obtained by shippers and carriers that obtained permits before January 1, 2021. Provides that the Department of Transportation (INDOT) may temporarily increase the number of overweight divisible load permits issued by order of the commissioner in response to an emergency or changes in market conditions. Provides that the INDOT may limit the number of overweight divisible load permits issued to an individual applicant. Requires the department to adopt rules due to lack of transportation options for certain resources, supply chain interruptions, or supply dock backlogs. No later than October 1, 2021, the department shall recalculate and apply permit fees for annual and trip permits based on the Joint Transportation Research Program publication JTRP-2014/14.

Provides that the INDOT shall issue a report to the legislative council and the interim study committee on roads and transportation regarding the fee structure of overweight divisible load permits, and regarding the impact of overweight divisible loads on roads and highways by July 1, 2023. Provides that the INDOT shall issue an annual report to the legislative council and the interim study committee on roads and transportation regarding market fluctuation in the number of overweight divisible load permits issued during the previous year. Provides that the state police department shall issue an annual report to the legislative council and the interim study committee on roads and transportation regarding the number of accidents involving applicants permitted for overweight divisible loads.

   **Effective Date:** July 1, 2021  
   **Code:** IC 9-20-6-2.2  
   **Enrolled Act:** HEA 1190, Sec. 3

Summary: Provides that a local authority may grant permits for transporting overweight divisible loads on local streets under the control of the local authority. A deviation from that route constitutes a violation subject to a civil penalty under IC 9-20-18-14.5.

   **Effective Date:** July 1, 2021  
   **Code:** IC 9-20-6-2.5  
   **Enrolled Act:** HEA 1190, Sec. 4

Summary: Provides that the Department of Revenue shall determine the extent of civil penalties for overweight divisible loads under certain conditions.

   **Effective Date:** July 1, 2021  
   **Code:** IC 9-20-18-7  
   **Enrolled Act:** HEA 1150, Sec. 3
Summary: Provides that the civil penalty for each permitting violation for transporting overweight divisible loads is not more than $10,000 for each violation. Provides criminal or civil defenses in certain circumstances. Permits the department to determine at an administrative hearing whether a civil penalty should be assessed or reduced pursuant to a defense. Provides that the Department of Revenue may not assess a penalty on a citation for an oversize load after more than one year has passed from the date the person receives the citation.

Effective Date: July 1, 2021
Code: IC 9-20-18-14.5
Enrolled Act: HEA 1150, Sec. 4

Summary: Provides an increase in the fines for violations of overweight divisible loads by $500 for each violation type (initial and subsequent violations).

Effective Date: July 1, 2021
Code: IC 9-20-18-14.5
Enrolled Act: HEA 1190, Sec. 5

Criminal Statutes (IC 35-52-6)
Summary: Establishes that IC 6-8.1-18-6(b) defines a crime concerning failure to remit taxes collected by a payroll service provider.

Effective Date: July 1, 2021
Code: IC 35-52-6-63.5
Enrolled Act: SEA 234, Sec. 3

Local Government Planning and Development (IC 36-7)
Summary: Increases, for state fiscal years beginning after June 30, 2021, the maximum amount of covered taxes that may be captured in the Allen County Professional Sports and Convention Development Area (PSCDA) to $5 million per year. For state fiscal years beginning before July 1, 2021, the maximum amount of covered taxes that may be captures in is the PACDA was $3 million

Expands the area covered by the Evansville PSCDA so as to include the addition of the downtown convention center hotel.

Expands the area covered by the South Bend PSCDA so as to include three additional downtown hotels, the Howard Park event center, and facilities located on the IU-South Bend campus.

Effective Date: July 1, 2021
Code: 36-7-31.3-8
Enrolled Act: SEA 384, Sec. 1

Summary: Changes the distribution formula for funds raised from the Allen County Professional Sports and Convention Development Area (PSCDA).

Establishes the termination date of the Allen County PSCDA as no later than December 31, 2038. Restricts any bonds that were issued before January 1, 2015 to finance the facility or proposed facility to a maturity of less than 25 years.

Extends the Evansville PSCDA that was set to expire before July 1, 2021 for an additional 20 consecutive years.

Extends the South Bend PSCDA that was set to expire before July 1, 2021 for an additional 20 years after June 30, 2021. Establishes that the maximum amount of covered taxes that may be captured in the South Bend PSCDA is $2,000,000 per year.

Effective Date: July 1, 2021
Code: 36-7-31.3-10
Enrolled Act: SEA 384, Sec. 2
Summary: Changes the expiration date of this chapter regulating professional sport development areas from December 31, 2040, to December 31, 2041.

**Effective Date:** July 1, 2021  
**Code:** 36-7-31.3-21  
**Enrolled Act:** SEA 384, Sec. 3

Summary: Extends the deadline for the establishment of an additional professional sports development area (PSDA) in Marion County from July 1, 2022 to 2024.

**Effective Date:** July 1, 2021  
**Code:** 36-7-31.5-5  
**Enrolled Act:** SEA 385, Sec. 1

Summary: Changes the earliest beginning date of covered tax collection in the professional sports development area (PSDA) from June 30, 2021 to June 30, 2023 or the date on which all of the conditions in IC 36-7-31.5 are met.

**Effective Date:** June 29, 2021  
**Code:** 36-7-31.5-8  
**Enrolled Act:** SEA 385, Sec. 2

Summary: Makes a technical correction by correcting the alphanumerical designation of two subparts.

**Effective Date:** July 1, 2021  
**Code:** IC 36-7-32-22  
**Enrolled Act:** HEA 1084, Sec. 101

Summary: Provides that a parcel may not be included in more than one allocation area under IC 36-7-32 or under IC 6-1.1-39, IC 8-22-3.5, IC 36-7-14, IC 36-7-15.1, IC 36-7-30, or IC 36-7-30.5, for property tax purposes. Provides that a parcel under those provisions and in more than one district established by a resolution before May 1, 2021, is not subject to these restrictions.

**Effective Date:** Upon passage  
**Code:** IC 36-7-32-28  
**Enrolled Act:** HEA 1271, Sec. 97

**Local Government Public Safety (IC 36-8)**

Summary: Expands the definition of “seller” for purposes of the enhanced prepaid wireless telecommunications service charge to include a person that sells prepaid wireless telecommunications service to another person and meets one or both of the economic thresholds for remote sellers under IC 6-2.5-2-1(d).

**Effective Date:** July 1, 2021  
**Code:** IC 36-8-16.6-10  
**Enrolled Act:** SEA 383, Sec. 42
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Taxpayer Assistance: 800-732-8866
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Tax Professionals Page: [www2.illinois.gov/rev/taxprofessionals](http://www2.illinois.gov/rev/taxprofessionals)

University of Illinois: [taxschool.illinois.edu](http://taxschool.illinois.edu)

**Kentucky Department of Revenue**
Website: [revenue.ky.gov](http://revenue.ky.gov)
Taxpayer Assistance: 502-564-4581
Contact Information: [revenue.ky.gov/Get-Help/Pages/Tax-Area-Contact-Information.aspx](http://revenue.ky.gov/Get-Help/Pages/Tax-Area-Contact-Information.aspx)
Tax Professionals Page: [revenue.ky.gov/TaxProfessionals](http://revenue.ky.gov/TaxProfessionals)

University of Kentucky: [ukincometax.ca.uky.edu](http://ukincometax.ca.uky.edu)

**Michigan Department of Treasury**
Website: [michigan.gov/treasury](http://michigan.gov/treasury)
Taxpayer Assistance: 517-636-4486
Contact Information: [michigan.gov/treasury/0,4679,7-121--8483--,00.html](http://michigan.gov/treasury/0,4679,7-121--8483--,00.html)
Tax Professionals Page: [michigan.gov/taxes/0,4676,7-238-43549---,00.html](http://michigan.gov/taxes/0,4676,7-238-43549---,00.html)

Michigan State University Income Tax School: [canr.msu.edu/taxschool](http://canr.msu.edu/taxschool)
University of Michigan Tax Seminars: [conferences.umich.edu/participants/tax-seminars](http://conferences.umich.edu/participants/tax-seminars)

**Ohio Department of Taxation**
Website: [tax.ohio.gov](http://tax.ohio.gov)
Taxpayer Assistance: 800-282-1780
Contact Information: [tax.ohio.gov/wps/portal/gov/tax/help-center](http://tax.ohio.gov/wps/portal/gov/tax/help-center)
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812-330-1804 (fax)

Clarksville
1200 Madison St., Suite E.
Clarksville, IN 47129
812-282-7729
812-282-0574 (fax)

Columbus
Temporary Location
1248 Washington St.
Columbus, IN 47201

Future Location (tentative opening Nov. 2021)
4475 Ray Boll Blvd.
Columbus, IN 47203
812-376-3049
812-372-7368 (fax)

Evansville
500 S. Green River Rd.
Goodwill Building, Suite 202
Evansville, IN 47715
812-479-9261
812-471-8189 (fax)

Fort Wayne
7230 Engle Rd., Suite 314
Fort Wayne, IN 46804
260-436-5663
260-434-1380 (fax)

Kokomo
124 W. Superior St.
Kokomo, IN 46901
765-457-0525
765-452-0559 (fax)

Lafayette
100 Executive Dr., Suite B
Lafayette, IN 47905
765-448-6626
765-448-2760 (fax)

Merrillville
1411 E. 85th Ave. Merrillville, IN 46410
219-769-4267
219-769-9363 (fax)

Muncie
3640 N. Briarwood Ln., Suite 5
Muncie, IN 47304
765-289-6196
765-286-7346 (fax)

South Bend
105 E. Jefferson Blvd., Suite 350
South Bend, IN 46601
574-291-8270
574-291-8658 (fax)

Terre Haute
30 N. 8th St., 3rd Floor
Terre Haute, IN 47807
812-235-6046
812-235-2352 (fax)
Department of Revenue Pyramid of Excellence

DOR’s Pyramid of Excellence includes the agency’s mission, vision and purpose, all of which were reengineered to capture the culture and brand DOR is building upon. This symbol is the compass for the organization.