



# Tax Chapter

for the 2025 filing year



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The Tax Chapter is provided through DOR's Business Education Outreach Program, which 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 [Business Education Outreach Program](#) or email [bizoutreach@dor.in.gov](mailto:bizoutreach@dor.in.gov).

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#### **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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# Table of Contents

Be in the Know: Changes and Update for Tax Year 2025 .....	4
Tax Amnesty .....	4
Pass-Through Composite Penalties.....	4
PTET Estimated Payments .....	4
New PTET Credits.....	5
Disclosure and Confidentiality Changes.....	5
Estimated Penalty Payment Calculations .....	5
Federal Conformity .....	6
Offer in Compromise (OIC) Changes .....	6
District Office Update.....	6
Tax Year 2025 Updates to DOR Forms.....	7
Add-Backs.....	7
Deductions .....	7
Credits.....	7
Pass Through Entity Tax Changes .....	8
Miscellaneous.....	8
Due Dates for Tax Filers.....	10
Individual Forms.....	10
Corporate Forms .....	10
Nonprofit Forms.....	10
Electronic Filing & Payment Information.....	11
Filing and Paying with INTIME.....	11
Payment Plans.....	11
Alcohol, Cigarette and Other Tobacco Products Taxes .....	11
Motor Carrier Services .....	12
INBiz.....	12
Form SC-40 Virtual Filing Available .....	12
Working Together: Information & Tips to Help Your Clients.....	13
Power of Attorney (POA) .....	13
Protest and Appeals .....	13
Reporting Tax Fraud .....	14
Taxpayer Advocate Office (TAO).....	14
Restaurant Utility Usage Sale Tax Exemption Reminder .....	14
2025 Legislative Overview Highlights.....	15
Additional Tax Law Education Information .....	18
Tax Professional Resources from DOR.....	19
Contact Us.....	20
District Office Contact Information .....	21

# Be in the Know: Changes and Update for Tax Year 2025

## Tax Amnesty

House Enrolled Act 1001 requires the Indiana Department of Revenue (DOR) to conduct an eight-week tax amnesty program ending prior to Jan. 1, 2027. The tax amnesty program will allow qualified taxpayers to become compliant and pay outstanding liabilities free of any penalties and interest that have accumulated on those liabilities.

Taxpayers are eligible to participate if they have an unpaid tax liability for a listed tax that was due and payable for a tax period ending before Jan. 1, 2023. A taxpayer is not eligible for the amnesty program if they participated in any previous amnesty program under this statute (those in 2005 and 2015).

This program will take place in the second half of 2026. The exact timeframe, along with other details, will be announced in the coming months. Sign up for [DOR email updates](#) to receive new information when it becomes available.

## Pass-Through Composite Penalties

Pass-through entities must include all nonresident partners, shareholders, or beneficiaries in their composite returns, even if the corporation, partnership, estate or trust is reporting a loss. Filers who fail to do so will automatically be assessed a \$500 penalty per pass-through entity. This has been a long-standing requirement that DOR did not enforce prior to 2024, due to programming limitations, but will continue to be enforced going forward. More information is available in [Income Tax Information Bulletin #72](#).

Here are some steps that businesses and preparers can take to avoid this penalty:

- Make sure the number of nonresidents reported in the header of the return is the same as the total number of nonresident entity owners listed on Schedule Composite, Schedule PTET, and/or Schedule Composite-COR.
- The Schedule Composite, Schedule Composite-COR and/or Schedule PTET must be included with the return and completely filled out with the individual's SSN and/or corporate entity's FEIN.
- The appropriate schedule(s) are required whether the corporation, partnership, estate, or trust has income or a loss.

## Pass Through Entity Tax (PTET) Estimated Payments

Partnerships and S corporations that have elected or intend to elect to pay tax at the entity level based on each owner's total share of adjusted gross income, also known as PTET, are required to make quarterly estimated payments. In 2023 and 2024, these estimated payments were made

annually, but as of 2025, filers are required to make four estimated payments. Due dates and most provisions now follow corporate estimated tax provisions. DOR will assess the penalties for filers on a quarterly basis based on the failure to either pay 25% of the prior year's PTET or 20% of the current year's PTET, whichever of those is less. The penalty will be 10% of the underpayment for the quarter. There is an exception to this rule where any payment made into an account prior to June 20, 2025, counts toward the first and second quarter payments if the amount is equal to or greater than 50% of PTET. Instructions for PTET estimated payments have been added to Form IT-6WTH. More information on PTET is available in [Income Tax Information Bulletin #72B](#).

## New PTET Credits

Effective for tax year 2025, electing entities can take certain credits against PTET. If an entity elects for a resident to be subject to PTET on its pre-apportioned income and has income derived from a state with an individual income tax other than Indiana, the entity can elect to take a credit for out of state income tax on that income. If income would be subject to income tax in two states, the pass-through entity can reduce the PTET by the tax that would be imposed on the individual in the non-Indiana state. Credits available for pass-through can be claimed against PTET. This applies to most nonrefundable credits that are available to the partnership and are passed through the pass-through entity to the owners. The newly allowable credits cannot exceed the PTET that would be due without the credits. Schedule PTET has been updated accordingly with three new computation codes. More information on PTET is available in [Income Tax Information Bulletin #72B](#)

## Disclosure and Confidentiality Changes

DOR can now disclose certain information regarding claims on returns that impact other parties. Common examples where disclosure is now allowed include:

- Dependent deductions for couples who are divorced, married filing separately, unmarried, or any other instance where a joint return is not involved, and both partners attempt to claim a dependent on their return
- Partnerships and similar entities with partner adjustments based on partnership filing
- Responsible Officers in instances of business sales and withholding tax

## Estimated Penalty Payment Calculations

Starting in 2026, a taxpayer's "final tax liability" is defined as the reported tax liability for a taxable year (i.e., the amount reflected on the original return) for the purposes of calculating penalties. The penalty is incurred when a quarterly estimated tax payment is less than 25% of the current year's or the prior year's final tax liability, and for Financial Institutions tax (FIT), the penalty is incurred when a quarterly estimated tax payment is less than 25% of the prior year's final tax liability or 20% of the current year's final tax liability.

This change simplifies penalty calculations, since amended returns, audits, and other factors can potentially impact a taxpayer's ultimate liability. The change eliminates that possibility, which ultimately benefits taxpayers. Additionally, these changes clarify circumstances where a taxpayer is not required to file or has filed a good faith \$0 return. Previously, DOR could disregard that year altogether, but now, if a

taxpayer can show that it was reasonably expected to not need to file or to file a \$0 return, DOR will treat that prior year as zero.

## Federal 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. As of the last revision date of this publication, Indiana conforms to the IRC as of Jan. 1, 2023. The Indiana General Assembly is responsible for addressing and updating Indiana's IRC conformity date during each legislative session, along with decoupling from provisions as they deem necessary. Because of this, DOR will only issue guidance in relation to the One Big Beautiful Bill Act or similar federal measures and their potential impacts to Indiana taxpayers, after the Indiana General Assembly indicates its intentions.

Consult [Income Tax Information Bulletin #119](#) for more about federal conformity, and sign up for [DOR email updates](#) to receive new information when it becomes available.

## Offer in Compromise (OIC) Changes

DOR's Taxpayer Advocate Office (TAO) is updating its settlement process to provide a better experience for customers seeking to make a formal agreement to settle a tax liability for less than the full amount owed. Forms have been updated and shortened, with a new guide available to assist taxpayers through the application process. After a taxpayer applies for an OIC, the TAO team now conducts a standard introductory phone call to explain the procedures, provide contact information, and request any necessary additional documentation from the taxpayer. The taxpayer will then have 60 days to provide documentation, and forms may be signed digitally, streamlining the process and allowing DOR to process more applications, and better communicate with applicants.

Additional enhancements to the OIC program will be coming soon, including a new process for taxpayers in nursing homes, and the ability to submit OIC applications through INTIME. More information is available on the [TAO page of DOR's website](#).

## District Office Update

Earlier this year, several of DOR's district offices moved to provide in-person services by appointment only. This change allows our district office customer service representatives to respond to more correspondence and calls, improving our overall service capacity. Three offices currently remain available for walk-in customer service without an appointment, during regular business hours: Indianapolis, Merrillville, and Clarksville. Taxpayers interested in visiting DOR in person at any other office, may do so by [scheduling an appointment](#) in advance. Appointments in these district offices are available on Tuesdays and Thursdays from 8 a.m. to 4:30 p.m. Upon arrival, a representative will escort you into the office at your appointment time.

# Tax Year 2025 Updates to DOR Forms

## Add-Backs

### **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 required to be added back for 2025 is 12.5%.

## Deductions

### **Active Military Pay Deduction Change (IND)**

- Indiana's 100% deduction of military pay has been expanded to include members of Space Force, Public Health Service (USPHS) Commissioned Corps, and the National Oceanic and Atmospheric Administration (NOAA) Commissioned Officer Corps.

### **Retirement Income or Survivor's Benefits Deduction Change (IND)**

- Members of Space Force, USPHS Commissioned Corps, and the NOAA Commissioned Officer Corps will be eligible to claim Indiana's Military Retirement Income and/or Survivor's Benefits Deduction.

## Credits

### **Affordable and Workforce Housing Credit – 3-digit code 871; 4-digit code 1871 (IND/COR)**

- Provides a new tax credit for affordable and workforce housing and is awarded by the Indiana Housing and Community Development Authority
- Must be reported on Schedule IN-OCC

### **Railroad Expenditures Tax Credit – 3-digit code 882; 4-digit code 1882 (IND/COR)**

- Establishes a new railroad tax credit for taxpayers that make qualified railroad expenditures
- Amount of credit is 50% of expenditures or number of track miles multiplied by \$3,500, whichever is less
- Taxpayers must apply to DOR for credit approval by completing Application for Railroad Tax Credit for Qualified Infrastructure Investment (Form IN-RRTC).
- Must be reported on Schedule IN-OCC

### **New Rail Infrastructure Expenditures Tax Credit – 3-digit code 883; 4-digit code 1883 (IND/COR)**

- Establishes a new railroad tax credit for taxpayers that make qualified new rail infrastructure expenditures
- Amount of credit is the lesser of \$500,000 or 50% of expenditures
- Taxpayers must apply to DOR for credit approval by completing Application for Railroad Tax Credit for Qualified Infrastructure Investment (Form IN-RRTC).
- Must be reported on Schedule IN-OCC.

### **Small Modular Nuclear Reactor Tax Credit – 3-digit code 884; 4-digit code 1884 (IND/COR)**

- Establishes a new small modular nuclear reactor manufacturing expense credit for taxpayers that make qualified infrastructure investments
- Amount of credit is 20% of qualified investment
- Taxpayer wishing to claim this credit must mail a written request to DOR's Tax Policy Division.
- Must be reported on Schedule IN-OCC

### **Physician Practice Ownership Tax Credit Change – 3-digit code 880 (IND)**

- New law expands the Physician Practice Ownership Tax Credit to practicing physicians (instead of only primary care physicians) who have an ownership interest in a physician practice.
- To receive this credit, the medical practice must apply with DOR for approval for its physician owners by completing Physician Practice Ownership Tax Credit Application (Form IN-PPOTC).

### **Residential Historic Rehabilitation Credit Change – 3-digit code 831 (IND)**

- \$10,000 per project cap added for a taxpayer who completes preservation or rehabilitation of a historic property.
- Amount of credit is equal to 20% of qualified expenditures or \$10,000, whichever is less.

## **Pass Through Entity Tax Changes**

### **PTET Estimated Payment Penalty (COR)**

- Beginning TY 2025, a penalty for underpayment of estimated PTET is imposed if quarters 1, 2, 3 or 4 are less than 25% of prior year or 20% of current year, whichever is less.

### **PTET Credits (COR)**

- An electing entity is now allowed to make elections to claim certain state tax liability credit.
- Three new computation codes have been added to Schedule PTET.
  - 13 – Indiana resident owners taxed pre-apportionment; entity claiming credits against PTET
  - 14 – Indiana resident owners post-apportionment; entity claiming credits against PTET
  - 15 – No Indiana owners; entity claiming credits against PTET

### **PTET Change to ESOP Entity Type Codes (COR)**

- To address an issue with reporting Employee Stock Option Plans, Code 08 Resident Retirement Plan or Employee Stock Option Plan (ESOP) and Code 28 Nonresident Retirement Plan or ESOP will now allow zero tax due regardless of the Computation Code selected on Schedule PTET.

## **Miscellaneous**

### **Individual Income Tax Rate Change (IND/COR)**

- Individual Income tax rate is lowered to 3% for tax year 2025 and 2.95% for tax year 2026.

### **IRC Update (IND)**

- Line 1 of Form IT-40 assumes conformity with the Internal Revenue Code of 1986, as amended and in effect on Jan. 1, 2023. If the 2026 Indiana General Assembly does not conform to the most current changes to the Internal Revenue Code, you may have to amend your 2025 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 for updates.

### **Principal Residence Address Requirement (IND)**

- Beginning 2025, individual taxpayers must provide their primary residence address on Schedule CT-40 or Schedule CT-40PNR, if different from their mailing address.
- New law recently passed authorizing eligible cities and towns may impose a municipal local income tax beginning tax year 2028. Primary residence address is needed for upcoming implementation.

### **Schedule IT-40NOL Individual Income Tax Net Operating Loss Computation (IND)**

- Individual MeF schema will now include data from IT-40NOL.
- If an Indiana NOL deduction is reported on Schedule 2, line 9 of IT-40 or Schedule C, line 9 of IT-40PNR, then IT-40NOL must also be filed.

### **Schedule IN-CR Credit Recapture (IND)**

- ABLE 529A Credit, Employer Child Care Expenditure Credit, and Physician Practice Ownership Tax Credit have been added to the list of credits that can be required to be recaptured on this schedule.

### **Schedule Composite and Schedule Composite-COR Change (COR)**

- Four new exception codes have been added for specific scenarios involving reporting and tax computation.
  - 16 - Governmental Entity not required to file a return
  - 17 - Allowance for Schedule IN-COMPA for similarly situated partners (largely charities)
  - 18 - Negative shareholder/partner income
  - 19 - Withholding greater than tax computed

### **State of Commercial Domicile (COR)**

- Foreign country code 'FC' is added to State of Commercial Domicile on Forms IT-20, IT-20S and IT-65.

# Due Dates for Tax Filers

## Individual Forms

Date	Form Type/Payment/Filing Activity
01/15/26	Farmer/fisherman 2/3rd rule: only one estimated payment due IT-40ES/ES-40 2025: 4th estimated installment payment due
02/02/26	File 2025 IND return, pay all tax due, no 4th installment payment due
03/02/26	Farmer/fisherman 2/3rd rule: file 2025 return/pay all tax due by March 3, 2026, no est. tax due
04/15/26	Filing due date for: 2025 IT-40, IT-40PNR, IT-40RNR, SC-40, IT-9 (extension of time to file) IT-40ES/ ES-40 2026: 1st estimated tax installment payment due
06/15/26	IT-40ES/ ES-40 2026: 2nd estimated tax installment payment due
09/15/26	IT-40ES/ ES-40 2026: 3rd estimated tax installment payment due
11/16/26	IND return filing due date if filing under extension (federal Form 4868; state Form IT-9; online)
01/15/27	IT-40ES/ ES-40 2026: 4th estimated tax installment payment due

## Corporate Forms

Date	Form Type
Due 15th day of fifth month following the end of the taxable year	Form IT-20
Due 15th day of fourth month following the end of the taxable year	Form IT-20S
Due 15th day of fourth month following the end of the taxable year	Form IT-65
Extended due date is 15th day of eleventh month after the end of the taxpayer's tax year	Form IT-20
Extended due date is 15th day of tenth month after the end of the taxpayer's tax year	Form IT-20S (Indiana S Corp) and Form IT-65 (Indiana Partnership)

## Nonprofit Forms

Date	Form Type
Due 15th day of fifth month following the end of the taxable year	Form IT-20NP
May 15, 2026, if FEIN ends in 50 through 74 May 15, 2027, if FEIN ends in 75 through 99	NP-20R (available on INTIME)
After the date shown above, due May 15 every fifth year, visit <a href="#">Income Tax Information Bulletin #17</a> for more information	
Due 120 days after the nonprofit's formation	NP-20A (available on INTIME)

Visit [Filing Deadlines](#) for more information.

# Electronic Filing & Payment Information

## Filing and Paying with INTIME

Payments can be made 24/7 via DOR's e-services portal, [INTIME](#), using a bank account (no fee) or credit/debit card (fee). Payment types include return, extension or estimated payments, bill payments, as well as payment plan payments that can be made securely with or without logging in to an INTIME account. Visit [Payments & Billing](#) for more information.

INTIME also offers increased access and functionality for tax preparers via:

- Access to view and manage multiple customers under one login
- Ability to file returns, make payments and view filing and payment history for clients
- Electronic power of attorney (ePOA) request for authorization to act on behalf of clients
- Ability to view and respond to DOR correspondence for clients

INTIME supports a variety of Individual, Business, Corporate and Special taxes. Visit [Electronic Tax Filing Options](#) for a full list of tax types and forms supported through INTIME.

## Payment Plans

Individuals and businesses who have received a bill may be able to set up a payment plan online using [INTIME](#). 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

Amount Owed – Individual Income Tax	Amount Owed – Business Tax	Maximum months
\$100 or less	\$500 or less	full payment required
\$101 to \$1,000	\$501 to \$1,000	up to 12 months
\$1,001 to \$5,000	\$1,001 to \$5,000	up to 24 months
\$5,001 and above	\$5,001 and above	up to 36 months

## 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 electronic filing. The first is directly through [INTIME](#). The second method involves extracting the data from the taxpayer's recordkeeping system and using the XML schema definitions to format the data correctly. For more information, visit DOR's [Alcohol](#) and [Cigarette and OTP](#) webpages.

## 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](http://motorcarrier.dor.in.gov) to manage their fleet and related tax filings and permits in one place. Visit [Motor Carrier Services](#) for more information.

## INBiz

INBiz serves as a single point of contact for those registering a business with the state. Customers can register at [inbiz.in.gov](http://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

Businesses can use INBiz to register for the following tax types: Sales, Withholding, 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.

## Form SC-40 Virtual Filing Available

Beginning in 2026, taxpayers who qualify for the Unified Tax Credit for the Elderly may now file Form SC-40 in one of two ways:

- Complete a physical copy of Form SC-40 and submit it by mail.
- Fill out Form SC-40 online through [INTIME](#).

Electronic filing functionality allows DOR to process these tax returns faster. Eligible taxpayers who have filed Form SC-40 in past years will be sent a letter in the mail along with their SC-40, which explains how e-filing works and includes a letter ID which they can use to access and file the digital form on INTIME or create an INTIME account before filing the form.

# Working Together: Information & Tips to Help Your Clients

## Power of Attorney (POA)

A taxpayer can elect a Power of Attorney (POA) representative either by completing an electronic Power of Attorney (ePOA) on INTIME or filing Form POA-1. Visit [Power of Attorney](#) for ePOA guides, FAQs and other resources.

INTIME and the ePOA process streamlines the establishment of a POA relationship, enabling representatives to view a taxpayer's account information and correspondence, pay taxes and bills, register tax accounts, file business taxes and securely message DOR Customer Service.

If using Form POA-1, use the most current version [available on our website](#). Form POA-1 applies to one individual only. If two spouses are authorizing a power of attorney, each spouse should submit a separate form. Form POA-1 can be submitted by:

- Fax: 317-615-2605
- Mail: Indiana Department of Revenue  
P.O. Box 7230  
Indianapolis, IN 46207-7230
- Accepted by in-person services at any district office

## Protest and Appeals

Only a proposed assessment or the denial of a refund may be protested. Any taxpayer wishing to protest a tax assessment or denial of a refund must, by statute, file a protest with DOR no later than 60 days from the date printed on the proposed assessment or denial of refund. Protests must be filed in writing and must be accompanied by the [Protest Submission Form](#).

If filing a protest by mail, address it to:

Indiana Department of Revenue  
Legal Division, MS 102  
100 N. Senate Avenue, Room N248  
Indianapolis, IN 46204

Protests may also be filed electronically through INTIME. To file your protest on INTIME, log into your account and select "Submit Protest Documentation" in the Legal protests panel.

## Reporting Tax Fraud

Tax practitioners are encouraged to help DOR combat and prevent tax fraud by reporting suspected fraudulent activities through [INTIME](#) or completing [DOR's Tax Fraud Referral Form](#) 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 [Taxpayer Advocate Office](#) for more information on services such as:

- Claim for Hardship
- Offer-in-Compromise
- Tax Warrant Expungement
- Active Duty Military Assistance
- Incarcerated Individual Assistance

## Restaurant Utility Usage Sale Tax Exemption Reminder

Last year, legislation passed allowing restaurants to elect to receive a 50% sales tax exemption on their electric meter without performing a utility study. This election can be made by filing Form ST-200R, which may be filed via INTIME or hard copy. This change helps reduce the barrier to entry for restaurants that claim exemption and streamlines the filing process. A restaurant that files Form ST-200R will be issued Form ST-109R by DOR after approval, which the restaurant can then provide directly to the utility company. Restaurants that intend to claim a 100% predominate use exemption must still file a Form ST-200, which includes a utility study. Visit [Utility Sales Tax Exemption](#) for more information.

# 2025 Legislative Overview Highlights

The following is a summary of legislation passed by the 2025 Indiana General Assembly, not already covered in this publication. This section highlights a few more significant items that affect taxpayers and tax practitioners. More details on these and other legislative changes can be found in the [2025 Legislative Synopsis](#).

## **Sales Tax Exemption for Quantum Computing Research**

Legislation has been created to expand the sales tax exemption for eligible costs for data centers to quantum computing research, advanced computing, and defense infrastructure network operators that hold an interest in a quantum computing research, advanced computing, and defense infrastructure network. Qualified organizations must apply to the Indiana Economic Development Corporation (IEDC) for a specific transaction award certificate (STAC) to make purchases that meet these qualifications.

## **Cigarette Tax Rate Changes, e-Cig and Cartridge Tax Increase**

Effective July 1, 2025, the following taxes were increased:

- The cigarette tax increased from \$0.995 per pack of cigarettes to \$2.995. The tax rate for Class B cigarettes also increased to \$3.98.
- The tax rate on the wholesale price of cigars and tobacco products, other than moist snuff, increased from 24% to 30%, and the tax cap on cigars increased from \$1 to \$3. Additionally, the tax rate on moist snuff and alternative nicotine products increased from \$0.40 to \$0.50 per ounce.
- The closed system cartridge tax rate increased from 15% to 30% on the wholesale price of closed system cartridges.
- The electronic cigarette tax rate increased from 15% to 30% on the retail income from the sale of electronic cigarettes.

## **Use Tax Changes**

Previously, Use tax was only imposed upon tangible personal property. The agency bill expanded the imposition of Use tax to accommodations and enumerated taxable services. Quasi-use tax provisions were also added to Gasoline Use tax, Food and Beverage tax, and County Innkeeper's tax, so that in cases when a wrongful exemption certificate is presented or when a purchase is used for a nonexempt purpose, the purchaser will owe the tax they should have or will now need to pay. DOR is updating Form ST-115, the Consumer Use Tax Return, to accommodate the remittance of additional taxes due.

## **Local Municipal Taxes & Local Income Tax (LIT)**

Beginning FY 2028, cities and towns with a population of 3,500 or more will be authorized to impose their own LIT of up to 1.2%. Counties can also adopt new LIT rates of up to 1.2% to allocate funds to non-qualifying municipalities (populations under 3,500) for county services, and additional lower rates for fire protection and emergency medical service providers, and to specific non-municipal entities such as townships and libraries. The county-wide expenditure rate cap of all county LITs will be raised from 2.5% to 2.9% starting in 2028. The county LIT expenditure-equivalent rate will drop to 1.7%, while the county can impose a 1.2% rate for the benefit of small municipalities.

All existing LIT rates will expire, and cities and counties will be required to adopt a new LIT rate under this structure during the 2027 budget process. LIT rates must be readopted each year during the normal budget process, like property tax rates. Rates will default to zero if the adopting body fails to readopt. This may change prior to 2028.

### **Food and Beverage Tax and County Innkeeper's Tax Changes**

Authorized increases by ordinance:

- Brown County Innkeeper's tax may increase to 8% (instead of 5% under current law).
- Shipshewana Food and Beverage tax may increase to not more than 2% (instead of 1% under current law).

New taxes, if adopted by ordinance:

- Boone County, LaGrange County, Switzerland County, and Parke County may impose an Innkeeper's tax.
- Cities of Marion, Shelbyville, New Haven, Richmond, Cambridge and Madison may impose a Food and Beverage tax.
- Towns of Centerville, Hagerstown, Fountain City, Green Forks, Milton, Dublin, Mount Auburn, and Ellettsville may impose a Food and Beverage tax.
- Wayne County may no longer impose a county-wide Food and Beverage tax.

### **New and Upcoming Individual Income Tax Rate Changes**

For taxable years beginning after Dec. 31, 2029, and before Jan. 1, 2032, and every four-year period thereafter until Jan. 1, 2044, the state Individual tax rate shall be decreased by the percentage point of 0.05% beginning Jan. 1 of the even-numbered year immediately succeeding the year, subject to a new SBA determination, so long as the following conditions have been met:

- State general fund revenue collections in the four state fiscal years during the four-year period exceed by at least 3.5% the state general fund revenue collections for the respective immediately preceding state fiscal year.
- The amount of forecasted state general fund revenue collections for the first state fiscal year of the four-year period, are estimated to exceed by at least 3.5% the state general fund revenue collections in the state in the prior fiscal year.

### **Tax Credit for Small Modular Nuclear Reactor Manufacturing Expenses**

A new tax credit has been established for taxpayers that make qualified infrastructure investments, which are taxpayers' expenditures, incurred in the manufacturing of a small modular nuclear reactor in Indiana. This credit is equal to 20% of the amount of a taxpayer's qualified investment. It can be carried forward but cannot be carried back or refunded and can also be used to offset current year adjusted gross income tax (AGIT) due before any amount is carried forward.

### **Railroad Tax Credit**

Legislation has established a new tax credit for taxpayers that make (1) qualified Class II or Class III railroad investments or (2) qualified new rail infrastructure investments. There are caps on the amount of single credit, and global caps on the total amounts claimed. The credit is assignable and can be carried forward but cannot be carried back or refunded and can also be used to offset current year AGIT due before any amount is carried forward.

### **Film & Media Production Tax Credit**

This credit is now assignable as of Jan. 1, 2026, and can only be assigned one time. The assignee may not subsequently assign all or part of the credit to another taxpayer. A new individual and global cap has been instituted as well: a single tax credit may not exceed \$250,000, and the aggregate amount of credits may not exceed \$2 million. The expiration has been pushed back from July 1, 2027, to July 1, 2031.

### **Childcare Expenditure Tax Credit**

The expiration of the employer childcare expenditure credit has been pushed back to July 1, 2027. The credit was previously set to expire on July 1, 2025.

### **Investment Partnership**

Effective for tax year 2026 and beyond, investment income earned by nonresident partners from qualified investment partnerships shall be allocated to the partner's state of residence. This is limited to income from partnerships that do both of the following:

- Hold more than 90% in assets (measured by cost) securities, bank accounts, and reasonable office space/equipment for operations
- Derive more than 90% of their gross income from investments, including other investment partnerships

This treatment is not allowed for partnerships when there are or were certain business activity ties to the nonresident partner. Income other than qualifying investment income remains taxable in Indiana in the same manner as before this change.

### **Partnership Penalty Abatement**

If a partnership files its return late, the \$10 per day penalty for late filing (maximum of \$250) and \$10 per late K-1 penalty shall be waived automatically upon [requesting a penalty abatement](#) which shows:

- The partnership had 10 or fewer partners, with a married couple counting as one partner.
- All partners are natural persons (other than a nonresident alien) or the estate of a natural person.
- All partners' income are in proportion with their share of ownership. In other words, no partner receives a preference on income or a guaranteed payment.
- All partners timely file their income tax returns.

# Additional Tax Law Education Information

## Federal

The [IRS Nationwide Tax Forums Online](#) (NTFO), provides information for tax professionals from the speakers at the IRS Nationwide Tax Forums. The seminars include a 50-minute interactive video of the seminar with downloadable slides and complete transcripts for each seminar. NTFO courses may be taken for continuing education credit (for a fee) or may be audited for free (no credit given for auditing).

## Neighboring States



### Illinois Department of Revenue

Website: [tax.illinois.gov](http://tax.illinois.gov)

Contact Information: [tax.illinois.gov/aboutid/or/contactus.html](http://tax.illinois.gov/aboutid/or/contactus.html)

Tax Professionals Page: [tax.illinois.gov/taxprofessionals.html](http://tax.illinois.gov/taxprofessionals.html)

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



### Kentucky Department of Revenue

Website: [revenue.ky.gov](http://revenue.ky.gov)

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 Tax Seminars: [ukincometax.ca.uky.edu](http://ukincometax.ca.uky.edu)



### Michigan Department of Treasury

Website: [michigan.gov/treasury](http://michigan.gov/treasury)

Contact Information: [michigan.gov/treasury/contact-us](http://michigan.gov/treasury/contact-us)

Tax Professionals Page: [michigan.gov/taxes/professionals](http://michigan.gov/taxes/professionals)

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)

Contact Information: [tax.ohio.gov/wps/portal/gov/tax/help-center](http://tax.ohio.gov/wps/portal/gov/tax/help-center)

Tax Professionals Page: [tax.ohio.gov/wps/portal/gov/tax/professional/professional](http://tax.ohio.gov/wps/portal/gov/tax/professional/professional)

Ohio Virtual Tax Academy: [tax.ohio.gov/researcher/ohio-virtual-tax-academy](http://tax.ohio.gov/researcher/ohio-virtual-tax-academy)

# Tax Professional Resources from DOR

DOR recognizes the crucial role practitioners serve in helping clients with tax filing obligations. Since practitioner needs are often more complex than those of the general population, DOR operates many special services to support your needs, including:

- DOR Tax Practitioner Hotline: 317-232-2240, Option 2 OR 800-462-6320\*  
This line is staffed with DOR's most senior customer service representatives, team leads, and tax analysts. By state law, DOR requires POA, ePOA or checkbox authorization on a specific return to be on file to discuss your client's account with you. Your client may authenticate their identity and give consent to allow you to discuss their matter during a phone call while your client remains present.
- United Collection Bureau (UCB) Tax Practitioner Hotline: 866-416-4854\*
- Dedicated Tax Professional Webpage: [in.gov/dor/i-am-a/tax-professional](http://in.gov/dor/i-am-a/tax-professional)
- Tax Practitioner Resource Packet: [in.gov/dor/files/dor-tax-pract-packet.pdf](http://in.gov/dor/files/dor-tax-pract-packet.pdf)
- Tax Policy Department Email: [taxpolicy@dor.in.gov](mailto:taxpolicy@dor.in.gov)

\*Please do not share these numbers outside the tax practitioner community, as they are dedicated resources.

## Tax Bulletin

[Tax Bulletin](#) is a monthly e-newsletter for tax practitioners that provides updates on legislation, service changes, upcoming deadlines and events, and more.

## Tax Library

Visit [DOR's Tax Library](#) to access Income and Sales tax Information Bulletins, Departmental Notices and more.

## Legal FinDOR

[Legal FinDOR](#) is a document retrieval tool designed for individuals with legal and financial interests. This tool enables you to search for and retrieve previously issued documents that explain DOR's position on a variety of tax related matters. Legal FinDOR allows you to access documents such as letters of findings, memoranda of decision, final orders denying refund and revenue rulings.

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### Subscribe Today!

DOR offers email subscriptions for Tax Bulletin, website updates, e-newsletters, most of DOR's Tax Library sections and more. To receive these updates, visit <https://cloud.subscription.in.gov/signup?depid=546006752> and follow the registration steps.

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# Contact Us

This information is subject to change. Check our [Contact Us webpage](#) for the most up-to-date listings, as well as a full listing of phone numbers by tax type.

## Send Secure Messages with INTIME

You can use INTIME to submit a question or get an issue resolved easily and efficiently. Once you have registered or logged in to your [INTIME account](#), you can message DOR by selecting the "All Actions" tab followed by clicking on the "Messages" section.

## Contact Us by Phone

<b>Frequently Called Areas</b>	<b>Phone Number</b>
Individual Income Tax	317-232-2240
Sales and Withholding Tax	317-232-2240
Corporate Tax	317-232-0129
Legal & Appeals	317-232-2100
TAO Customer Service	317-232-4692
UCB Customer Service	866-559-4313
Motor Carrier Services	317-615-7200

<b>Additional Services</b>	<b>Phone Number</b>
Electronic Funds Transfer	317-232-5500
Letter of Good Standing	317-232-5977
Investigations	317-232-3376
Warrants	317-232-2240
Bankruptcy	317-232-2289
Special Tax – Excise	317-615-2710
Special Tax – Fuel	317-615-2630

## Visit Us in Person

DOR's 12 District Offices are open from 8 a.m. to 4:30 p.m. Monday through Friday. For in-person services, you may be required to [schedule an appointment online](#) before visiting. Visit [our District Offices webpage](#) for the most up-to-date listings. Services provided by DOR's district offices include:

- Answer individual and/or business tax questions
- Submit completed state tax return(s) (paper filing only)
- Help correct or adjust processed tax return
- Review and explain tax billing(s)
- Process payments made with cash (exact amounts only), personal or cashier's checks, money orders and debit/credit cards
- Assist in setting up payment arrangements
- Provide state tax forms (based on availability)
- Answer questions about DOR's collection process (tax warrants with the sheriff and/or collection agency, bank levies, liens on credit reports, etc.)
- Assist with resolving license protests

# District Office Contact Information

## **Indianapolis**

### **(Central Office)**

100 N. Senate Ave. IGCN,  
Room N105  
Indianapolis, IN 46204

## **Bloomington**

1531 S. Curry Pike, Suite 400  
Bloomington, IN 47403

## **Clarksville**

1200 Madison St., Suite E.  
Clarksville, IN 47129

## **Columbus**

4475 Ray Boll Blvd.  
Columbus, IN 47203

## **Evansville**

500 S. Green River Rd.  
Goodwill Building, Suite 202  
Evansville, IN 47715

## **Fort Wayne**

7230 Engle Rd., Suite 314  
Fort Wayne, IN 46804

## **Kokomo**

124 W. Superior St.  
Kokomo, IN 46901

## **Lafayette**

250 Main St., Suite 410  
Lafayette, IN 47901

## **Merrillville**

1411 E. 85th Ave.  
Merrillville, IN 46410

## **Muncie**

3640 N. Briarwood Ln., Suite 5  
Muncie, IN 47304

## **South Bend**

1001 Hickory Rd., Suite 5  
South Bend, IN 46615

## **Terre Haute**

525 W. Honey Creek Dr.  
Terre Haute, IN 47802

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



# Department of Revenue Pyramid of Excellence

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

