Index begins on page 60

2 0 1 3

INDIANA

IT-40PNR Part-Year and Full-Year Nonresident

Individual Income Tax Booklet

freefile.dor.in.gov FAST • FRIENDLY • FREE

WAIT!

YOU MAY QUALIFY FOR FREE ONLINE TAX FILING!

Have you considered filing electronically?

You may be eligible to file your taxes online for FREE. Go to www.freefile.dor.in.gov to see if you qualify.

More than 2 million Indiana taxpayers filed electronically in 2012. Consider the benefits of filing electronically:

- **Faster Refund.** Electronic filing reduces errors and expedites refund time – average 10 to 14 days (compared with 6 to 12 weeks for a paper return).
- **Fewer Errors.** Up to 20 percent of paper-filed returns have errors, which can result in delays and possible penalty and/or interest for the taxpayer. Returns filed electronically, however, are 98 percent accurate.
- **Costs Less.** Not only does it cost you less, but it saves taxpayer money. It costs the state more than $2.3 million operationally to process more than 1 million paper returns. It costs the state only about $150,000 operationally to process more than 1.8 million electronic returns.
- **Fewer Complications.** You won't have to complete the many complicated forms in this booklet. Instead, you go online, answer some easy questions, and before you know it your taxes are complete.

For more information about the Indiana freefile program, go to www.freefile.dor.in.gov.

George Rogers Clark Memorial
Photo courtesy of George Rogers Park NHP
About the Cover: This year, Indiana's tax booklets commemorate veterans with photographs of Indiana war and veterans memorials. This cover features the George Rogers Clark Memorial in Vincennes, Ind. An interest in commemorating George Rogers Clark developed in Indiana during the early 1920s. President Franklin D. Roosevelt dedicated the memorial June 14, 1936.

SP# 258
(R10 / 9-13)

Which Indiana tax form should you file?

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

Indiana full-year residents

Use Form IT-40EZ:

- If you (and your spouse, if filing jointly) were a full-year Indiana resident and all of the following are true:
- You filed a federal Form 1040EZ,
- You are claiming only the renter's deduction and/or unemployment compensation deduction, and
- You have only Indiana state and county tax withholding credits.
- You do not have any interest income from a direct obligation (acquired after Jan. 1, 2012) of a state or political subdivision other than Indiana.

Use Form IT-40:

If you (and your spouse, if filing jointly) were a full-year Indiana resident and you do not qualify to file Form IT-40EZ.

All other individuals

Use Form IT-40RNR:

If you (and your spouse, if filing jointly) were:

- A full-year resident of Kentucky, Michigan, Ohio, Pennsylvania or Wisconsin, and
- Your only type of income from Indiana was from wage, tip, salary or other compensation.*

*If you have any other kind of Indiana-source income, you are required to file Form IT-40PNR (see below).

Note. If you have income that is being taxed by both Indiana and another state, you may have to file a tax return with the other state. A listing of other states' tax forms can be found at www.taxadmin.org/fta/link/forms.html.

Use Form IT-40PNR:

If you (and/or your spouse, if filing jointly) were an Indiana resident for less than a full year (or not at all) **and** you do not qualify to file Form IT-40RNR.

Military personnel

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

2013 Changes

Update: Line 1 of Form IT-40PNR assumes conformity with the Internal Revenue Code for federal changes adopted after Jan. 1, 2014. If the Indiana state legislature does not conform to the most current changes to the Internal Revenue Code, you may have to amend your return at a later date to reflect any differences between Indiana and federal law. You may wish to periodically check the department's homepage at www.in.gov/dor/index.htm for updates.

County Tax Update

Lake County has become the last Indiana county to adopt a county tax. Individuals who live and/or work in Lake County are encouraged to review the county tax instructions beginning on page 53.

Several add-backs eliminated

The following add-backs have been eliminated retroactive to Jan. 1, 2012:

- IRA charitable distribution add-back
- Motorsports entertainment complex
- Qualified advanced mine safety equipment
- Qualified leasehold improvement property
- Qualified restaurant property
- Qualified retail improvement property
- Qualified transportation fringe expenses
- Tuition and fees

See instructions beginning on page 17 for information on how to update your tax filing if you reported any of these add-backs on your 2012 state tax return.

The following add-backs have been eliminated retroactive to Jan. 1, 2013:

- Educator expense
- Employer-provided educational expenses
- Qualified environmental remediation costs
- Oil and gas well depletion
- Qualified electric utility amortization
- RIC dividends to nonresident aliens
- Start-up expenditures
- Student loan interest

See instructions beginning on page 17 for information on how the elimination of these add-backs might impact your state tax filing.

Automatic taxpayer refund credit

The automatic taxpayer refund credit is not available for the 2013 tax year.

EDGE, EDGE-R credit reporting update

Anyone claiming the economic development for a growing economy (&/or retention) credit must enclose Schedule IN-EDGE or Schedule IN-EDGE-R. See instructions on page 43 for details.

Same-sex marriage tax filing guidelines

In Revenue Ruling 2013-17, the U.S. Department of the Treasury and the Internal Revenue Service (IRS) ruled that same-sex couples, legally married in jurisdictions that recognize their marriages, will be treated as married for federal tax purposes. Under Indiana law, same-sex couples are required to file separate individual income tax returns with Indiana. Check the department's webpage at www.in.gov/dor/4895.htm for guidance on how to properly file with Indiana.

School scholarship credit reporting change
Beginning with tax year 2013, any unused school scholarship credit may be carried forward to subsequent tax years. See instructions on page 51 for more information.

Voluntary remediation credit
This credit is no longer available. Tax year 2007 was the last year to claim a new voluntary remediation credit; 2012 was the last year to which any previously unused credit was allowed to be carried.

Need tax forms or information bulletins?

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

Use your telephone
Call the Forms Order Request Line (317) 615-2581 to have forms mailed to you. Have the following information ready to leave on the voice mail system:
- Name of form or form number needed
- Number of copies needed
- Contact person's name
- Daytime phone number
- A complete mailing address (including city, state and zip code)

Need help with your return?

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

Automated information line
Call the automated information line at (317) 233-4018 to get the status of your refund, billing and payment plan information, a copy of your tax return, or prerecorded tax topics. If you wish to check for billing information, be sure to have a copy of your tax notice. The system will ask you to enter the tax identification number shown on the notice.

If you have a rotary phone, please call (317) 232-2240, 8 a.m. to 4:30 p.m., Monday - Friday, and a representative will help you.

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

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

Ready to file your return?

Use an electronic filing program
More than 2.5 million Hoosier taxpayers used an electronic filing program to file their 2012 state and federal individual income tax returns. Electronic filing provides Indiana taxpayers the opportunity to file their federal and state tax returns immediately, and receive their Indiana refunds in about half the time it takes to process a paper return. It takes even less time if you use direct deposit, which deposits your refund directly into your bank account. Even if there is an amount due on either return, Indiana taxpayers can still file electronically and feel comfortable knowing that the returns were received by the IRS and the Indiana Department of Revenue. Contact your tax preparer to see if he or she provides this service.

Free File
This tax season Indiana continues to offer a free tax filing service through the cooperation of the Free File Alliance.

Eligible Indiana taxpayers can file both the federal and Indiana individual tax returns using highly interactive and easy-to-use web-based applications that speed both returns and refunds. Some services also offer state-only filings as well.

Approximately twenty-four states will be using the Free File option for 2013. And, you have the selection of multiple vendors to use for this free service. The Department of Revenue estimates that nearly 1 million Indiana taxpayers will be eligible for this free service. You may be one. In fact, more than 119,000 Hoosier taxpayers used INfreefile last year and expressed a very high satisfaction rate with the service.

Take a look at this new service by visiting www.freefile.dor.in.gov. See if you are eligible to participate.

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

Where's Your Refund?
There are several ways to check the status of your refund. You will need to know the exact amount of your refund, and a Social Security number entered on your tax return. Then, do one of the following:
- Call (317) 233-4018 for automated refund information.
- Go to www.in.gov/dor/4339.htm and click *Check the Status of Your Refund*.
- Go to Call (317) 232-2240 from 8 a.m. to 4:30 p.m. Monday - Friday, and a representative will help you.

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

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

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

Moving?

You need to contact the department if you move to a new address after filing your tax return, and you do not have a forwarding address on file with the post office.

Change your address with us by doing one of the following:

- Go to https://secure.in.gov/dor/4706.htm and change your address online.
- Call the department at (317) 232-2240.

Filing an amended (corrected) tax return

Did you receive a lateW-2 or other kind of income statement after you filed? Did you forget to claim an exemption or deduction? If you need to amend (correct) a tax return that has already been filed, use Form IT-40X, Amended Individual Income Tax Return, located at www.in.gov/dor/4878.htm.

Public Hearing - June 3, 2014

The department will hold a public hearing on June 3, 2014. The hearing will be held at 9 a.m. in Conference Room 1 of the Conference Center, Indiana Government Center South, 402 West Washington Street, Indianapolis, Ind. You may also submit your questions or comments in writing to: Indiana Department of Revenue, Commissioner's Office, MS# 101, 100 North Senate Avenue, Indianapolis, IN, 46204.

Before you begin

Important. You must complete your federal tax return first.

Filling in the boxes – please use ink only

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

Social Security Number

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

Individual Taxpayer Identification Number (ITIN)

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

Name and suffix

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

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

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

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

Married filing requirements

- **Same-sex marriage tax filing guidelines**

In Revenue Ruling 2013-17, the U.S. Department of the Treasury and the Internal Revenue Service (IRS) ruled that same-sex couples, legally married in jurisdictions that recognize their marriages, will be treated as married for federal tax purposes. Under Indiana law, same-sex couples are required to file separate individual income tax returns with Indiana. Check the department's webpage at www.in.gov/dor/4895.htm for guidance on how to properly file with Indiana.

- **Married filing separately**

If you file your federal income tax return as married, filing separately, you must also file married, filing separately with Indiana.* Enter both of your Social Security numbers in the boxes on the top of the form, and then check the box directly to the right of those boxes. Enter the name of the person filing the return on the top line, but <u>do</u> <u>not</u> <u>enter</u> the spouse's name on the second name line.

**Exception.* If you filed your federal income tax return as a same-sex married couple, visit www.in.gov/dor/4895.htm for guidance on how to properly file with Indiana.

- **Married persons who live apart filing status**

If you were not divorced or legally separated in 2013, you may have qualified for and filed as 'head of household' on your federal income tax return. If you did, do not check the married filing separately box. Also, do not enter either your spouse's name or Social Security number.

Military address

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

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

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

School corporation number
Enter the four-digit school corporation number (found on pages 58 and 59) for where the primary taxpayer lived on Jan. 1, 2013. The primary taxpayer is the first name listed at the top of the tax return. If the primary taxpayer did not live in Indiana on Jan. 1, 2013, enter the code number "9999". Contact a local school or your county auditor's office if you're not sure which school corporation you live in.

It is important that you enter the correct school corporation number. This information is used for statistical tracking purposes to determine possible school funding needs and changes. **Note:** If the school corporation number is not entered, the processing of your return will be delayed.

County information
Enter the two-digit code numbers for the county(s) where you and your spouse, if filing joint, lived and worked on Jan. 1, 2013. You can find these code numbers on the chart on the back of Schedule CT-40PNR. See the instructions beginning on page 53 for more information, including the definitions of the county where you live and work, details for military personnel, retired individuals, homemakers, unemployed individuals, out-of-state filers, etc.

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

You must round your amounts to the nearest whole dollar.

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

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

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

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

Enclosing schedules, W-2s, etc.
You will find an enclosure sequence number in the upper right-hand corner of each schedule. Make sure to put your completed schedules in sequential order behind the IT-40 when assembling your tax return. Do not staple or paper clip your enclosures. If you have a schedule on which you've made no entry, do not enclose it unless you have completed information on the back of it.

Also, enclose:
- All W-2s, 1099s and WH-18s on which Indiana state and/or county tax withholding amounts appear,
- Any 1099G showing unemployment compensation, and
- A check/money order, if applicable.

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

Who should file?
You may need to file an Indiana income tax return if:
- You lived in Indiana and received income, or
- You lived outside Indiana and had any income from Indiana.

Note. If you and your spouse file a joint federal return, you must file a joint return with Indiana. If you and your spouse file separate federal returns, you must file separate returns with Indiana.*

**Exception.* In Revenue Ruling 2013-17, the U.S. Department of the Treasury and the Internal Revenue Service (IRS) ruled that same-sex couples, legally married in jurisdictions that recognize their marriages, will be treated as married for federal tax purposes. Under Indiana law, same-sex couples are required to file separate individual income tax returns with Indiana. Check the Department's webpage at www.in.gov/dor/4895.htm for guidance on how to properly file with Indiana.

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

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

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

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

Full-year residents

Full-year residents must file Form IT-40, Indiana Full-Year Resident Individual Income Tax Return or Form IT-40EZ for Full-Year Indiana Resident Filers with No Dependents. If you filed a 2013 federal Form 1040EZ, were a full-year resident of Indiana, claim only the renter's deduction and/or unemployment compensation deduction, and have only Indiana state and county tax withholding credits, then you should file the simplified Form IT-40EZ. If you are not eligible to file Form IT-40EZ, or have any other deductions or credits, you must file Form IT-40.

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

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

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

If you were a full-year resident of Indiana and your gross income (the total of all your income before deductions) was greater than your total exemptions, you must file Indiana Form IT-40 or IT-40EZ.

Deceased taxpayers

If an individual died during 2013, or died after Dec. 31, 2013, but before filing his/her tax return, the executor, administrator or surviving spouse must file a tax return for the individual if:

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

Be sure to enter the month and day of death for the taxpayer or spouse in the appropriate box located on Schedule H. For example, a date of death of Jan. 9, 2013, would be entered as 01/09/2013. Note: The date of death should not be entered here if the individual died after Dec. 31, 2013, but before filing the tax return. The date of death information will be shown on the individual's 2014 tax return.

Signing the deceased individual's tax return

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

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

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

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

Refund check for a deceased individual

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

Military personnel – residency

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

If you changed your legal residence (military home of record) during 2013, you are a part-year resident and should file Form IT-40PNR. You must also attach a copy of Military Form DD-2058 to the tax return. As an Indiana part-year resident you will be taxed on the income you earned while you were a resident of Indiana, plus any income from Indiana sources.

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

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

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

Important. Refer to the instructions on page 54 for an explanation of county of residence for military personnel.

When should you file?

Your tax return is due April 15, 2014. If you file after this date, you may have to pay interest and penalty. See page 11 for more information.

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

Extension of time to file – What if you can't file on time?

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

- Are required to file (your income is more than your exemptions and/or you received income from Indiana while being a nonresident), and

- You cannot file your tax return by the April 15, 2014, due date.

Whether you owe additional tax, are due a refund or are breaking even, you still need to get an extension if filing after April 15, 2014.

If you owe…
Option 1 File Indiana's 60 day extension of time to file, Form IT-9, and send in a payment of at least 90 percent of the tax you expect to owe. This must be filed and tax paid by April 15, 2014 for the extension to be valid. Then, make sure to file your tax return by June 16, 2014, paying any balance due with that filing. While interest will be due with the final payment, penalty will be waived.

Option 2 If you have filed for a 6 month federal extension of time to file (Form 4868) with the IRS, you are not also required to file for a state extension (via Form IT-9). Make sure to file your tax return by Nov. 17, 2014 (Indiana allows for an additional 30 days), paying any balance due with that filing. While interest will be due with the final payment, penalty will be waived only if at least 90 percent of the tax you expected to owe was paid by the April 15, 2014 original filing due date.

If you don't owe…
You'll need to file for an extension if:
- You are due a refund, or
- You don't expect to owe any tax when filing your tax return, and
- You are unable to file your return by April 15, 2014.

There are two ways to accomplish this:
- If you have a valid federal extension, Form 4868, you automatically have an extension with Indiana and do not have to file for a separate state extension (Form IT-9).
- If you do not have a valid federal extension, file Form IT-9 by April 15, 2014.

Extension filing deadline.
- State Form IT-9 extends your state filing time to June 16, 2014.
- Federal Form 4868 extends your state filing time to Nov. 17, 2014.
- If you have both extensions (state and federal), the extended state filing time to file is Nov. 17, 2014.

Will you owe penalty and/or interest?
Interest is owed on all amounts paid after April 15, 2014. See page 11 for instructions on how to figure interest.

Penalty will not be owed if you have:
- By April 15, 2014, paid at least 90 percent of the tax you expect to owe,
- Filed your tax return within the extension filing time, and
- Pay any remaining amount due with that filing.

Indiana's Extension of Time to File, Form IT-9
Get Indiana's extension Form IT-9, and mail it (including any payment due) by April 15, 2014. You may get Form IT-9 online at www.in.gov/dor/4878.htm. You may also file for an extension (if making a payment) online at www.in.gov/dor/4340.htm (make sure to do this by April 15, 2014).

Where to report your extension payment.
Add your state extension payment to any estimated tax paid. Report it on Schedule F, line 3.

Remember, 90 percent of the tax due to Indiana must still be paid by April 15, 2014. Interest will be due on any tax that remains unpaid during the extension period.

Military personnel on duty outside of the United States and Puerto Rico on the filing due date are allowed an automatic 60 day extension of time to file. A statement must be enclosed with the return verifying that you were outside of the United States or Puerto Rico on April 15, 2013.

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

Note. Valid extensions are only for filing purposes. Interest will be due on any tax that remains unpaid during the extension period.

Nonresidency and income taxable to Indiana

A part-year resident owes tax on taxable income received from all sources while being a resident of Indiana. A part-year or full-year nonresident also owes tax on income from Indiana sources as listed below while a legal resident of another state.

Indiana income includes income from the following sources:

1. Winnings from Indiana riverboats and lotteries;
2. Labor or services performed in Indiana, including salaries, wages, commissions, tips etc.;
3. A farm, business, trade or profession doing business in Indiana;
4. Any personal property located in Indiana;
5. A partnership or an S corporation doing business in Indiana;
6. Stocks, bonds, notes, bank deposits, patents, copyrights, secret processes and formulas, goodwill, trademarks, trade brands, franchises, and other property where earnings are a part of an Indiana business;
7. Trusts and estates given to nonresident heirs; and
8. Pensions and most interest and dividends are taxed by your state of residence when you receive them.

Note. If you were a full-year nonresident and your only income from Indiana sources was from pensions, interest and/or dividends (which were not a basic part of the business in Indiana) and/or unemployment compensation, you are not required to file an Indiana income tax return.

Reciprocal states: special filing and income reporting instructions

If you are a resident of Kentucky, Michigan, Ohio, Pennsylvania or Wisconsin, and:

- You received wages, salaries, tips, or commissions from Indiana, you will not owe Indiana adjusted gross income tax on that income. However, you may owe a county tax. If this is the only type of income you received from Indiana, you should file Form IT-40RNR, reciprocal nonresident Indiana individual income tax return. See the "Need tax forms...?" section on page 4 for options; or
- You received other types of Indiana-source income besides wages tips, salaries or commissions (see items 1 through 8 above), you must file Form IT-40PNR instead of Form IT40RNR; or
- You received both Indiana-source income (see items 1 through 8 above) and wage income from Indiana, you must file form IT-40PNR. The wage income will not be subject to Indiana adjusted gross income tax. However, see the county tax instructions for ***Reciprocal state residents*** on page 55 if these wages were earned in an Indiana county that has a county tax.

Example. Fred and Deanna are full-year residents of Michigan, and file a 2013 joint federal income tax return. During 2013 Fred received $10,000 winnings from an Indiana riverboat, and Deanna earned $25,000 wage income from an Elkhart, Indiana employer.

Fred's riverboat winnings will be taxed by Indiana. Enter Fred's $10,000 winnings on Indiana Schedule A, line 20, Columns A and B. Deanna's wage income is not subject to Indiana adjusted gross income tax. Therefore, enter Deanna's wage income in Column A only.

Note. See county tax instructions for ***Reciprocal state residents*** on page 54 to determine if county tax is due on her wage income.

Completing Form IT-40PNR

Line 1 – Income taxed by Indiana

Complete Indiana Schedule A: Income or Loss; Proration; and Adjustments to Income. Instructions for Schedule A begin on page 12. Carry the line 37B amount to line 1 on the front of Form IT-40PNR. Make sure to enclose Schedule A when filing.

Line 2 – Add-backs

Enter on this line any add-backs from Schedule B: Add-Backs. Instructions for Schedule B begin on page 17. Make sure to enclose Schedule B when filing.

Line 4 – Deductions

Enter on this line any deductions from Schedule C: Deductions. Instructions for Schedule C begin on page 22. Make sure to enclose Schedule C when filing.

Line 6 – Exemptions

Enter any exemptions from Schedule D: Exemptions on this line. Instructions for Schedule D begin on page 28. Make sure to enclose Schedule D when filing.

Line 9 – County tax

Complete Schedule CT-40PNR to figure your county tax. Instructions for Schedule CT-40PNR begin on page 53.

Line 10 – Other taxes

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

Line 12 – Credits

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

Line 13 – Offset credits

Enter any offset credits from Schedule G: Offset Credits on this line. Instructions for Schedule G begin on page 43. Make sure to enclose Schedule G when filing.

Line 17 – Contribution to Indiana Nongame Wildlife Fund

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

Enter the amount of your refund you wish to donate to the Nongame Wildlife Fund on line 17. You can donate all or a part of your refund. Donations must be a minimum of $1.

Read more about Indiana's Wildlife Diversity Section and learn how donations have helped Indiana's endangered wildlife at www.in.gov/dnr/fishwild/3316.htm.

Note. The department may examine your return and find that your actual overpayment or refund is less than you calculated. If you entered a donation to the Indiana Nongame Wildlife Fund and wish to apply some of your overpayment to your 2014 estimated tax account, the overpayment will be applied first to the wildlife fund and then to the estimated tax account. Any amount left will be refunded to you.

Line 19 – Amount to be applied as a 2014 estimated tax installment payment

You should pay estimated tax if you expect to have income during the 2014 tax year that:

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

There are several ways you can make estimated tax payments. First, visit our website at www.in.gov/dor/4878.htm to get Form ES-40. Use the worksheet on Form ES-40 to see how much you will owe. Then, if you have an overpayment showing on line 18 of your tax return, you

can have some or all of the overpayment applied to next year's estimated tax account. To do so, enter any portion of the overpayment:
- On line a, if you want to apply an amount to offset estimated county tax due (from Form ES-40 worksheet, line K). Also, enter the 2-digit county code from line K; and/or
- On line b, if your spouse lived in a different county than you did on Jan. 1, 2014, and you want to apply an amount to offset your spouse's estimated county tax due (from Form ES-40 worksheet, line L). Also, enter the 2-digit county code from line L; and/or
- On line c, if you want to apply an amount to offset your estimated state tax due (from Form ES-40 worksheet, line J).

Example. Mark and Megan have a $420 overpayment, and want to apply some of it to their 2014 estimated tax account. Their worksheet from Form ES-40 has the following breakdown:
- Line I (each installment payment) is $300;
- Line J (portion that represents state tax due) is $270; and
- Line K (portion that represents county tax due) is $30.

They will enter $30 on line 19a (along with their 2-digit county code), $270 on line 19c, and the $300 total amount to be applied will be entered on line 19d. They will get a $120 refund ($420 overpayment minus $300 applied to their 2014 estimated tax account).

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

Important. Estimated tax installment payments made for the 2014 tax year are due by April 15, 2014, June 16, 2014, Sept. 15, 2014 and Jan. 15, 2015. Any installment payment amount entered on line 19d will be considered to be paid on the day your tax return is filed (postmarked). For instance, an installment payment shown on a return filed on: April 15, 2014, will be considered to be a 2014 first installment payment; June 3, 2014, will be considered to be a 2014 second installment payment; and July 22, 2014, will be considered to be a 2014 third installment payment.

Note. If you are filing this return after Jan. 15, 2015, you will not be able to make an installment payment on this line.

Note. You may use Form ES-40 to make a payment by check or money order. Estimated tax payments may also be made online, via credit card or check, at www.in.gov/dor/3650.htm. See line 26 instructions on page 12 for details about payment options.

See Income Tax Information Bulletin #3 at www.in.gov/dor/4878.htm for additional information about estimated taxes.

Line 20 – Penalty for underpayment of estimated tax

You might owe a penalty for the underpayment of estimated tax if you did not have taxes withheld from your income and/or you did not pay enough estimated tax throughout the year.

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

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

If either of these cases apply to you, you must complete Schedule IT-2210 or IT-2210A to see if you owe a penalty or if you meet an exception. If you owe this penalty, enclose Schedule IT-2210 or IT-2210A with your tax return and write the penalty amount on Form IT-40PNR, line 20.

*You must have timely paid 100 percent of lines 8 and 9 of your 2012 IT-40 or IT-40PNR. Note: If last year's **Indiana adjusted income** was more than $150,000 ($75,000 for married filing separately), you must pay 110 percent of last year's tax (instead of 100 percent).

**Farmers and fishermen should see the special instructions on page 11.

Important. The department will automatically figure a penalty for you if it looks like you owe a penalty for the underpayment of estimated tax, and:
- You didn't report a penalty amount on line 20, and
- You didn't enclose Schedule IT-2210 or Schedule IT-2210A showing you meet an exception to owing a penalty.

Should you use Schedule IT-2210 or IT-2210A?

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

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

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

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

Example. Bill's income is from selling fireworks in June and July. He will want to figure any penalty due on Schedule IT-2210A, which may exempt him from having had to pay estimated tax on the April 15, 2013, first installment due date.

Example. Rachael received a sizeable lump sum distribution in Dec. of 2013. She figured how much estimated tax was due, and paid it by the

Jan. 15, 2014, fourth period installment due date. By completing Schedule IT-2210A, she shows she owes no penalty for the first three installment periods, and that a proper payment was made for the fourth installment period. She will owe no penalty.

Farmers and Fishermen.
Special options are available if more than two-thirds of your gross income for 2012 and/or 2013 was from farming or fishing.

Option 1. Pay your estimated tax in one payment on or before Jan. 15, 2014, and file your tax return by April 15, 2014; or

Option 2. Make no estimated tax payment and file your tax return and pay all the tax due by March 3, 2014.

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

Visit our website at www.in.gov/dor/4878.htm to get Schedule IT-2210 or IT-2210A.

Line 21 – Refund

You have a refund if line 18 is greater than the combined amounts entered on lines 19d and 20. No refund will be issued if the overpayment is less than one dollar.

Important. If the combination of line 19d plus line 20 is greater than the amount on line 18, you must make an adjustment. The estimated tax carryover amount on line 19d is limited; it cannot be greater than the remainder of line 18 minus line 20. See the second example about Stu under the Line 19 instructions on page 10.

Please wait 12 weeks before you contact the department about your refund.

A note about refund offsets

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

Note. There is a **statute of limitations** when filing for a refund. When filing your 2013 tax return, a claim for refund of excess withholding credits must be made no later than April 15, 2016. A claim for refund of all other excess payments and refundable credits must be made by April 18, 2016. (The claim is considered to be made on the day your tax return is postmarked.) If you file your 2013 tax return after the statute of limitations has expired, no refund will be issued.

Line 22 – Direct deposit

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

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

The routing number is nine digits, with the first two digits of the number beginning with 01 through 12 or 21 through 32. Do not use a deposit slip to verify the number because it may have internal codes as part of the actual routing number. The account number can be up to 17 digits. Omit any hyphens, accents and special symbols. Enter the number from left to right and leave any unused boxes blank.

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

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

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

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

Line 23

If line 21 is less than zero, you have an amount due. Enter here as a positive number and skip to line 24.
OR
If line 15 is greater than line 14, complete the following steps:

Subtract line 14 from line 15 and enter the total here	A	___________
Enter any amount from line 20	B	___________
Add lines A + B. Enter total here and on line 23	C	___________

Line 24 – Penalty

You may owe a penalty if your tax return is filed after the April 15, 2014, due date and you have an amount due. Penalty is 10 percent of the amount due (line 23 minus line 20) or $5, whichever is greater.

Exception. No penalty will be due if you have:
- An extension of time to file;
- Are filing and paying the remaining tax due by the extended filing due date, and
- Have prepaid at least 90 percent of the amount due by April 15, 2014.

Line 25 – Interest

You will owe interest (even if you have a valid extension of time to file) if your tax return is filed after the April 15, 2014, due date and you have an amount due. Interest should be figured on the sum of line 23 minus line 20. Contact the department at (317) 232-2240 or visit our website at www.in.gov/dor/3618.htm to get departmental Notice #3 for the current interest rate.

Line 26 – Amount due – payment options

There are several ways to pay the amount you owe.

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

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

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

You may also pay by using your American Express® Card, Discover® Card, MasterCard® or VISA® by calling 1-800- 2-PAY TAX (1-800-272-9829). Or, log on to www.in.gov/dor/4340.htm and use your Discover® Card, MasterCard® or VISA® to make a payment.

A convenience fee will be charged *by the credit card processor* based on the amount you are paying. You will be told what the fee is and you will have the option to either cancel or continue the credit card transaction.

Payment plan option. If you cannot pay the full amount due at the time you file, you may be eligible to set up a payment plan online. **After you get a tax bill**, log on to www.intaxpay.in.gov and select the *Individual Eligibility* tab. **Important.** If using the payment plan option, penalty and interest will be due on all amounts paid after the April 15, 2014, due date.

Returned checks and other types of payments

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

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

Signatures and signing dates

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

Taxpayer Advocate

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

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

Where to mail your tax return – use labels for envelope

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

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

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

Envelope – Don't forget the stamp!

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

Schedule A

Sections 1, 2 and 3 Instructions

Sections 1, 2 and 3 will help you to separate the income to be taxed and adjustments to be allowed by Indiana.

General information

Income received from Indiana sources should be reported as Indiana income by nonresidents, except certain types of Indiana income that are subject to tax only by your state of residence at the time you receive it.

For part-year residents, the portion of the following types of income from Indiana sources that were *received while a nonresident* should not be reported as income taxed by Indiana: interest, dividends, unemployment compensation, royalties and gains from the sale of capital assets, unless such income results from the conduct of a trade or business.

For example, dividends received from an S corporation doing business in Indiana should be reported by nonresidents as income taxable in Indiana.

For full-year nonresidents, the portion of the following types of income from Indiana sources should not be reported as income taxed by Indiana: interest, dividends, unemployment compensation, royalties and gains from the sale of capital assets, unless such income results from the conduct of trade or business.

Example. Dividends received from an S corporation doing business in Indiana must be reported by nonresidents as income taxable in Indiana.

Example. Interest income received from a personal Indiana savings account by an Illinois resident is not income taxable to Indiana.

Read the following line-by-line instructions for more information. Also, see Income Tax Information Bulletin #28 at www.in.gov/dor/3650.htm for more information.

Important information about possible year-end federal legislation. This publication was finalized before all year-end federal legislative changes were complete. Therefore, some of the income/loss and adjustments reported may need to be adjusted.

You may wish to periodically check the department's homepage at www.in.gov/dor/ for updates about any impact of late federal legislation.

How to report a loss

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

Schedule A
Section 1: Income or loss

You must complete your federal income tax return first. The instructions for lines 1, 2, 3 and 4 do not reference a particular federal form: these amounts will be taken from the federal Form 1040, 1040A or 1040EZ. The remaining Indiana Schedule A instructions generally reference certain federal forms and specific line numbers. For example, the line 7 "Business Income or Loss" instruction references the line on federal Form 1040, line 12.

Unless otherwise stated:

- Enter in Column A your income as it appears on your federal return; and
- Enter in Column B the portion of your income that is subject to Indiana income tax.

Lines 1 and 2 — Wages, salaries, tips, etc.

Enter wages, salaries, tips and/or other compensation received as an employee. You should report your income on line 1 and your spouse's income on line 2. Enter in Column B income received while you were an Indiana resident, and income from Indiana sources received while you were not an Indiana resident.

Note for part-year or full-year nonresidents: do not enter that portion of your Indiana source wage, salary, tip or commission income in Column B earned while you were a resident of a reciprocal agreement state (see *Reciprocal states: special filing and income reporting instructions* on page 9).

Lines 3 and 4 — Interest and dividend income

Enter in Column A your taxable interest and dividend income as reported on your federal return, and report the interest and dividend income attributable to Indiana in Column B. If any of the interest reported in Column B is from U.S. savings bonds, Treasury notes, T-Bills, etc., you may deduct these amounts on Form IT-40PNR, Schedule C, line 4.

Interest from municipal obligations. Do not report any interest from municipal obligations on line 3. However, if you were an Indiana resident when receiving interest from a non-Indiana municipal obligation, see *OOS municipal obligation interest add-back* on page 19 to see if you are required to add it to your Indiana income to be taxed. See Income Tax Information Bulletin #19 at www.in.gov/dor/3650.htm for more information.

Line 5 — Taxable refunds, credits or offsets

Enter in Column A the amount of taxable refunds, credits or offsets of state and local income taxes that was reported on your federal Form 1040, line 10. Enter in Column B that portion received while you were an Indiana resident.

Line 6 — Alimony received

Enter in Column A the amount of alimony reported on your federal Form 1040, line 11. Enter in Column B that portion you received while you were an Indiana resident.

Lines 7, 12 – 16

Important. The amounts on line 7 and lines 12 through 16 should reflect the amounts reported on your federal Form 1040 (after any application of passive activity loss limitations from federal Form 8582).

Line 7 — Business income or loss

Enter in Column A the business income from Schedules C or C-EZ that is reported on federal Form 1040, line 12. Enter in Column B that portion of business income subject to tax in Indiana. Also, see the instructions for:

- Tax add-back on Schedule B, line 1, on page 18;
- Apportionment on line 19 if this income is from a business doing business both within and outside Indiana; and
- Other income on line 20.

Line 8 — Capital gain or loss from sale or exchange of property

Enter in Column A the capital gain or loss from federal Schedule D that is reported on federal Form 1040, line 13 or Form 1040A, line 10. Enter in Column B that portion received while you were an Indiana resident and/or or from the sale or exchange of property located in Indiana.

Note: Any capital loss claimed is subject to the same capital loss limitations that apply for federal tax purposes. For more information about federal capital loss limitations, get federal Schedule D, Capital Gains and Losses.

Example. Jessica had a $4,000 long term capital loss while living in Indiana from Jan. 1, 2013, through Sep. 30, 2013. She moved to Utah on Oct. 1, and lived there the rest of the year. She realized a $5,000 long term capital gain while she was a resident of Utah. She reported $1,000 capital gain income on her federal Form 1040. She will report a $3,000 loss to Indiana. The remaining $1,000 loss will be available to offset income on Indiana tax return(s) for other years.

Line 9 — Other gains or losses from Form 4797

Enter the gain or loss from the sale or exchange of property as reported for federal tax purposes on Form 1040, line 14. Enter in Column B that portion received:

- If the property was Indiana property, and/or
- While you were an Indiana resident, regardless of the source.

Line 10 — IRA distributions

Enter in Column A the taxable portion of the IRA distribution reported on your federal Form 1040, line 15b, or Form 1040A, line 11b. Enter in Column B that portion received while you were an Indiana resident.

Line 11 — Pensions and annuities

Enter in Column A the taxable portion of all pensions, annuities and other retirement income as reported on your federal Form 1040, line 16b, or Form 1040A, line 12b. Enter in Column B that portion received while you were an Indiana resident.

Note. You will be eligible for a deduction if you included any railroad retirement benefits issued by the U.S. Railroad Retirement Board on this line. See Schedule C, line 6 instructions for more information.

Line 12 — Net rent or royalty income or loss

Enter in Column A the net rent and royalty income or loss included in the total on federal Form 1040, line 17.

Enter in Column B the net royalty income/loss:

- Received while you were an Indiana resident; and
- Received while you were an Indiana nonresident if the income/loss results from the conduct of a trade or business conducted in Indiana.

Enter in Column B the net rental income/loss:

- Received while you were an Indiana resident; or
- From real property located in Indiana received while you were a nonresident; and
- In general, from personal property located in Indiana.

Also, see the instructions for tax add-back for Section B, line 1, on page 18.

Lines 13, 14 and 15 — Partnership, trust and estates, and S corporation income or loss

Enter in Column A the income or loss from partnerships, trusts and estates, and S corporations, that is included in the total on federal Form 1040, line 17.

Enter in Column B that portion of income received from the partnerships, trusts and estates, and S corporations while you were an Indiana resident.

Fiduciary. If you are a nonresident, the Indiana fiduciary(s) should provide to you an apportioned amount to be taxed by Indiana. If the fiduciary does not apportion its income, then enter in Column B the same amount as you entered in Column A.

Partnership and S Corporation. If you are a nonresident, the Indiana partnership and S corporation should provide to you an apportioned amount to be taxed by Indiana on Form IN-K1. If those Indiana entities do not apportion their income, then enter in Column B the same amount from those entities as you entered in Column A.

Important. Indiana partnerships and S corporations are required to:

- File an annual return, Form IT-65/Form IT-20S;
- Withhold Indiana state and county income tax on behalf of their nonresident partners and shareholders* (unless they opt out); and,
- Figure and pay (with the filing of their annual return) Indiana state and county income tax due on their nonresident partners and shareholders on a composite return.

Therefore, you are not required to file Form IT-40PNR if:

- You are a full-year nonresident of Indiana,
- Your only Indiana-source income is from partnership/S corporation (entity) income, AND
- The entity included you on the composite return.

*This withholding requirement does not apply to the residents of Arizona, Oregon and Washington D.C. who are subject to and pay income taxes at rates of 3.4 percent or higher to their resident state.

However, you are required to file Form IT-40PNR if you have any other Indiana-source income, or were a part-year resident.

Note: See the instructions for tax add-back for Schedule B, line 1, on page 18.

Line 16 — Farm income or loss

Enter in Column A the farm income/loss from federal Form 1040, line 18. Enter in Column B that portion of farm income/loss subject to tax in Indiana.

Also, see the instructions for:

- Apportionment on Section 1, line 19 if this income is from a farm doing business both within and outside Indiana, and
- Tax add-back for Schedule B, line 1, on page 18.

Line 17 — Unemployment compensation

Enter in Column A the unemployment income from federal Forms 1040, line 19, 1040A, line 13, or 1040EZ, line 3. Enter in Column B that portion of unemployment income received while you were an Indiana resident.

Important. If you received unemployment compensation while you were an Indiana resident you may qualify for a deduction. For more information, see page 24 for Schedule C, line 10 instructions.

Line 18 — Social Security and railroad retirement benefits

Enter in Column A the portion of Social Security and/or railroad retirement benefits that are taxed on your federal Forms 1040 or 1040A. Enter in Column B* the portion received while you were an Indiana resident.

***Note.** Indiana will not tax Social Security benefits or railroad retirement benefits which are issued by the U.S. Railroad Retirement Board. Therefore, if you listed any of these benefits in Column B. then look at Indiana Schedule C: Deductions. Enter those same amounts on line 5 and/or 6 on Schedule C.

Line 19 — Indiana apportioned income

Apportioned business income from Schedule IT-40PNRA is reported on this line. The apportionment schedule is used only by nonresidents with income or losses from a business that does business both within and outside Indiana. Report the amount from Schedule(s) IT-40PNRA, Part 3, line 3. You may access Schedule IT-40PNRA at www.in.gov/dor/4878.htm.

Note. If you are apportioning business income, make sure to:
- Report the full amount from your federal return onto Indiana Schedule A, Section 1, Column A, and
- Not report any of that income in the corresponding Column B.

Instead, you will report the amount to be taxed by Indiana in Column B on this line.

Example. Mark is a full-year nonresident of Indiana. His company did business both within Indiana and in other states. On Indiana Schedule A, Section 1, line 7, Column A, he reported the same amount of business income as he reported on his federal Form 1040. He left line 7, Column B blank. He entered the amount apportioned to Indiana on Section 1, line 19, Column B.

Line 20 — Other income

Enter any other income or loss for which there is no named line provided on the IT-40PNR return.
- Report any NOL from your federal Form 1040, line 21 as a negative amount in Column A only. You will show the Indiana portion of your Indiana net operating loss deduction on Schedule C under line 11. See instructions for I*ndiana net operating loss deduction* on page 26 for more information.
- Other types of income or loss would include riverboat winnings, prizes, awards, amounts recovered from bad debts, gross lottery and other gambling winnings, etc., as reported on your federal return.

List the source(s) of the income or loss reported on this line.

Schedule A Proration

The purpose of this section is to compare the Indiana Schedule A, Section 1, line 21A income taxed on your federal return to the line 21B income taxed by Indiana. To do this, divide the amount on line 21B by the amount on line 21A. Please round your answer to a decimal followed by three numbers.

Example. $3,100 ÷ $8,000 = .3875, which rounds to .388. Enter the result here and on Schedule D: Exemptions, line 6.

Note: If line 21B is a loss, enter zero (0) in Box 21D and on Schedule D: Exemptions, line 6. If line 21A (or Box 21C) is a loss, and line 21B is a positive amount, enter 1.00 (100 percent) in Box 21D and on Schedule D: Exemptions, line 6.

Special instructions for non-Indiana military personnel. If you are in the military and Indiana is not your home of record, your military income will not be used to reduce your Indiana exemptions. Complete the following worksheet.

Step 1 Enter the amount from Schedule A, line 21A........ 1 ______

Step 2 Enter any non-Indiana service member's military income included on Schedule A, lines 1A and/or 2A........ 2 ______

Step 3 Subtract Step 2 from Step 1. **Enter result here and in Box 21C** on Schedule A, Proration Section .... 3 ______

Step 4 Enter the amount from Schedule A, line 21B .... 4 ______

Step 5 Divide Step 4 by Step 3. Round the result to a decimal followed by three numbers. **Enter result here and in Box 21D** of the Proration Section on Schedule A........ 5 ______

Schedule A
Section 2: Adjustments to Income

Adjustments to income from federal Form 1040, 1040A or 1040EZ.

List the adjustments used in arriving at your federal adjusted gross income.

Unless otherwise stated:
- Enter in Column A your adjustments as they appear on your federal return; and
- Enter in Column B the portion of your adjustments which are subject to Indiana income tax.

Line 22 — Educator expense
Enter in Column A any educator expense deduction properly claimed on your federal tax return, Form 1040, line 23 or Form 1040A, line 16. Enter in Column B the portion of the expense that was spent while you were an Indiana resident.

Line 23 — Certain business expenses of reservists, performing artists, etc.
Enter in Column A the adjustment claimed for certain business expenses of reservists, performing artists and fee-based government officials claimed on your federal Form 1040, line 24. Enter in Column B that portion of the deduction that is directly related to the reported income (in Section 1, Column B) produced in conjunction with those expenses.

Line 24 — Health savings account deduction
If you are eligible to take this adjustment on your federal Form 1040, line 25, you are also allowed the adjustment on your Indiana tax return. Enter the amount of the federal deduction in Column A. If some or all of the income on which this deduction was based is taxed by Indiana, then you will be able to take a deduction in Column B.

Line 25 — Moving expenses
Enter in Column A the amount of moving expense deduction reported on your federal Form 1040, line 26. If you moved to or within Indiana, report this amount in Column B. If you moved from Indiana to another state, do not report this amount in Column B.

Line 26 — Deductible part of self-employment tax
Enter in Column A the amount claimed on federal Form 1040, line 27. If some or all of the income on which this deduction was based is taxed by Indiana, then you will be able to take a deduction in Column B.

Line 27 — Payments to self-employed, SEP, SIMPLE and qualified retirement plans
Enter in Column A the deduction reported on your federal Form 1040, line 28. You are allowed a deduction in Column B (based on Indiana self-employment income reported in Column B of Section 1) for contributions to qualified self-employment retirement plans to the extent allowed in arriving at your federal adjusted gross income.

If you have self-employment income derived from other states as well as Indiana, you must prorate your total federal adjustment reported in Column A between the other states and Indiana. Therefore, the allowable Indiana adjustment to be reported in Column B is limited to the percent of your federal adjustment which your Indiana self-employment income bears to your total self-employment income.

If both you and your spouse have Indiana self-employment income and qualify for the deduction on the federal return, you both are allowed a deduction on the Indiana tax return.

Line 28 — Self-employed health insurance deduction
Enter in Column A the deduction claimed on your federal Form 1040, line 29. If some or all of the income on which this deduction is based is taxed by Indiana, then you will be able to take a deduction in Column B. The income on which this deduction is based is from self-employment income and certain income from partnerships and/or S corporations.

Line 29 — Penalty on early withdrawal of savings
Enter in Column A the penalty on early withdrawal of savings reported on your federal Form 1040, line 30. Enter in Column B that portion that was forfeited while you were an Indiana resident (provided it is included on Section 1, line 3, Column B).

Line 30 — Alimony paid
Enter in Column A the alimony claimed as a deduction on your federal Form 1040, line 31a. Enter in Column B the portion that was paid while you were an Indiana resident.

Line 31 — IRA deduction
Enter in Column A the Individual Retirement Account (IRA) deduction reported on your federal Form 1040, line 32, or Form 1040A, line 17. Enter in Column B an adjustment (based on your Indiana compensation) for the amount you paid into the IRA (provided you qualify for the deduction for federal tax purposes). Compensation includes wages, salaries, commissions, tips, professional fees, bonuses and other amounts you received for providing personal services.

To figure the IRA adjustment for Column B, you must use the percentage that your Indiana compensation bears to your federal compensation.

Line 32 — Student loan interest deduction
Enter in Column A the student loan interest deduction reported on your federal Form 1040, line 33 or Form 1040A, line 18. Enter in Column B the portion of the deductible interest paid while you were an Indiana resident.

Line 33 — Tuition and fees

Enter in Column A any tuition and fees deduction properly claimed on your federal Form 1040, line 34 or Form 1040A, line 19. Enter in Column B the portion that was paid while you were an Indiana resident.

Important. If you reported a tuition and fees deduction on your 2012 Form IT-40PNR, and some or all of it was paid while you were an Indiana resident, then you should file Form IT-40X and report that amount as a deduction. See *Schedule B: Add-Backs, What's new for 2013?, **Option 1*** instructions in the next column for more information.

Line 34 — Domestic production activities deduction

Enter in Column A the domestic production activities deduction reported on your federal Form 1040, line 35. Do not report any of the domestic production activities deduction in Column B as Indiana does not allow this deduction.

Line 35 — Other adjustments (do not include itemized deductions)

Use this line to report certain deductions claimed on your federal income tax return for which no specific line was otherwise provided when arriving at federal adjusted gross income (Form 1040, line 37, or Form 1040A, line 21). If you have written in allowable deductions on your federal Form 1040, line 36, or Form 1040A, line 20, then enter those amounts here.

Following is a list of the most common allowable deductions:

- Enter in Column A the **jury duty pay** deducted on your federal Form 1040. Enter in Column B the jury duty pay turned over to your employer that is in direct relation to the salary being taxed by Indiana (included in the line 21, Column B total).
- Enter in Column A the **Archer MSA deduction** deducted on your federal Form 1040. Enter in Column B the portion of the deduction that is directly related to the reported Income in Section 1, Column B.
- Enter in Column A any adjustment claimed for **scholarship and fellowship grants** excluded on federal Form 1040NR, line 30. Enter in Column B the portion excluded while residing in Indiana, or while being an Indiana resident, and attach a copy of your 1040NR.

Do not claim itemized deductions on this line.

Schedule B: Add-Backs

You may have to complete this schedule if:

- while you were an Indiana resident, you received income or loss and/or reported a lump sum distribution on federal Form 4972;
- you were a nonresident and had Indiana-source income or loss; or
- you reported Indiana add-backs in prior years which impact this year's filing.

Enter those amounts which have a direct relationship to Indiana taxation.

Example. Juan lives in Illinois and owns and runs an Indiana farm. He will have to add-back on line 1 any taxes based on or measured by income that were deducted on his federal Schedule F.

What's new for 2013?

The 2013 Indiana General Assembly has eliminated several previously-required add-backs.

The following are no longer required to be added back:

- Educator expense**
- Employer-provided educational expenses**
- Qualified environmental remediation costs*
- Oil and gas well depletion deduction*
- Qualified electric utility amortization*
- RIC dividends to nonresident aliens*
- Start-up expenditures*
- Student loan interest deduction**

***See the specific add-back instruction(s) if you have been adding back any** additional business startup expenditures, expensing of environmental remediation costs, oil and gas well depletion deduction, qualified electric utility amortization and/or RIC dividends to nonresident aliens.

****Tax year 2012 was the last year to add back any educator expense, employer-provided education expenses and/or student loan interest deduction reported on your federal tax return.**

The following are no longer required to be added back <u>retroactive to tax year 2012:</u>

- IRA charitable distribution
- Motorsports entertainment complex expense*
- Qualified advanced mine safety equipment expense
- Qualified leasehold improvement property expense*
- Qualified restaurant property expense*
- Qualified retail improvement property expense*
- Qualified transportation fringe expense
- Tuition and fees deduction (see possible refund instructions on page 21)

**Important.* With regard to depreciation add-back for property qualifying under IRC Sec. 168, the add-back is eliminated retroactive to 2012 only for property placed in service in 2012.

If you reported any of the above-listed eight add-backs on your 2012 state tax return, you may be eligible for a refund or a reduction of any tax otherwise owed. See which of the two possible filing options works best for you.

Option 1 File an amended (corrected) 2012 state tax return and make an adjustment to reverse the reporting of that add-back. Download the online version of Form IT-40X from www.in.gov/dor/4878.htm if choosing this option.

Important. If you reported an **IRA charitable distribution** and/or a **tuition and fees deduction** on a full-year 2012 Form IT-40, you must choose this option.

Option 2 You are not required to file an amended 2012 state tax return to eliminate the reporting of the add-back. Instead, you may report the amount to be adjusted on Schedule B of the current 2013 state tax return using a special 3-digit code indicator.

Certain discontinued add-backs: How and when to report a difference.

Several of the discontinued add-backs were created as a result of timing differences between federal and Indiana allowable expenses. Following is an example of how to figure/report a difference.

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

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

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

Tax year 2012 is the last year Grant reported an add-back until the end of the 15-year recovery period (2023).

Had this asset been sold before being fully depreciated, the catch-up modification would be reflected in the year of the sale. If this property is held through 2023 (the 15th year of depreciation), Grant will report a negative $19,696 catch-up add-back on his 2023 state tax return.

When reporting any add-backs, maintain with your records the corresponding federal tax forms and schedules as the department may require you to provide them at a later date.

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

Line 1 – Tax add-back

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

On those schedules you are allowed to claim a deduction for taxes paid which are based on, or measured by income, and levied at a state level by any state in the United States. If you claimed this kind of deduction on any of these schedules, then you must add it back to your Indiana income. **Do not** add back property taxes on this line.

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

Line 2 – Lump sum distribution add-back

Enter in Column B the capital gains and ordinary income reported on federal Form 4972 that you received while you were an Indiana resident.

Line 3 – Bonus depreciation add-back

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

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

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

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

Example. Ann made an initial adjustment for bonus depreciation on last year's Indiana tax return. This year she figures she is entitled to a $150 *additional* depreciation amount for state tax purposes. She should enter that amount as a negative entry, or -150, on line 3.

For additional information see Commissioner's Directive #19 at www.in.gov/dor/3617.htm.

Line 4 – Section 179 expense add-back

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

Line 5 – Other Add-Backs

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

Certain trade or business deductions based on employment of unauthorized alien add-back 132

Add the amount of any trade or business deductions allowed under the Internal Revenue Code for wages, reimbursements, or other payments made for services provided in Indiana by an individual for services as an employee, if the individual was, during the period of service, prohibited from being hired as an employee under 8 U.S.C. 1324a.

Important. This add-back requirement does not apply to payments made for services provided to a business that was enrolled and participated in the E-Verify program (as defined in IC 22-5-1.7-3) during the time the taxpayer conducted business in Indiana in the taxable year.

Enter code 132 on Schedule B under line 5 if reporting this add-back.

Deferral of business indebtedness discharge and reacquisition add-back 107

Add an amount equal to any income not included as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition of a debt instrument (as provided in Section 108(i) of the IRC). Subtract the amount added to income in a previous year to offset the amount included in federal gross income as a result of the deferral of income arising from business indebtedness discharged in connection with the reacquisition after Dec. 31, 2008, and before Jan. 1, 2011, of an applicable debt instrument.

Enter code 107 on Schedule B under line 5 if reporting this add-back.

Discharge of debt of a principal residence add-back 117

You may have to add back some or all of the amount of debt not reported on your federal tax return due to the discharge of indebtedness of your principal residence (mortgage forgiveness).

The amount of discharge of indebtedness of your principal residence to be added back can be found on:

- Form 1099-C (or its equivalent), Box 2, and/or
- On federal Form 982, Reduction of Tax Attributes Due to Discharge of Indebtedness (and Section 1082 Basis Adjustment). If Part 1 Line 1e is checked on Form 982, then the amount on Part 1 Line 2 from the discharge of qualified principal residence indebtedness must be added back if you were an Indiana resident on the date the debt was discharged (1099C, Box 1).

Note. No add back is required if the discharge of indebtedness of your principal residence:

- was included in a bankruptcy, or
- if you were not a resident of Indiana at the time the debt was discharged (1099C, Box 1).

Maintain with your records both federal Form 1099C and Form 982 as the department can require you to provide this information at a later date. Enter code 117 on Schedule B under line 5 if reporting this add-back.

IRA charitable distribution add-back

You may have reported an IRA charitable distribution add-back if you filed Indiana's full-year resident Form IT-40 for tax year 2012. If you did, you may be eligible for a refund or a reduction of any tax otherwise owed. File an amended 2012 state tax return and deduct the amount originally reported as an IRA charitable distribution add-back.

Example. Roberta reported a $1,900 IRA charitable distribution add-back on her 2012 full-year resident state return, Form IT-40. She will file an amended (corrected) Form IT-40X for 2012, reduce her income by the $1,900 amount initially added back, and will get a refund.

You may download the online version of Form IT-40X from www.in.gov/dor/4878.htm.

Motorsports entertainment complex add-back

This add-back is no longer required. Therefore, do not add back any depreciation expense related to a motorsports entertainment complex.

Important. Current-year legislation removed this from being a required add back beginning with the 2012 tax year for assets placed in service during 2012. Therefore, if you reported this add-back on your 2012 state tax return, you may be eligible for a refund or a reduction of any tax otherwise owed. See **Option 1** and **Option 2** on page 17 to find which option works best for you.

- If you choose **Option 1**, file an amended 2012 state tax return, deducting the amount previously added back.
- If you choose **Option 2**, do not file an amended 2012 state tax return. Instead, enter code **307** on the 2013 Schedule B (under line 5) and enter the amount that was originally added back in the prior year as a negative amount.

Example. Tony added back depreciation expense related to a motorsports entertainment complex on his 2012 state return. Instead of opting to amend his 2012 state return (Option 1), Tony has chosen Option 2, which is to report it on his 2013 state return on Schedule B. He will list it under line 7 using the unique 3-digit code number 307, and will report it as a negative amount.

See *Certain discontinued add-backs: How and when to report a difference* on page 18 for more information.

Oil and gas well depletion deduction add-back 134

This add-back is no longer required. See *Certain discontinued add-backs: How and when to report a difference* on page 18 for an example of how to figure a final catch-up amount (enter code 134 on Schedule B under line 5 if reporting a catch-up amount).

OOS municipal obligation interest add-back 137

Interest earned from a direct obligation of a state or political subdivision other than Indiana (out of state, or OOS) is taxable by Indiana if: the obligation is acquired after Dec. 31, 2011, and you received this income while being an Indiana resident.

Interest earned from obligations held or acquired before Jan. 1, 2013, is not subject to Indiana income tax and should not be reported as an add back.

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

For more information about this add-back, see Income Tax Information Bulletin #19 at www.in.gov/dor/3650.htm. Enter code 137 on Schedule B under line 5 if reporting this add-back.

Other (current year conformity) add-back 120

Before this publication was finalized Indiana had not conformed to any changes to the Internal Revenue Code (IRC) that may have become law after January 1, 2013. Therefore, the IRC used to figure Indiana income may not be the same as the IRC used to figure federal income.

This add-back is specific to these annual current year conformity issues. If uncertainty exists as to whether or not Indiana will adopt some or all of the federal legislation passed during 2013 that acts to modify federal AGI, you may add-back those items as an "other" add-back. In the event those items are adopted, an amended return should be filed to recoup the add-back(s).

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

This add-back is only for current year conformity issues. Conformity issues for preceding tax years must be addressed on the add-back line specific to the item in question. For instance, an add-back for the qualified refinery property was first added-back on the 2012 Schedule 1, line 12 (full-year resident), or on Schedule B, line 5 (part- or full-year nonresident). The adjustment going forward should be reported on the 2013 Schedule B, line 5, using the 3-digit code 111.

If the state legislature does not conform to federal code changes enacted after January 1, 2013, you may have to amend your return at a later date to reflect any differences between Indiana and federal law. You may wish to periodically check the department's homepage at www.in.gov/dor for updates. Enter code 120 on Schedule B under line 5 if reporting this add-back.

Qualified advance mining safety equipment add-back 126

This add-back is no longer required. See *Certain discontinued add-backs: How and when to report a difference* on page 18 for an example of how to figure a final catch-up amount (enter code 126 on Schedule B under line 5 if reporting a catch-up amount).

Qualified disaster assistance property add-back 110

If you claimed the special allowance for qualified disaster assistance property under Section 168(n) of the IRC, add the amount necessary to make your adjusted gross income (AGI) equal to the amount of AGI that would have been computed had the special allowance not been claimed for the property. Enter code 110 on Schedule B under line 5 if reporting this add-back.

Qualified electric utility amortization add-back 135

This add-back is no longer required. See *Certain discontinued add-backs: How and when to report a difference* on page 18 for an example of how to figure a final catch-up amount (enter code 121 on Schedule B under line 5 if reporting a catch-up amount).

Qualified environmental remediation costs add-back 121

This add-back is no longer required. See *Certain discontinued add-backs: How and when to report a difference* on page 18 for an example of how to figure a final catch-up amount (enter code 121 on Schedule B under line 5 if reporting a catch-up amount).

Qualified film or television production add-back 112

If you made an election under Section 181 of the IRC to expense costs for a qualified film or television production tax purposes, add the amount necessary to make your adjusted gross income (AGI) equal to the amount of AGI that would have been computed had the election not been made for that year. Enter code 112 on Schedule B under line 5 if reporting this add-back.

Qualified leasehold improvement property add-back

This add-back is no longer required. Therefore, do not add back any depreciation expense related to qualified leasehold improvement property deducted for federal tax purposes.

Important. Current-year legislation removed this from being a required add back beginning with the 2012 tax year for assets placed in service during 2012. Therefore, if you reported this add-back on your 2012 state tax return, you may be eligible for a refund or a reduction of any tax otherwise owed. See **Option 1** and **Option 2** on page 17 to find which option works best for you.

- If you choose **Option 1**, file an amended 2012 state tax return, deducting the amount previously added back.
- If you choose **Option 2**, do not file an amended 2012 state tax return. Instead, enter code **306** on the 2013 Schedule B (under line 5) and enter the amount that was originally added back in the prior year as a negative amount.

Example. Owen added back a qualified leasehold improvement property expense on his 2012 state return. Instead of opting to amend his 2012 state return (Option 1), Owen has chosen Option 2, which is to report it on his 2013 state return on Schedule B. He will list it under line 5 using the unique 3-digit code number 306, and will report it as a negative amount.

See *Certain discontinued add-backs: How and when to report a difference* on page 18 for more information.

Qualified preferred stock add-back 113

You may have had a loss from the sale or exchange of preferred stock in:

- The Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.), or
- The Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.).

If you treated this as an ordinary loss under Section 301 of the Emergency Economic Stabilization Act of 2008 in the current taxable year or in an earlier taxable year, add an amount equal to the amount of adjusted gross income that would have been computed had the loss not been treated as an ordinary loss. Enter code 113 on Schedule B under line 5 if reporting this add-back.

Qualified refinery property add-back 111

If you made an election under Section 179C of the IRC to expense costs for qualified refinery property, add the amount necessary to make your adjusted gross income (AGI) equal to the amount of AGI that would have been computed had the election not been made for that year. Enter code 111 on Schedule B under line 5 if reporting this add-back.

Qualified restaurant improvement property add-back

This add-back is no longer required. Therefore, do not add back any depreciation expense related to qualified restaurant property.

Important. Current-year legislation removed this from being a required add back beginning with the 2012 tax year if a qualifying asset was placed in service in 2012. Therefore, if you reported this add-back on your 2012 state tax return, you may be eligible for a refund or a reduction of any tax otherwise owed. See **Option 1** and **Option 2** on page 17 to find which option works best for you.

- If you choose **Option 1**, file an amended 2012 state tax return, deducting the amount previously added back.
- If you choose **Option 2**, do not file an amended 2012 state tax return. Instead, enter code **300** on the 2013 Schedule B (under line 5) and enter the amount that was originally added back in the prior year as a negative amount.

Example. Carter added back a qualified restaurant property depreciation expense on his 2012 state return. Instead of opting to amend his 2012 state return (Option 1), Carter has chosen Option 2, which is to report it on his 2013 state return on Schedule B. He will list it under line 5 using the unique 3-digit code number 300, and will report it as a negative amount.

See *Certain discontinued add-backs: How and when to report a difference* on page 18 for more information.

Qualified retail improvement property add-back

This add-back is no longer required. Therefore, do not add back any depreciation expense related to qualified retail improvement property.

Important. Current-year legislation removed this from being a required add back beginning with the 2012 tax year for a qualifying asset placed in service during 2012. Therefore, if you reported this add-back on your 2012 state tax return, you may be eligible for a refund or a reduction of any tax otherwise owed. See **Option 1** and **Option 2** on page 17 to find which option works best for you.

- If you choose **Option 1**, file an amended 2012 state tax return, deducting the amount previously added back.
- If you choose **Option 2**, do not file an amended 2012 state tax return. Instead, enter code **301** on the 2013 Schedule B (under line 5) and enter the amount that was originally added back in the prior year as a negative amount.

Example. Leah added back a qualified retail improvement property depreciation expense on her 2012 state return. Instead of opting to amend her 2012 state return (Option 1), Leah has chosen Option 2, which is to report it on her 2013 state return on Schedule B. She will list it under line 5 using the unique 3-digit code number 301, and will report it as a negative amount.

See *Certain discontinued add-backs: How and when to report a difference* on page 18 for more information.

Qualified transportation fringe expenses add-back

This add-back is no longer required. Therefore, do not add back any qualified transportation fringe expense deducted for federal tax purposes.

Important. Current-year legislation removed this from being a required add back beginning with the 2012 tax year. Therefore, if you reported this add-back on your 2012 state tax return, you may be eligible for a refund or a reduction of any tax otherwise owed. See **Option 1** and **Option 2** on page 17 to find which option works best for you.

- If you choose **Option 1**, file an amended 2012 state tax return, deducting the amount previously added back.
- If you choose **Option 2**, do not file an amended 2012 state tax return. Instead, enter code **305** on the 2013 Schedule B (under line 5) and enter the amount that was originally added back in the prior year as a negative amount.

Example. Emma added back a qualified transportation fringe expense on her 2012 state return. Instead of opting to amend her 2012 state return (Option 1), Emma has chosen Option 2, which is to report it on her 2013 state return on Schedule B. She will list it under line 5 using the unique 3-digit code number 305, and will report it as a negative amount.

See *Certain discontinued add-backs: How and when to report a difference* on page 18 for more information.

RIC dividends to nonresident aliens add-back 133

This add-back is no longer required. See *Certain discontinued add-backs: How and when to report a difference* on page 18 for an example of how to figure a final catch-up amount (enter code 133 on Schedule B under line 5 if reporting a catch-up amount).

Start-up expenditures add-back 131

This add-back is no longer required. See *Certain discontinued add-backs: How and when to report a difference* on page 18 for an example of how to figure a final catch-up amount (enter code 131 on Schedule B under line 5 if reporting a catch-up amount).

Tuition and fees add-back

You may have reported a tuition and fees add-back if you filed Indiana's full-year resident Form IT-40 for tax year 2012. If you did, you may be eligible for a refund or a reduction of any tax otherwise owed. File an amended 2012 state tax return and deduct the amount originally reported as a tuition and fees add-back.

Example. Sherman reported a $590 tuition and fees deduction add-back on his 2012 full-year resident state return, Form IT-40. He will file an amended (corrected) Form IT-40X for 2012, reduce his income by the $590 amount initially added back, and will get a refund.

You may download the online version of Form IT-40X from www.in.gov/dor/4878.htm.

Schedule C: Deductions

Line 1 – Renter's deduction

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

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

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

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

Important. You cannot claim the renter's deduction if the rental property was not subject to Indiana property tax.

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

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

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

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

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

Important: Keep copies of your rental receipts, landlord identifying information and lease agreements as the department can require you to provide this information. For more information about this deduction, see Income Tax Information Bulletin #38 at www.in.gov/dor/3650.htm.

Line 2 – Homeowner's residential property tax deduction

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

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

Important: You cannot claim this deduction for property tax paid in 2013 if you are claiming the Lake County residential income tax credit on Schedule F, line 6.

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

Example. Chris and Chetrice married in 2013. They sold both of their Indiana homes during the year and began renting. They are eligible to claim a property tax deduction on the combined property taxes paid on both homes if they are filing a joint return (limited to $2,500 altogether).

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

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

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

How do I find out how much I paid in Indiana property tax on my principal residence? Indiana counties annually send statements to homeowners showing how much property tax is due on their property. Add together the 2013 spring and fall installments, if you paid both of them.

Sometimes mortgage companies pay the Indiana property tax from an escrow account. If your mortgage company pays it, they should send you a Form 1098 (or its equivalent) showing the amount of property tax paid.

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

Line 3 – State tax refund reported on federal return

If you entered a state tax refund amount on line 10 of your federal Form 1040, and you reported it on Indiana Schedule A, Section 1, lines 5A and 5B, then deduct here the amount from line 5B.

Line 4 – Interest on U.S. government obligations deduction

If you reported interest income on Indiana Schedule A, Section 1, line 3B, you may be able to take a deduction. If any part of this interest income is from a direct obligation of the U.S. government, you can deduct it.

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

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

Note: When certain U.S. savings bonds are redeemed to pay expenses for higher education, the interest may be excluded from federal adjusted gross income. Therefore, do not enter any interest from U.S. savings bonds that is shown on your federal Schedule B, line 3 (because it has already been excluded from income). For more information about this deduction see Income Tax Information Bulletin #19 at www.in.gov/dor/3650.htm.

Lines 5 and 6 – Taxable Social Security and/or railroad retirement benefits deduction

Indiana does not tax Social Security income or Tier 1 or Tier 2 railroad retirement benefits issued by the U.S. Railroad Retirement Board. If you have included any of these benefits on Indiana Schedule A, Section 1, line 11B or line18B, deduct those benefits on this line.

Note: See the *Railroad unemployment and sickness benefits* deduction instructions on page 28 if you have received unemployment and/or sickness benefits from the Railroad Retirement Board.

Line 7 – Military service deduction

If the income on Indiana Schedule A, lines 1B and/or 2B includes active or reserve military pay you've received, you will be eligible to claim a deduction (regardless of your age).

Also, if you are retired from the military or are the surviving spouse of a person who was in the military, and you included military retirement income on Indiana Schedule A, line 11B, you may be able to take this deduction if:

- You were at least 60 years of age by Dec. 31, 2013,
- You were receiving military retirement or survivor's benefits in 2013, and
- The benefits received as retirement income were reported on your federal return.

Your deduction will be the actual amount of military income received (i.e. military pay, retirement pay and/or survivor's benefits) or $5,000, whichever is less. If both you and your spouse received military income, you may each claim the deduction for a maximum of $10,000.

Important. If you served in the Indiana National Guard or the reserve component of the armed forces during 2013, see the National guard and reserve component members deduction on page 26.

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

Example. Jim was on active duty the first month of the year. He was stationed in a combat zone the rest of the year. His military W-2 form shows regular military wage income of $950, and $19,000 income earned while being stationed in a combat zone. Only $950 of his income is taxed on his federal return; likewise, Indiana will only tax $950. Jim should claim a $950 military deduction (the lesser of the income being taxed [$950] or $2,000).

Note: If you received a combination of military pay, retirement pay and/or survivor's benefits during the tax year, the total deduction cannot be greater than $5,000 per qualifying person. For example, if you earned $3,000 in military pay and $1,500 in retirement pay, you can deduct only $5,000 of your military income.

Important. You enclose your military W-2 form, retirement pay statement and/or survivor's benefit statement to the tax return if you are claiming this deduction. For more information about this deduction see Income Tax Information Bulletins #6 and #27 at www.in.gov/dor/3650.htm.

Line 8 – Non-Indiana locality earnings deduction

If you received income subject to both Indiana state income tax and a local tax in another state, and this income is reported on Indiana Schedule A (lines 1B and/or 2B), you may be allowed to deduct up to $2,000.

Example. While an Indiana resident you earned $8,000 in Louisville, KY. Your employer withheld a Louisville city (locality) tax from your wages. Since your wages were taxed by a non-Indiana locality (Louisville), you are eligible to take a deduction.

The deduction is limited. You may deduct the amount of your income that was taxed by a non-Indiana locality or $2,000, whichever is less. If you and your spouse both qualify, you may each claim the deduction for a maximum of $4,000 (limited to no more than $2,000 per person). You must attach proof that the tax was paid to a locality outside Indiana to be allowed this deduction. A W-2 form is proof as long as the W-2 form shows a withholding amount and the name of the non-Indiana locality where the tax was paid. The name of the locality is usually found in box 20, Locality Name, on the W-2 form. A copy of a non-Indiana locality tax return will also serve as proof of tax paid.

Remember: You may take this deduction only if your wage income is taxed by both Indiana and a locality outside Indiana. For more information see Income Tax Information Bulletin #28 at www.in.gov/dor/3650.htm.

Line 9 – Insulation deduction

You may be able to take this deduction if you installed new insulation in your Indiana home during 2013. Insulation includes weather stripping, double pane windows, storm doors and storm windows. To take this deduction the following requirements must be met:

- The insulating items must have been installed in your principal place of residence (which must be subject to Indiana property tax),
- The part of your home where the insulating items were installed must have been built *before* Jan. 1, 2010,
- The insulating items must be an upgrade and not a replacement or like-kind item (e.g., replacing a double pane window with a new double pane window won't qualify, but replacing a double pane window with a triple pane window will qualify), and
- The deduction must be taken in the year the insulating items were installed.

You are allowed to deduct the actual cost of the qualifying items, including labor, up to a maximum of $1,000.

Important: When claiming this deduction, maintain with your records the following information (as the department can require you to provide this information at a later date): item(s) purchased; purchase price; place of purchase; date(s) of purchase and installation; and amount paid for labor (you cannot include the cost of labor that you did yourself). For more information about this deduction see Income Tax Information Bulletin #43 at www.in.gov/dor/3650.htm.

Line 10 – Nontaxable portion of unemployment compensation

You may be eligible for a deduction if you received unemployment compensation while being an Indiana resident. Complete the worksheet below to figure your deduction.

Important. Do not include any unemployment compensation issued by the U.S. Railroad Retirement Board on line 2 of the worksheet. Instead, see the instructions for the *Railroad unemployment and sickness benefits* deduction on page 28 for more information.

Line 11 – Other deductions

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

Airport development zone employee deduction 600

Certain areas within Indiana have been designated as airport development zones. Currently, Allen County is eligible to designate zones. If you lived in an airport development zone and worked for a qualified employer in that zone, you may be able to take this deduction. Your employer will provide Form IT-40QEC to you if you are eligible to claim this deduction. The amount of the deduction is one-half (½) of the earned income shown on that form or $7,500, whichever is less. You must attach Form IT-40QEC to the Form IT-40PNR to support any claimed deduction. Enter code 600 under line 11 if claiming this deduction.

Civil service annuity deduction 601

If the income on Indiana Schedule A, Section 1, line 11B includes federal civil service annuity payments, you may be eligible to take a deduction if you were at least 62 years of age by Dec. 31, 2013. To figure your deduction, begin with the amount of annuity payments received or $2,000, whichever is less. Subtract from that amount any Social Security and railroad retirement benefits (issued by the U.S. Railroad Retirement Board) you received.

Example. Your civil service annuity is $6,000. Your Social Security income is $1,200. Here's how to figure your deduction:

Lesser of the amount of the annuity ($6,000) or $2,000	$2,000
Social Security benefits	- 1,200
Allowable deduction	$ 800

If you and your spouse both received civil service annuities, you may each take this deduction for a maximum of $4,000 (no more than $2,000 per qualifying person), provided you both meet the age requirement. The civil service annuity deduction is available only to the annuitant and is not available to the annuitant's beneficiary. For more information about this deduction see Income Tax Information Bulletin #6 at www.in.gov/dor/3650.htm. Enter code 601 under line 11 if claiming this deduction.

Unemployment Compensation Worksheet

Note: If you were married but filing separately, and you lived with your spouse at any time during 2013, enter -0- on line 3 of the worksheet. However, if you were married but filing separately, and lived apart from your spouse the entire year, enter $12,000 on line 3.

1.	Unemployment compensation included on Indiana Schedule A, Section 1, line 17B	1		
2.	Federal adjusted gross income from Form 1040 (line 37), Form 1040A (line 21), or Form 1040EZ (line 4)	2		
3.	Enter $12,000 if single, or $18,000 if married filing a joint return	3		
4.	Subtract line 3 from line 2. If zero or less, enter -0-	4		
5.	Enter one-half of the amount on line 4 (divide line 4 by the number 2)	5		
6.	Taxable unemployment compensation for Indiana purposes: enter the amount from either line 1 or line 5, whichever is smaller	6		
7.	Subtract line 6 from line 1. Carry this amount to Schedule C, line 10	7		

Lottery Winnings Worksheet

A.	Enter the amount of winnings from the Hoosier Lottery Commission that you have reported on your federal Form 1040, line 21	A $ ____
B.	Locate those W-2Gs (issued by the Hoosier Lottery Commission) showing Indiana <u>state</u> withholding in Box 14. Add the amounts from Box 1 of each of those W-2Gs; enter total here	B $ ____
C.	Exemption	C $ 1,200
D.	How <u>many</u> W-2Gs* did you locate on line B above (e.g. 1, 2, etc.)? *Exception. Include the W-2G from an annuity payment **ONLY** in the first year in which you receive it.	D X ____
E.	Multiply line C by line D; enter result here	E $ - ____
F.	Subtract line E from line B; enter result here	F $ - ____
G.	Subtract line F from line A. Enter here and on Schedule C under line 11	G $ ____

Disability retirement deduction 602

To take this deduction you must have been:

- Permanently and totally disabled at the time of retirement,
- Retired on disability before Dec. 31, 2013, and
- Received disability retirement income during 2013.

If you meet these qualifications, you must complete Schedule IT-2440 and have it signed by your doctor to claim this deduction. Schedule IT-2440 must be attached to your tax return when claiming this deduction. For more information about this deduction see Income Tax Information Bulletin #70 at www.in.gov/dor/3650.htm and Schedule IT-2440 at www.in.gov/dor/4878.htm.

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

Note: Social Security disability income does not qualify for this deduction because Indiana does not tax this income. Enter code 602 under line 11 if claiming this deduction.

Enterprise zone employee deduction 603

Certain areas within Indiana have been designated as enterprise zones. Enterprise zones are established to encourage investment and job growth in distressed urban areas. Your employer will provide Form IT-40QEC to you if you are eligible to claim this deduction. The amount of the deduction is one-half (½) of the earned income shown on Form IT-40QEC or $7,500, whichever is less. If you and your spouse both have received Form IT-40QEC, you may each take this deduction for a combined maximum of $15,000 (no more than $7,500 per qualifying person).You must maintain Form IT-40QEC with your records. Enter code 602 under line 11 if claiming this deduction.

Human services deduction 605

The human services deduction is intended to alleviate any individual income tax burden that might be imposed on Medicaid recipients who are living in a hospital, skilled nursing facility, intermediate care facility, licensed county home, licensed boarding or residential home or a certified Christian Science facility.* The goal of the human services deduction is to reduce the affected individual's adjusted gross income tax liability to zero.

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

Generally, the deduction should not be used in conjunction with most tax credits in order to create a refund. If you are a Medicaid recipient and live in one of the facilities listed above, to determine whether you are eligible for the deduction you must first prepare your tax return without claiming a human services deduction. Generally, if a refund is due, you are not eligible for a deduction. File your return without claiming the deduction and a refund will be issued. However, if an amount is due, you are eligible to use a deduction. Enter code 605 under line 11 if claiming this deduction.

Indiana lottery winnings deduction 606

If you win any prize money from the Indiana Hoosier Lottery Commission, either by winning an instant game, an online game such as Hoosier Lotto, Powerball, Mega Millions, etc., you must report those winnings as income on your federal income tax return.

Most of these winnings are fully taxable by Indiana regardless of your residency. However, some of the winnings may be exempt from Indiana tax. Also, annuity payments received for drawings held by the Indiana Hoosier Lottery Commission before July 1, 2002, are exempt from Indiana tax.

The maximum allowable deduction is up to $1,200 per qualifying W-2G. Complete the worksheet above to see if you are both eligible for a deduction and, if so, how to figure it.

Note. While you are an Indiana resident, winnings from other state lotteries, Indiana pari-mutuel horse races or out-of-state tracks, Indiana and out-of-state riverboats and other gambling winnings, are fully taxable in Indiana and should not be deducted from your taxable income.

Indiana nonresidents must report winnings from Indiana pari-mutuel horse races and Indiana riverboats; these winnings should not be deducted from your taxable income. Enter code 606 under line 11 if claiming this deduction.

Indiana net operating loss deduction 607

You may take a deduction for the Indiana portion of the federal net operating loss deduction reported on federal Form 1040. (This will be a net operating loss deduction from an earlier year(s) carried forward to 2013.) Write the amount you deduct as a positive figure. Enclose Schedule A from federal Form 1045 and a completed Indiana Schedule IT-40NOL when claiming this deduction. Also, maintain with your records a copy of the federal Form 1040 from the loss year as the department can require you to provide this information at a later date. Enter code 607 under line 11 if claiming this deduction.

Indiana partnership long-term care policy premiums deduction 608

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

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

> This policy qualifies under the Indiana long-term care program for Medicaid Asset Protection. This policy may provide benefits in excess of the asset protection provided in the Indiana long-term care program.

If the information shown in the box above is not located in a box on your policy, you do not have a qualifying policy, and are not eligible to take this deduction. The deduction is the amount of premiums paid during the year on the policy for the taxpayer and/or spouse.

No double benefit allowed. Certain self-employed individuals will claim these premiums as a deduction on the front page of federal Form 1040 and on Indiana Schedule A under Section 2. The Indiana deduction will be the actual amount of these premiums paid, minus any amount of these already reported on federal Form 1040.

Example. Sam paid $4,500 in Indiana partnership long-term care premiums and deducted $1,360 of that amount as an expense on his federal Schedule C (Profit or Loss from Business). He is eligible to deduct the $3,140 difference ($4,500 - $1,360) on Indiana Schedule C under line 11.

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

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

Law enforcement reward deduction 611

If you reported an amount you received as a reward as "other income" on Indiana Schedule A, Section 1, line 20B, you may be eligible for this deduction. If you received a reward for providing information to a law enforcement official or agency; if the information assisted in the arrest, indictment or the filing of charges against a person; and, if you are not compensated for investigating crimes, the person convicted of the crime or the victim of the crime; then you can deduct the lesser of the amount received or $1,000. Enter code 611 under line 11 if claiming this deduction.

Medical savings account deduction 612

You may be eligible for a deduction if your employer deposited funds in certain medical care savings accounts. If you received Form IN-MSA from the account provider you should deduct any medical withdrawals and exempt interest income reported in Box 2 and/or Box 7.

Note: You are not eligible to claim this deduction if you also claimed a medical savings account deduction on Indiana Schedule A under Section 2.

Make sure you attach Form IN-MSA or your claimed deduction will be denied. Enter code 612 under line 11 if claiming this deduction.

National Guard and reserve component members deduction 621 *(also see the Military service deduction on page 23)*

There is a deduction available for certain Indiana residents who are members of the reserve components of the armed forces and the Indiana National Guard.

Who is eligible?
You must be an Indiana resident who is member of the reserve components of:

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

Or, a member of:
- the Indiana Army National Guard; or
- the Indiana Air National Guard.

What is eligible to be deducted?
If you are eligible (based on the above requirements), your deduction is the qualified military income* received during the period you were deployed or mobilized for full time service, or during the period your Indiana National Guard unit was federalized.

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

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

Note: You cannot claim both this deduction and the *military service deduction* based on the same income. See the following example.

Example. Brandon is a member of the Indiana National Guard.
- From January through Oct. 15, 2013, Brandon earned $6,000 from the guard.
- His unit was federalized on Oct. 16, 2013. He earned $7,000 from that point through Dec. 1, 2013.
- His unit was assigned to a combat zone on Dec. 2, 2013, and he earned $3,000 from then until the end of the year.
- Brandon's military W-2 shows $13,000 in Box 1, Wages, tips, other compensation (the combat zone income is not included in Box 1 because it is not taxable).

Brandon is eligible for both Indiana military deductions. First, he will claim the $5,000 maximum Military Service Deduction on line 7 based on the $6,000 income earned through October 15. Then, he will claim the National Guard and Reserve Components Deduction of $7,000 (full amount of income earned after his unit was federalized) under line 11. Note: He will not deduct the $3,000 income earned while stationed in a combat zone because it was not taxed to begin with.

Military withholding statements must be attached to the tax return when claiming this deduction. Enter code 621 under line 11 if claiming this deduction.

Nonresident military spouse earned income deduction 625

A spouse of a nonresident military servicemember may not owe tax to Indiana on earned income from Indiana sources. The spouse may be eligible to claim a deduction if:
- Indiana is not the military servicemember's state of domicile as reported on the servicemember's Form DD-2058;
- The military servicemember and spouse are domiciliaries of the same state;
- The military servicemember is in Indiana on military orders;
- The military servicemember's spouse is in Indiana in order to live with the servicemember, and resides at the same address; or
- The military servicemember and spouse live together in a state other than Indiana, but the servicemember's spouse works in Indiana; and
- The Indiana-source income is included on Indiana Schedule A on line 1B, 2B and/or 7B.

To claim this deduction you must enclose a completed Schedule IN-2058SP, which is available at www.in.gov/dor/4878.htm. Enter code 625 under line 11 if claiming this deduction.

Private school/homeschool deduction 626

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

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

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

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

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

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

Figure your deduction. If you made an unreimbursed education expenditure during the year your deduction is:
- $1,000; multiplied by
- the number of qualified dependent children for whom you made education expenditures.

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

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

How to report the deduction. If the private school or homeschool is registered with the Indiana Department of Education (IDOE), enter the school's name and identifying number assigned by the IDOE.

Examples.
- On Schedule C line 11a enter "XYZ Homeschool 019999Z" in the "Enter deduction name" box, followed by code no. 626 and the amount of the deduction.

- If the school is not registered with the IDOE, just enter the name "XYZ Homeschool" in the "Enter deduction name" box, followed by code no. 626 and the amount of the deduction.

If the school has no designated name, enter "private school/homeschool" in the "Enter deduction name" box, followed by code no. 626 and the amount of the deduction. For more information about this deduction, see Income Tax Information Bulletin #107 at www.in.gov/dor/3650.htm.

Qualified patents income exemption deduction 622

Some of the income from qualified patents included in federal taxable income may be exempt from Indiana adjusted gross income tax. A qualified patent is a utility patent or a plant patent issued after Dec. 31, 2007, for an invention resulting from a development process conducted in Indiana. The term does not include a design patent. Get Income Tax Information Bulletin #104 at www.in.gov/dor/3650.htm for more information.
Enter code 622 on Schedule C under line 11 if claiming this deduction.

Railroad unemployment and sickness benefits 624

Benefits issued by the U.S. Railroad Retirement Board are not taxable to Indiana. Deduct unemployment and/or sick pay benefits issued by the U.S. Railroad Retirement Board on this line if:

- You included these benefits as taxable income on Indiana Schedule A: Section 1, Column B, and
- You did not already deduct these benefits on Schedule C, lines 5 and/or 6.

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

Make sure to keep the statements (such as Form 1099G) issued by the U.S. Railroad Retirement Board as the department may request them at a later date. Enter code 624 on Schedule C under line 11 if claiming this deduction.

Recovery of deductions 616

If you did not complete the "other income" line 20B on Indiana Schedule A: Section 1, then do not complete this line.

Generally, Indiana does not allow you to claim itemized deductions from federal Schedule A. However, if you reported *recovered* itemized deductions as "other income" on line 21 of your federal Form 1040, use the portion of that amount also reported on Indiana Schedule A, Section 1, line 20B as a deduction on this line. Enter code 616 under line 11 if claiming this deduction.

Solar powered roof vent or fan deduction 623

An Indiana resident may be eligible for a deduction up to $1,000 if a solar powered roof vent or fan was installed on a building owned or leased by the individual. A *solar powered roof vent or fan* is a roof vent or fan that is powered by solar energy and used to release heat from a building.

The deduction must be claimed in the installation year, and is limited to the **smaller** of:

- One-half of the amount paid for labor and materials for the installation of a solar powered roof vent or fan, or
- $1,000.

Important: When claiming this deduction, maintain with your records the following information (as the department can require you to provide this information at a later date):

- The installation date(s),
- Proof of your costs for the installation of a solar powered roof vent or fan, and
- A list of the persons or corporation that supplied labor or materials for the installation of the solar powered roof vent or fan.

Enter code 623 on Schedule C under line 11 if claiming this deduction.

Schedule D: Exemptions

Important: Keep detailed information about the exemption(s) you are claiming, such as full name(s), age(s), Social Security number(s), etc. The department can require you to provide this information at a later date.

Line 1 – Exemptions

You are allowed $1,000 for each exemption claimed on your federal return. Enter in the box on line 1 the total number of exemptions claimed on your federal return. Multiply $1,000 by that number, and enter the answer here.

Example. John and Lisa have a 12-year-old daughter. On John and Lisa's joint federal return they claim themselves and their daughter as exemptions. They'll enter "3" in the box on line 1 for a total of $3,000 exemptions.

If you do not have to file a federal return, you will need to complete a "sample" federal return to see how many federal exemptions you are allowed to claim.

Important: If no exemption is claimed on your federal return, you can still claim yourself (even if you are claimed on a parent's or guardian's return).

Line 2 – Additional exemption for dependent child

Important: Schedule IN-DEP must be filed when claiming this exemption. Keep reading to find instructions for this schedule.

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

Dependent Child Definition: According to state statute, a dependent child must be a son, stepson, daughter, stepdaughter and/or foster child (and/or your spouse's child, if filing a joint return). He/she must be either under the age of 19 by Dec. 31, 2013, or be a full-time student who is under the age of 24 by Dec. 31, 2013.

If any dependent(s) you are eligible to claim on your federal return also meets the *Dependent Child Definition* above, enter that number in the box on line 2.

Example. John and Lisa claimed their 12-year-old daughter as an exemption on their federal return. Since their daughter is under the age of 19, John and Lisa will claim one exemption on line 5 for a total of $1,500.

Example. Jessie's elderly father and her nine-year-old daughter lived with her the entire year. She claimed both as dependents on her federal return. Jessie will claim her daughter for the additional exemption on line 2. She is not allowed to claim the additional exemption for her father.

Note: Not all dependent children are eligible for this additional exemption. For instance, if you claimed a grandson or nephew as an exemption on your federal return, you should also claim an exemption for him on line 1. However, since he doesn't qualify under the *Dependent Child Definition* above, you will not be able to claim the additional exemption for him on line 2.

Schedule IN-DEP. You must complete and enclose Indiana's *Schedule IN-DEP: Additional Dependent Child Information*, listing every child for whom you are claiming this exemption. Enter the first and last name and Social Security number (SSN) of each child claimed for this exemption. If your child has an individual taxpayer identification number (ITIN) or adopted taxpayer identification number (ATIN), enter that number in the Child's Social Security Number column.

No SSN/ITIN/ATIN. If you do not have the required SSN, ITIN or ATIN, you will not be eligible to claim this exemption. If you have applied for one of these numbers, but do not have it by the filing due date, you can file for an extension of time to file, Form IT-9 (www.in.gov/dor/4878.htm). Indiana also honors the federal extension of time to file, Form 4868.

Exception. If your qualified dependent child was born and died in 2013 and you do not have an SSN for the child, enter the word "Died" in the third (largest) Social Security Number box associated with your child's name. You must keep a copy of the child's birth certificate, death certificate and/or hospital records with your records as the department may request this information at a later date. The documents must show the child was born alive.

Example.

		Died

Line 3 – Age 65 or older or blind

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

Line 4 – Additional exemption for age 65 or older

An additional $500 exemption is available for you and/or your spouse (if filing a joint return) if you are age 65 or older and the amount on Form IT-40PNR, Schedule A, Section 3: Totals, line 37A, is less than $40,000. Place an "X" in the boxes that apply to you and/or your spouse. Enter the total number of boxes marked on this line and multiply by $500.

Line 6 – Proration amount

At the top of the back of Indiana Schedule A is the Proration Section. The number in Box 21D represents the percentage of your total income being taxed by Indiana. For example, .450 means that Indiana is taxing 45 percent (.45) of your total income. Enter the amount from Box 21D on Schedule D, line 6.

Multiply the line 5 total by the amount on line 6; enter the result on line 7.

Example. If line 5 is $1,000 and line 6 is .450, your line 7 total exemptions will be $450. Since Indiana is taxing 45 percent (.450) of your total income, you're allowed to deduct 45 percent of your total exemptions.

See instructions for the *Proration section* on page 15 for more information.

Schedule E: Other Taxes

Line 1 – Use tax on out-of-state purchases

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

When you make purchases from a company in Indiana, that company is responsible for collecting the Indiana sales tax from you. When you make purchases from an out-of-state company, *you* are responsible for making sure the use tax is paid. Either the out-of-state company

Sales/Use Tax Worksheet
List all purchases made during 2013 from out-of-state retailers.

Column A Description of personal property purchased from out-of-state retailer	**Column B** Date of purchase(s)	**Column C** Purchase Price of Property(s)	
Magazine subscriptions:			
Mail order purchases:			
Internet purchases:			
Other purchases:			
1. Total purchase price of property subject to the sales/use tax: enter total of Columns C		1	
2. Sales/use tax: Multiply line 1 by .07 (7%)		2	
3. Sales tax previously paid on the above items (up to 7% per item)		3	
4. Total amount due: Subtract line 3 from line 2. Carry to Form IT-40PNR, Schedule E, line 1. If the amount is negative, enter zero and put no entry on Schedule E, line 1		4	

collects the tax from you or you must pay the tax directly to the State of Indiana.

Complete the worksheet on page 29 to figure your tax. If you paid sales tax to the state where the item was originally purchased, you are allowed a credit against your Indiana use tax for an amount paid up to 7 percent.

Line 2 – Household employment taxes

If, while you lived in Indiana, you paid cash wages during 2013 to an individual who is **not**

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

the individual worked in and around your home as a baby-sitter, nanny, health aide, private nurse, maid, caretaker, yard worker or someone who does similar domestic duties, then that individual may be defined as your employee. For more information on defining an employee, see federal Publication 926, Household Employer's Tax Guide, visit www.irs.gov/formspubs or call the IRS at 1-800-829-1040.

If you paid cash wages over $1,800 to a household worker who is your employee, or total cash wages of $1,000 or more in any calendar quarter of 2012 or 2013 to all household employees, you should have withheld state and county income taxes. To pay these taxes on your Indiana income tax return, contact the department for Schedule IN-H, or download one from www.in.gov/dor/4878.htm.

Line 3 – Recapture of Indiana's CollegeChoice 529 education savings plan credit

You may be eligible for a credit if you made a contribution(s) to Indiana's CollegeChoice 529 education savings plan (see instructions on page 51 for credit details). However, if you made a non-qualified withdrawal(s) from this plan, you will probably have to repay some or all of any credits previously claimed.

Withdrawals made for higher education expenses tend to be qualified withdrawals. Other withdrawals may fall under the category of "non-qualified." For more information about withdrawals, contact the department for Income Tax Information Bulletin #98 at www.in.gov/dor/3650.htm. See Schedule IN-529R at www.in.gov/dor/4878.htm to figure any amount to be recaptured.

Schedule F: Credits

Lines 1 and 2 – Indiana state and county tax withheld

The amount of Indiana state tax withheld is usually shown on box 17 and the amount of Indiana county tax withheld is usually shown on box 19 of the W-2s.

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

You must attach your (and your spouse's, if married filing jointly) W-2s, WH-18s and/or Form 1099s to your tax return to verify the amount withheld. If you had more than one job, a W-2 form for each job must be attached to the tax return so you can get credit for all Indiana state and county tax withheld.

If you had Indiana state tax and/or county tax withheld on any other federal form, such as a W-2G or 1099R, you must attach them to the tax return to get credit for the amount withheld.

Use of substitute W-2s will delay the processing of your return and/or refund.

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

Special instructions for composite filers. Additional state withholding tax may have been paid on your behalf on an Indiana business return (Form IT-20S and/or Form IT-65). If it was, then add that amount to the total amount reported on line 1, and enclose a statement from the S corporation/partnership to that effect.

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

Line 3 – Estimated tax paid for 2013

If you made estimated tax payments, enter the total paid for 2013 on this line. Also include any extension payment made with Form IT-9 "Extension of Time to File" for tax year 2013.

Note: Do not include on this line any estimated tax paid for tax year 2014.

Line 4 – Unified tax credit for the elderly

You may be able to claim a credit if you or your spouse meet all the following requirements:

- You and/or your spouse must have been age 65 or older by Dec. 31, 2013,
- If married and living together at any time during the year, you must file a joint return,
- You must have been a resident of Indiana for six months or more during 2013,
- The amount on Indiana Schedule A, Section 3, line 37A must be less than $10,000, and
- You must not have been in prison for 180 days or more in 2013.

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

Important:

- If your spouse died after Jan. 1, 2013, you can claim this credit by filing a joint return.
- If a person dies and does not have a surviving spouse, then no one can claim the credit on behalf of the deceased person.

The deadline for claiming this credit is June 30, 2014. The only exception to this rule is if you have a valid federal extension of time to file, Form 4868. Having a valid federal extension will allow you to claim this credit through Nov. 17, 2014. See *When should you file?* on page 7 for information about getting an extension of time to file.

To figure your unified tax credit for the elderly:

Use Table A if:

You meet all the requirements listed above, and:

- You are filing a joint return, lived with your spouse during 2013, both were Indiana residents for at least six months and both of you were age 65 or older by Dec. 31, 2013, or
- Both you and your spouse met all the requirements, and your spouse died after Jan. 1, 2013.

Table A
Joint Filers Both Age 65 or Older

If the income on Line 37A of Indiana Schedule A, Section 3 is:	**Your Allowable Credit* is:**
less than $1,000	$140
between $1,000 and $2,999	$90
between $3,000 and $9,999	$80

Use Table B if:

You meet all the requirements listed above, and:

- You are age 65 or older and are single or widowed,
- You are filing a joint return and only one of you is age 65 or older, or
- You are filing a joint return and only one was an Indiana resident for at least six months, or you are married but did not live with your spouse during 2013, are age 65 or older and are married filing separately.

Table B
Only One Person Age 65 or Older

If the income on Line 37A of Indiana Schedule A, Section 3 is:	**Your Allowable Credit* is:**
less than $1,000	$100
between $1,000 and $2,999	$50
between $3,000 and $9,999	$40

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

Line 5 Indiana's earned income credit (EIC)

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

- You must be eligible for and have claimed an EIC on your federal tax return. If not, **STOP**. You are not eligible to claim Indiana's EIC.
- Your income on Form IT-40, line 1 (or Indiana's Schedule A, line 37A), must be less than $43,100. If it is the same amount or more, **STOP**. You are not eligible to claim Indiana's EIC.
- Schedule IN-EIC must be completed and enclosed by all filers claiming the EIC.

Indiana's Publication EIC is available for additional information. It may be viewed online at www.in.gov/dor/4878.htm.

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

To figure your Indiana earned income credit:

- Follow the steps below.
- Complete the Worksheet(s) that apply to you.
- Complete and enclose Schedule IN-EIC.
- Enter on Schedule F, line 5:
  - Box A, your Indiana Earned Income Credit from Schedule IN-EIC, line A-3;
  - Box B, the number from Schedule A, Proration Section, line 21D; then
- Multiply the amount in Box A by the number in Box B. Enter the total on line 5.

Step 1 All Filers

1. Did you claim an EIC on your 2013 federal tax return (on federal Form 1040, line 64a; Form 1040A, line 38a; or on Form 1040EZ, line 8a)?

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

2. If, in 2013:
   - 2 or more children lived with you, is the amount on Form IT-40, line 1 (Indiana's Schedule A, line 37A), less than $43,100?
   - 1 child lived with you, is the amount on Form IT-40, line 1 (Indiana's Schedule A, line 37A), less than $37,900?
   - No children lived with you, is the amount on Form IT-40, line 1 (Indiana's Schedule A, line 37A), less than $14,300?

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

Step 2 Investment Income

1. Add amounts from:

Federal Form 1040 or Form 1040A, Line 8a	+ ________
Federal Form 1040 or Form 1040A, Line 8b	+ ________
Federal Form 1040 or Form 1040A, Line 9a	+ ________
Federal Form 1040A, Line 10	+ ________
Federal Form 1040, Line 13*	+ ________
Investment Income	= ________

*If line 13 is a loss, enter -0-.

2. Is your investment income more than $3,300?

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

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

No. STOP. You cannot take the credit.

Yes. If the amount on federal Form 1040, line 13, includes an amount from federal Form 4797, you must use Worksheet 1 in Indiana's Publication EIC (located online at www.in.gov/dor/4878.htm) to see if you can take the EIC. Otherwise, **STOP;** you cannot take the EIC.

4. Do any of the following apply for 2013?
   - You filed federal Schedule E.
   - You are claiming a loss on federal Form 1040 line, 12, 13 and/or 18.
   - You are reporting income or a loss from the rental of personal property not used in a trade or business.
   - You and/or spouse if married filing jointly received a distribution from a pension, annuity, IRA or Coverdell ESA that is not fully taxable.
   - You reported income on federal Form 1040, line 21, from federal Form 8814 (relating to election to report child's interest and dividends).

Yes. You must use Worksheet 3 in Indiana's Publication EIC to see if you can take the credit. You may find Publication EIC at www.in.gov/dor/4878.htm.

No. Go to Step 3.

Step 3 Qualifying Child

Did a child live with you in 2013?
No. Go to Step 4.
Yes. *Continue.*

A qualifying child is a child who is your…

- Son
- Daughter
- Grandchild
- Stepchild
- Foster child and/or related child (see page 37)

AND, was…

- Under age 19 at the end of 2013 and younger than you (or your spouse, if filing jointly), or
- Under age 24 at the end of 2013, a student (see page 34), and younger than you (or your spouse, if filing jointly), or
- Any age and permanently and totally disabled (see page 34),

AND, who…

Is not filing a joint return for 2013, or is filing a joint return for 2013 only as a claim for refund,

AND, who…

Lived with you in the United States for more than half of 2013 or, if a foster child, for all of 2013. If the child did not live with you for the required time, see *Exception to "time lived with you"* on page 33.

Caution. If the child meets the conditions to be a qualifying child of any other person (other than your spouse if filing a joint return) for 2013, or the child was married, see page 34.

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

Yes. The child must have a valid Social Security number (SSN) unless the child was born and died in 2013. If at least one qualifying child has a valid SSN (or was born and died in 2013), go to Step 5.

No. *Continue to Step 4.*

Exception. If your qualified dependent child was born and died in 2013 and you do not have an SSN for the child, you may be able to claim the child for earned income credit purposes (see page 33).

Step 4 Filers Without a Qualifying Child

If you have no qualifying child (see Step 3) but you claimed an EIC on your federal tax return (federal Form 1040, line 64a; Form 1040A, line 38a; or on Form 1040EZ, line 8a), then you may be eligible to claim Indiana's EIC. Continue to Step 5.

Step 5 Modified Adjusted Gross Income (MAGI)

1. Add amounts from:
   Federal Form 1040 or Form 1040A, Line 8b + ________
   Federal Form 1040EZ, amount entered in the space to the left of line 2 designated as "TEI" + ________
   Federal Form 1040, line 37; Form 1040A, Line 21; 1040EZ, line 4 + ________

Modified Adjusted Gross Income* = **Box A** ________

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

2. If you have:
   - 2 or more qualifying children, is Box A less than $43,100?
   - 1 qualifying child, is Box A less than $37, 900?
   - No qualifying children, is Box A less than $14,300?

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

Step 6 Earned Income

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

Yes. See *Clergy or Church employees*, whichever applies, on page 33.
No. *Continue*

2. Figure earned income:
   A. Enter amount from federal Form 1040 or 1040A, line 7, or Form 1040EZ, line 1 ________

Subtract, if included on line A above, any:

- Taxable scholarship or fellowship grant not reported on a Form W-2.
- Amount received for work performed while an inmate in a penal institution.
- Amount received as a pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan. This amount may be shown in box 11 of form W-2. If you received such an amount but box 11 is blank, contact your employer for the amount received as a pension or annuity. - ___________

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

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

Earned Income = Box B | |

3. Were you self-employed at any time in 2013, or did you file federal Schedule SE because you were a member of the clergy or you had church employee income, or did you file federal Schedule C or C-EZ as a statutory employee?

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

4. If you have:
   - 2 or more qualifying children, is your total earned income (Box B) less than $40,950?
   - 1 qualifying child, is your total earned income (Box B) less than $36,050?
   - No qualifying children, is your total earned income (Box B) less than $13,550?

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

Step 7 How to Figure the Credit

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

Definitions and Special Rules* (listed in alphabetical order)

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

Church employees. A church employee means an employee (other than a minister or member of a religious order) of a church or qualified church-controlled organization that is exempt from employer Social Security and Medicare taxes. Determine how much of the amount on federal Form 1040, line 7, was also reported on federal Schedule SE, Section B, line 5a. Subtract that amount from the amount on federal Form 1040, line 7, and enter the result in the first space of Step 6, line 2. Be sure to answer "Yes" to question 1 in Step 6.

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

Clergy. The following instructions apply to ministers, members of religious orders who have not taken a vow of poverty, and Christian Science practitioners. If you are filing federal Schedule SE and the amount on line 2 of that schedule includes an amount that was also reported on federal Form 1040, line 7;

1. Determine how much of the amount on federal Form 1040, line 7, was also reported on federal Schedule SE, Section A, line 2, or Section B, Line 2.
2. Subtract that amount from the amount on federal Form 1040, line 7. Enter the result in the first space of Step 6, line 2.
3. Be sure to answer "yes" to question 1 in Step 6.

Combat pay, nontaxable. If you were a member of the U.S. Armed Forces who served in a combat zone, certain pay is excluded from your income.

- If you included your combat pay when figuring your federal EIC, then enter the same amount in Step 6, line 2.
- If you did not include it when figuring your federal EIC, then do not enter any amount in Step 6, line 2.

Exception to "time lived with you" condition. A child is considered to have lived with you for all of 2013 if the child was born or died in 2013 and your home was this child's home for the entire time he or she was alive in 2013. Temporary absences, such as for school, vacation, medical care, or detention in a juvenile facility, count as time lived at home. If your child is presumed to have been kidnapped by someone who is not a family member, see Indiana's Pub. EIC to find out if that child is a qualifying child for the EIC. If you were in the military stationed outside the United States, see *Members of the military* on page 34.

Federal Form 4797 filers. If the amount on Form 1040, line 13, includes an amount from federal Form 4797, you must use Worksheet 1 in Indiana's Pub. EIC to see if you can take the EIC. Otherwise, **STOP**; you cannot take the EIC.

Foster child.

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

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

Married child. A child who was married at the end of 2013 is a qualifying child only if (a) you can claim him or her as your dependent on federal Form 1040 or 1040A, line 6c, or (b) you could have claimed him or her as your dependent except for the special rule for *Children of divorced or parents who lived apart*. Get Indiana's Pub. EIC for more information about this special rule.

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

Permanently and totally disabled. A person is permanently and totally disabled if, at any time during 2013, the person could not engage in any substantial gainful activity because of a physical or mental condition and a doctor has determined that this condition (a) has lasted or can be expected to last continuously for at least a year, or (b) can be expected to lead to death.

Qualifying child of more than one person. If the child meets the conditions to be a qualifying child of more than one person, only the person who had the **highest** modified adjusted gross income (MAGI) for 2013 may treat that child as a qualifying child. The other person(s) cannot take the EIC for people who do not have a qualifying child. If the other person is your spouse and you are filing a joint return, this rule does not apply. If you have the highest MAGI, this child is your qualifying child. If you do not have the highest MAGI, **STOP**; you cannot take the EIC. See Step 5 to figure your modified adjusted gross income.

Example. You and your 8-year-old daughter moved in with your mother in 2013. You are not a qualifying child of your mother. Your daughter meets the conditions to be a qualifying child for both you and your mother. Your MAGI for 2013 was $8,000 and your mother's was $14,000. Because your mother's MAGI was higher, your daughter is your mother's qualifying child for EIC purposes. You **cannot** figure an EIC using your child as a qualifying child, even if your mother does not claim the credit.

Social Security Number. Your child must have a valid Social Security number (SSN) unless the child was born and died in 2013. If your dependent child was born and died in 2013 and you do not have an SSN for the child, you will be able to claim the child for purposes of claiming Indiana's earned income credit as long as all the other requirements have been met. For more information, see the instructions on Schedule IN-EIC.

Student. A student is a child who, during any 5 months of 2013, was enrolled as a full-time student at a school that has a regular teaching staff, course of study, and regular student body at the school, or took a full-time, on-farm training course given by a school or a state, county, or local government agency. A school does not include a technical, trade or mechanical school. It does not include an on-the-job training course, correspondence school, or school offering courses only through the Internet.

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

***Indiana's Publication EIC**, available online at www.in.gov/dor/4878.htm, has additional information, including rules if you have a qualifying child, an investment income calculation worksheet, additional definitions, tiebreaker rules, etc.

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

Keep for your records

Before you begin: Be sure you are using the correct worksheet. Only use this worksheet if you answered "No" to Step 6, question 3. Instead, use the Worksheet B that follows this one.

Part 1: All filers using Worksheet A

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

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

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

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

5. If you have:
   - No qualifying children, is the amount on line 3 less than $8,050?
   - 1 or more qualifying children, is the amount on line 3 less than $17,600?

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

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

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

Part 3: Your Indiana earned income credit

6. This is the amount from Part 1 or Part 2 above. 6 ______________
7. If you have an alternative minimum tax on either your federal Form 1040, line 45, or included in the total on federal Form 1040A, line 28, then multiply that amount by 9 percent (.09) and enter the result here. 7 ______________
8. Subtract line 7 from line 6 (if zero or less, **STOP**. You cannot take a credit). Enter this amount here. 8 ______________
9. Enter the earned income credit claimed on your federal income tax return (Form 1040, line 64a; Form IT-40A, line 38a; or Form 1040EZ, line 8a) 9 ______________
10. Multiply line 9 by .09 (9%). Enter result here. 10 ______________
11. Look at the amount on line 8 and on line 10. Then, enter the **smaller** amount here and on Schedule IN-EIC, line A-3. **Indiana Earned Income Credit** 11 ______________

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

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

Keep for your records

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Part 4: All filers using Worksheet B

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

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

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

5. If you have:
   - 2 or more qualifying children, is line 4b less than $43,100?
   - 1 qualifying child, is line 4b less than $37,900?
   - No qualifying children, is line 4b less than $14,300?

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

No. STOP. You cannot take the credit.

Part 5: All filers using Worksheet B

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

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

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

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

No. Go to line 10.

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

10. If you have:
    - No qualifying children, is the amount on line 8 less than $8,050?
    - 1 or more qualifying children, is the amount on line 8 less than $17,600?

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

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

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

Part 7: Your Indiana earned income credit.

11. This is the amount from Part 5 or Part 6 above. 11 ____________
12. If you have an alternative minimum tax on either your federal Form 1040, line 45, or included in the total on federal Form 1040A, line 28, then multiply that amount by 9 percent (.09) and enter the result here. 12 ____________
13. Subtract line 12 from line 11 (if zero or less, **STOP**. You cannot take a credit). Enter this amount here. 13 ____________
14. Enter the earned income credit claimed on your federal income tax return (Form 1040, line 64a; Form IT-40A, line 38a; or Form 1040EZ, line 8a) 14 ____________
15. Multiply line 14 by .09 (9%). Enter result here. 15 ____________
16. Look at the amount on line 13 and on line 15. Then, enter the smaller amount here and on Schedule IN-EIC, line A-3. **Indiana Earned Income Credit** 16 ____________

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

2013 Indiana Earned Income Credit (EIC) Table

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

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

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

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

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

If the amount you are looking up from the worksheet is –		And you have –		
		No children	One child	Two children
At least	But less than	Your credit is –		
2000	2050	14	62	73
2050	2100	14	63	75
2100	2150	15	65	77
2150	2200	15	67	78
2200	2250	15	68	80
2250	2300	16	70	82
2300	2350	16	71	84
2350	2400	16	73	86
2400	2450	17	74	87
2450	2500	17	76	89
2500	2550	17	77	91
2550	2600	18	79	93
2600	2650	18	80	95
2650	2700	18	82	96
2700	2750	19	83	98
2750	2800	19	85	100
2800	2850	19	86	102
2850	2900	20	88	104
2900	2950	20	90	105
2950	3000	20	91	107
3000	3050	21	93	109
3050	3100	21	94	111
3100	3150	22	96	113
3150	3200	22	97	114
3200	3250	22	99	116
3250	3300	23	100	118
3300	3350	23	102	120
3350	3400	23	103	122
3400	3450	24	105	123
3450	3500	24	106	125
3500	3550	24	108	127
3550	3600	25	109	129
3600	3650	25	111	131
3650	3700	25	112	132
3700	3750	26	114	134
3750	3800	26	116	136
3800	3850	26	117	138
3850	3900	27	119	140
3900	3950	27	120	141
3950	4000	27	122	143

If the amount you are looking up from the worksheet is –		And you have –		
		No children	One child	Two children
At least	But less than	Your credit is –		
4000	4050	28	123	145
4050	4100	28	125	147
4100	4150	28	126	149
4150	4200	29	128	150
4200	4250	29	129	152
4250	4300	29	131	154
4300	4350	30	132	156
4350	4400	30	134	158
4400	4450	30	135	159
4450	4500	31	137	161
4500	4550	31	138	163
4550	4600	31	140	165
4600	4650	32	142	167
4650	4700	32	143	168
4700	4750	33	145	170
4750	4800	33	146	172
4800	4850	33	148	174
4850	4900	34	149	176
4900	4950	34	151	177
4950	5000	34	152	179
5000	5050	35	154	181
5050	5100	35	155	183
5100	5150	35	157	185
5150	5200	36	158	186
5200	5250	36	160	188
5250	5300	36	161	190
5300	5350	37	163	192
5350	5400	37	164	194
5400	5450	37	166	195
5450	5500	38	168	197
5500	5550	38	169	199
5550	5600	38	171	201
5600	5650	39	172	203
5650	5700	39	174	204
5700	5750	39	175	206
5750	5800	40	177	208
5800	5850	40	178	210
5850	5900	40	180	212
5900	5950	41	181	213
5950	6000	41	183	215

If the amount you are looking up from the worksheet is –		And you have –		
		No children	One child	Two children
At least	But less than	Your credit is –		
6000	6050	41	184	217
6050	6100	42	186	219
6100	6150	42	187	221
6150	6200	43	189	222
6200	6250	43	190	224
6250	6300	43	192	226
6300	6350	**44**	194	228
6350	6400	**44**	195	230
6400	6450	**44**	197	231
6450	6500	**44**	198	233
6500	6550	**44**	200	235
6550	6600	**44**	201	237
6600	6650	**44**	203	239
6650	6700	**44**	204	240
6700	6750	**44**	206	242
6750	6800	**44**	207	244
6800	6850	**44**	209	246
6850	6900	**44**	210	248
6900	6950	**44**	212	249
6950	7000	**44**	213	251
7000	7050	**44**	215	253
7050	7100	**44**	216	255
7100	7150	**44**	218	257
7150	7200	**44**	220	258
7200	7250	**44**	221	260
7250	7300	**44**	223	262
7300	7350	**44**	224	264
7350	7400	**44**	226	266
7400	7450	**44**	227	267
7450	7500	**44**	229	269
7500	7550	**44**	230	271
7550	7600	**44**	232	273
7600	7650	**44**	233	275
7650	7700	**44**	235	276
7700	7750	**44**	236	278
7750	7800	**44**	238	280
7800	7850	**44**	239	282
7850	7900	**44**	241	284
7900	7950	**44**	243	285
7950	8000	**44**	244	287

2013 Indiana Earned Income Credit (EIC) Table *– Continued*

If the amount you are looking up from the worksheet is –		And you have –		
		No children	One child	Two children
At least	But less than	Your credit is –		
8000	8050	**44**	246	289
8050	8100	43	247	291
8100	8150	43	249	293
8150	8200	43	250	294
8200	8250	42	252	296
8250	8300	42	253	298
8300	8350	42	255	300
8350	8400	41	256	302
8400	8450	41	258	303
8450	8500	41	259	305
8500	8550	40	261	307
8550	8600	40	262	309
8600	8650	40	264	311
8650	8700	39	265	312
8700	8750	39	267	314
8750	8800	38	269	316
8800	8850	38	270	318
8850	8900	38	272	320
8900	8950	37	273	321
8950	9000	37	275	323
9000	9050	37	276	325
9050	9100	36	278	327
9100	9150	36	279	329
9150	9200	36	281	330
9200	9250	35	282	332
9250	9300	35	284	334
9300	9350	35	285	336
9350	9400	34	287	338
9400	9450	34	288	339
9450	9500	34	290	341
9500	9550	33	291	343
9550	9600	33	**293**	345
9600	9650	33	**293**	347
9650	9700	32	**293**	348
9700	9750	32	**293**	350
9750	9800	32	**293**	352
9800	9850	31	**293**	354
9850	9900	31	**293**	356
9900	9950	31	**293**	357
9950	10000	30	**293**	359
10000	10050	30	**293**	361
10050	10100	30	**293**	363
10100	10150	29	**293**	365
10150	10200	29	**293**	366
10200	10250	29	**293**	368
10250	10300	28	**293**	370
10300	10350	28	**293**	372
10350	10400	27	**293**	374

If the amount you are looking up from the worksheet is –		And you have –		
		No children	One child	Two children
At least	But less than	Your credit is –		
10400	10450	27	**293**	375
10450	10500	27	**293**	377
10500	10550	26	**293**	379
10550	10600	26	**293**	381
10600	10650	26	**293**	383
10650	10700	25	**293**	384
10700	10750	25	**293**	386
10750	10800	25	**293**	388
10800	10850	24	**293**	390
10850	10900	24	**293**	392
10900	10950	24	**293**	393
10950	11000	23	**293**	395
11000	11050	23	**293**	397
11050	11100	23	**293**	399
11100	11150	22	**293**	401
11150	11200	22	**293**	402
11200	11250	22	**293**	404
11250	11300	21	**293**	406
11300	11350	21	**293**	408
11350	11400	21	**293**	410
11400	11450	20	**293**	411
11450	11500	20	**293**	413
11500	11550	20	**293**	415
11550	11600	19	**293**	417
11600	11650	19	**293**	419
11650	11700	19	**293**	420
11700	11750	18	**293**	422
11750	11800	18	**293**	424
11800	11850	17	**293**	426
11850	11900	17	**293**	428
11900	11950	17	**293**	429
11950	12000	16	**293**	431
12000	12050	16	**293**	433
12050	12100	16	**293**	435
12100	12150	15	**293**	437
12150	12200	15	**293**	438
12200	12250	15	**293**	440
12250	12300	14	**293**	442
12300	12350	14	**293**	444
12350	12400	14	**293**	446
12400	12450	13	**293**	447
12450	12500	13	**293**	449
12500	12550	13	**293**	451
12550	12600	12	**293**	453
12600	12650	12	**293**	455
12650	12700	12	**293**	456
12700	12750	11	**293**	458
12750	12800	11	**293**	460

If the amount you are looking up from the worksheet is –		And you have –		
		No children	One child	Two children
At least	But less than	Your credit is –		
12800	12850	11	**293**	462
12850	12900	10	**293**	464
12900	12950	10	**293**	465
12950	13000	10	**293**	467
13000	13050	9	**293**	469
13050	13100	9	**293**	471
13100	13150	9	**293**	473
13150	13200	8	**293**	474
13200	13250	8	**293**	476
13250	13300	8	**293**	478
13300	13350	7	**293**	480
13350	13400	7	**293**	482
13400	13450	6	**293**	**483**
13450	13500	6	**293**	**483**
13500	13550	6	**293**	**483**
13550	13600	5	**293**	**483**
13600	13650	5	**293**	**483**
13650	13700	5	**293**	**483**
13700	13750	4	**293**	**483**
13750	13800	4	**293**	**483**
13800	13850	4	**293**	**483**
13850	13900	3	**293**	**483**
13900	13950	3	**293**	**483**
13950	14000	3	**293**	**483**
14000	14050	2	**293**	**483**
14050	14100	2	**293**	**483**
14100	14150	2	**293**	**483**
14150	14200	1	**293**	**483**
14200	14250	1	**293**	**483**
14250	14300	1	**293**	**483**
14300	14350	0	**293**	**483**
14350	14400		**293**	**483**
14400	14450		**293**	**483**
14450	14500		**293**	**483**
14500	14550		**293**	**483**
14550	14600		**293**	**483**
14600	14650		**293**	**483**
14650	14700		**293**	**483**
14700	14750		**293**	**483**
14750	14800		**293**	**483**
14800	14850		**293**	**483**
14850	14900		**293**	**483**
14900	14950		**293**	**483**
14950	15000		**293**	**483**
15000	15050		**293**	**483**
15050	15100		**293**	**483**
15100	15150		**293**	**483**
15150	15200		**293**	**483**

If the amount you are looking up from the worksheet is –		And you have –		
		No children	One child	Two children
At least	But less than	Your credit is –		
15200	15250		**293**	**483**
15250	15300		**293**	**483**
15300	15350		**293**	**483**
15350	15400		**293**	**483**
15400	15450		**293**	**483**
15450	15500		**293**	**483**
15500	15550		**293**	**483**
15550	15600		**293**	**483**
15600	15650		**293**	**483**
15650	15700		**293**	**483**
15700	15750		**293**	**483**
15750	15800		**293**	**483**
15800	15850		**293**	**483**
15850	15900		**293**	**483**
15900	15950		**293**	**483**
15950	16000		**293**	**483**
16000	16050		**293**	**483**
16050	16100		**293**	**483**
16100	16150		**293**	**483**
16150	16200		**293**	**483**
16200	16250		**293**	**483**
16250	16300		**293**	**483**
16300	16350		**293**	**483**
16350	16400		**293**	**483**
16400	16450		**293**	**483**
16450	16500		**293**	**483**
16500	16550		**293**	**483**
16550	16600		**293**	**483**
16600	16650		**293**	**483**
16650	16700		**293**	**483**
16700	16750		**293**	**483**
16750	16800		**293**	**483**
16800	16850		**293**	**483**
16850	16900		**293**	**483**
16900	16950		**293**	**483**
16950	17000		**293**	**483**
17000	17050		**293**	**483**
17050	17100		**293**	**483**
17100	17150		**293**	**483**
17150	17200		**293**	**483**
17200	17250		**293**	**483**
17250	17300		**293**	**483**
17300	17350		**293**	**483**
17350	17400		**293**	**483**
17400	17450		**293**	**483**
17450	17500		**293**	**483**
17500	17550		**293**	**483**
17550	17600		**293**	**483**

2013 Indiana Earned Income Credit (EIC) Table *– Continued*

If the amount you are looking up from the worksheet is –		And you have –		
At least	But less than	No children	One child	Two children
		Your credit is –		
17600	17650		292	483
17650	17700		291	482
17700	17750		291	481
17750	17800		290	480
17800	17850		289	479
17850	17900		289	478
17900	17950		288	477
17950	18000		287	476
18000	18050		286	475
18050	18100		286	474
18100	18150		285	474
18150	18200		284	473
18200	18250		284	472
18250	18300		283	471
18300	18350		282	470
18350	18400		281	469
18400	18450		281	468
18450	18500		280	467
18500	18550		279	466
18550	18600		278	465
18600	18650		278	464
18650	18700		277	463
18700	18750		276	462
18750	18800		276	461
18800	18850		275	460
18850	18900		274	459
18900	18950		273	458
18950	19000		273	457
19000	19050		272	456
19050	19100		271	456
19100	19150		271	455
19150	19200		270	454
19200	19250		269	453
19250	19300		268	452
19300	19350		268	451
19350	19400		267	450
19400	19450		266	449
19450	19500		266	448
19500	19550		265	447
19550	19600		264	446
19600	19650		263	445
19650	19700		263	444
19700	19750		262	443
19750	19800		261	442
19800	19850		261	441
19850	19900		260	440
19900	19950		259	439
19950	20000		258	438

If the amount you are looking up from the worksheet is –		And you have –		
At least	But less than	No children	One child	Two children
		Your credit is –		
20000	20050		258	438
20050	20100		257	437
20100	20150		256	436
20150	20200		255	435
20200	20250		255	434
20250	20300		254	433
20300	20350		253	432
20350	20400		253	431
20400	20450		252	430
20450	20500		251	429
20500	20550		250	428
20550	20600		250	427
20600	20650		249	426
20650	20700		248	425
20700	20750		248	424
20750	20800		247	423
20800	20850		246	422
20850	20900		245	421
20900	20950		245	420
20950	21000		244	420
21000	21050		243	419
21050	21100		243	418
21100	21150		242	417
21150	21200		241	416
21200	21250		240	415
21250	21300		240	414
21300	21350		239	413
21350	21400		238	412
21400	21450		237	411
21450	21500		237	410
21500	21550		236	409
21550	21600		235	408
21600	21650		235	407
21650	21700		234	406
21700	21750		233	405
21750	21800		232	404
21800	21850		232	403
21850	21900		231	402
21900	21950		230	402
21950	22000		230	401
22000	22050		229	400
22050	22100		228	399
22100	22150		227	398
22150	22200		227	397
22200	22250		226	396
22250	22300		225	395
22300	22350		225	394
22350	22400		224	393

If the amount you are looking up from the worksheet is –		And you have –		
At least	But less than	No children	One child	Two children
		Your credit is –		
22400	22450		223	392
22450	22500		222	391
22500	22550		222	390
22550	22600		221	389
22600	22650		220	388
22650	22700		220	387
22700	22750		219	386
22750	22800		218	385
22800	22850		217	384
22850	22900		217	383
22900	22950		216	383
22950	23000		215	382
23000	23050		214	381
23050	23100		214	380
23100	23150		213	379
23150	23200		212	378
23200	23250		212	377
23250	23300		211	376
23300	23350		210	375
23350	23400		209	374
23400	23450		209	373
23450	23500		208	372
23500	23550		207	371
23550	23600		207	370
23600	23650		206	369
23650	23700		205	368
23700	23750		204	367
23750	23800		204	366
23800	23850		203	365
23850	23900		202	365
23900	23950		202	364
23950	24000		201	363
24000	24050		200	362
24050	24100		199	361
24100	24150		199	360
24150	24200		198	359
24200	24250		197	358
24250	24300		197	357
24300	24350		196	356
24350	24400		195	355
24400	24450		194	354
24450	24500		194	353
24500	24550		193	352
24550	24600		192	351
24600	24650		191	350
24650	24700		191	349
24700	24750		190	348
24750	24800		189	347

If the amount you are looking up from the worksheet is –		And you have –		
At least	But less than	No children	One child	Two children
		Your credit is –		
24800	24850		189	347
24850	24900		188	346
24900	24950		187	345
24950	25000		186	344
25000	25050		186	343
25050	25100		185	342
25100	25150		184	341
25150	25200		184	340
25200	25250		183	339
25250	25300		182	338
25300	25350		181	337
25350	25400		181	336
25400	25450		180	335
25450	25500		179	334
25500	25550		179	333
25550	25600		178	332
25600	25650		177	331
25650	25700		176	330
25700	25750		176	329
25750	25800		175	329
25800	25850		174	328
25850	25900		173	327
25900	25950		173	326
25950	26000		172	325
26000	26050		171	324
26050	26100		171	323
26100	26150		170	322
26150	26200		169	321
26200	26250		168	320
26250	26300		168	319
26300	26350		167	318
26350	26400		166	317
26400	26450		166	316
26450	26500		165	315
26500	26550		164	314
26550	26600		163	313
26600	26650		163	312
26650	26700		162	311
26700	26750		161	311
26750	26800		161	310
26800	26850		160	309
26850	26900		159	308
26900	26950		158	307
26950	27000		158	306
27000	27050		157	305
27050	27100		156	304
27100	27150		156	303
27150	27200		155	302

2013 Indiana Earned Income Credit (EIC) Table *– Continued*

If the amount you are looking up from the worksheet is –		And you have –		
At least	But less than	No children	One child	Two children
		Your credit is –		
27200	27250		154	301
27250	27300		153	300
27300	27350		153	299
27350	27400		152	298
27400	27450		151	297
27450	27500		150	296
27500	27550		150	295
27550	27600		149	294
27600	27650		148	293
27650	27700		148	293
27700	27750		147	292
27750	27800		146	291
27800	27850		145	290
27850	27900		145	289
27900	27950		144	288
27950	28000		143	287
28000	28050		143	286
28050	28100		142	285
28100	28150		141	284
28150	28200		140	283
28200	28250		140	282
28250	28300		139	281
28300	28350		138	280
28350	28400		138	279
28400	28450		137	278
28450	28500		136	277
28500	28550		135	276
28550	28600		135	275
28600	28650		134	275
28650	28700		133	274
28700	28750		133	273
28750	28800		132	272
28800	28850		131	271
28850	28900		130	270
28900	28950		130	269
28950	29000		129	268
29000	29050		128	267
29050	29100		127	266
29100	29150		127	265
29150	29200		126	264
29200	29250		125	263
29250	29300		125	262
29300	29350		124	261
29350	29400		123	260
29400	29450		122	259
29450	29500		122	258
29500	29550		121	257
29550	29600		120	257
29600	29650		120	256
29650	29700		119	255
29700	29750		118	254
29750	29800		117	253
29800	29850		117	252
29850	29900		116	251
29900	29950		115	250
29950	30000		115	249
30000	30050		114	248
30050	30100		113	247
30100	30150		112	246
30150	30200		112	245
30200	30250		111	244
30250	30300		110	243
30300	30350		109	242
30350	30400		109	241
30400	30450		108	240
30450	30500		107	239
30500	30550		107	238
30550	30600		106	238
30600	30650		105	237
30650	30700		104	236
30700	30750		104	235
30750	30800		103	234
30800	30850		102	233
30850	30900		102	232
30900	30950		101	231
30950	31000		100	230
31000	31050		99	229
31050	31100		99	228
31100	31150		98	227
31150	31200		97	226
31200	31250		97	225
31250	31300		96	224
31300	31350		95	223
31350	31400		94	222
31400	31450		94	221
31450	31500		93	220
31500	31550		92	220
31550	31600		92	219
31600	31650		91	218
31650	31700		90	217
31700	31750		89	216
31750	31800		89	215
31800	31850		88	214
31850	31900		87	213
31900	31950		86	212
31950	32000		86	211
32000	32050		85	210
32050	32100		84	209
32100	32150		84	208
32150	32200		83	207
32200	32250		82	206
32250	32300		81	205
32300	32350		81	204
32350	32400		80	203
32400	32450		79	202
32450	32500		79	202
32500	32550		78	201
32550	32600		77	200
32600	32650		76	199
32650	32700		76	198
32700	32750		75	197
32750	32800		74	196
32800	32850		74	195
32850	32900		73	194
32900	32950		72	193
32950	33000		71	192
33000	33050		71	191
33050	33100		70	190
33100	33150		69	189
33150	33200		69	188
33200	33250		68	187
33250	33300		67	186
33300	33350		66	185
33350	33400		66	184
33400	33450		65	184
33450	33500		64	183
33500	33550		63	182
33550	33600		63	181
33600	33650		62	180
33650	33700		61	179
33700	33750		61	178
33750	33800		60	177
33800	33850		59	176
33850	33900		58	175
33900	33950		58	174
33950	34000		57	173
34000	34050		56	172
34050	34100		56	171
34100	34150		55	170
34150	34200		54	169
34200	34250		53	168
34250	34300		53	167
34300	34350		52	166
34350	34400		51	166
34400	34450		51	165
34450	34500		50	164
34500	34550		49	163
34550	34600		48	162
34600	34650		48	161
34650	34700		47	160
34700	34750		46	159
34750	34800		45	158
34800	34850		45	157
34850	34900		44	156
34900	34950		43	155
34950	35000		43	154
35000	35050		42	153
35050	35100		41	152
35100	35150		40	151
35150	35200		40	150
35200	35250		39	149
35250	35300		38	148
35300	35350		38	148
35350	35400		37	147
35400	35450		36	146
35450	35500		35	145
35500	35550		35	144
35550	35600		34	143
35600	35650		33	142
35650	35700		33	141
35700	35750		32	140
35750	35800		31	139
35800	35850		30	138
35850	35900		30	137
35900	35950		29	136
35950	36000		28	135
36000	36050		28	134
36050	36100		27	133
36100	36150		26	132
36150	36200		25	131
36200	36250		25	130
36250	36300		24	130
36300	36350		23	129
36350	36400		22	128
36400	36450		22	127
36450	36500		21	126
36500	36550		20	125
36550	36600		20	124
36600	36650		19	123
36650	36700		18	122
36700	36750		17	121
36750	36800		17	120

2013 Indiana Earned Income Credit (EIC) Table – *Continued*

If the amount you are looking up from the worksheet is –		And you have –		
		No children	One child	Two children
At least	But less than	Your credit is –		
36800	36850		16	119
36850	36900		15	118
36900	36950		15	117
36950	37000		14	116
37000	37050		13	115
37050	37100		12	114
37100	37150		12	113
37150	37200		11	112
37200	37250		10	112
37250	37300		10	111
37300	37350		9	110
37350	37400		8	109
37400	37450		7	108
37450	37500		7	107
37500	37550		6	106
37550	37600		5	105
37600	37650		5	104
37650	37700		4	103
37700	37750		3	102
37750	37800		2	101
37800	37850		2	100
37850	37900		1	99
37900	37950		0	98
37950	38000		0	97
38000	38050		0	96
38050	38100			95
38100	38150			94
38150	38200			94
38200	38250			93
38250	38300			92
38300	38350			91
38350	38400			90
38400	38450			89
38450	38500			88
38500	38550			87
38550	38600			86
38600	38650			85
38650	38700			84
38700	38750			83
38750	38800			82
38800	38850			81
38850	38900			80
38900	38950			79
38950	39000			78
39000	39050			77
39050	39100			76
39100	39150			75
39150	39200			75

If the amount you are looking up from the worksheet is –		And you have –		
		No children	One child	Two children
At least	But less than	Your credit is –		
39200	39250			74
39250	39300			73
39300	39350			72
39350	39400			71
39400	39450			70
39450	39500			69
39500	39550			68
39550	39600			67
39600	39650			66
39650	39700			65
39700	39750			64
39750	39800			63
39800	39850			62
39850	39900			61
39900	39950			60
39950	40000			59
40000	40050			58
40050	40100			57
40100	40150			57
40150	40200			56
40200	40250			55
40250	40300			54
40300	40350			53
40350	40400			52
40400	40450			51
40450	40500			50
40500	40550			49
40550	40600			48
40600	40650			47
40650	40700			46
40700	40750			45
40750	40800			44
40800	40850			43
40850	40900			42
40900	40950			41
40950	41000			40
41000	41050			39
41050	41100			39
41100	41150			38
41150	41200			37
41200	41250			36
41250	41300			35
41300	41350			34
41350	41400			33
41400	41450			32
41450	41500			31
41500	41550			30
41550	41600			29

If the amount you are looking up from the worksheet is –		And you have –		
		No children	One child	Two children
At least	But less than	Your credit is –		
41600	41650			28
41650	41700			27
41700	41750			26
41750	41800			25
41800	41850			24
41850	41900			23
41900	41950			22
41950	42000			21
42000	42050			21
42050	42100			20
42100	42150			19
42150	42200			18
42200	42250			17
42250	42300			16
42300	42350			15
42350	42400			14
42400	42450			13
42450	42500			12
42500	42550			11
42550	42600			10
42600	42650			9
42650	42700			8
42700	42750			7
42750	42800			6
42800	42850			5
42850	42900			4
42900	42950			3
42950	43000			3
43000	43050			2
43050	43100			1

Line 6 – Lake County (Indiana) residential income tax credit

You may be eligible to claim a Lake County (Indiana) residential income tax credit if you meet all three of the following requirements.

1. **You paid property tax to Lake County (Indiana) during 2013 on your residence.** Your "residence" is your principal dwelling. You must either own or be buying the residence under contract, and must pay property tax to Lake County (Indiana) on that residence.

2. **Your earned income must be less than $18,600.** Earned income is the combination of your (and your spouse's, if filing a joint return) wages, salaries, tips and other compensation, plus net earnings from self-employment (income on which you are required to pay self-employment tax on federal Schedule SE). Note: Income from pensions, interest, dividends, Social Security, etc., are not classified as earned income.

Example. Sue has $17,000 wage income, $300 interest income and $7,000 pension income. Even though her total income is $24,300, Sue will qualify for the credit because her earned income is less than $18,600 (it is $17,000).

Important: You are not required to have earned income to be eligible for this credit.

Example. Dale receives $17,000 pension income, $3,000 Social Security income, and $100 interest income. He meets the income eligibility requirement because his earned income is less than $18,600 (it is zero).

3. **You are not claiming the homeowner's residential property tax deduction on Indiana Schedule C, line 2.**

How do I figure my credit?

Step 1 Did you pay property tax to Lake County (Indiana) on your residence for 2013? ☐ Yes ☐ No

- If you answered yes, continue to Step 2.
- If you answered no, **STOP**. You do not qualify for this credit.

Step 2 Enter your earned income. This will include your and your spouses, if filing a joint return) wage, salary, tip and other compensation, plus net earnings from self-employment.

$ ______________

Step 3

- If the amount in Step 2 is greater than $18,600, STOP. You do not qualify for this credit.
- If the Step 2 amount is **less than** $18,000, skip to **Worksheet A.**
- If the Step 2 amount is between $18,000 and $18,600, skip to **Worksheet B**.

Worksheet A:

Complete if your earned income is **less than** $18,000.

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

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

A3 Enter the **smaller** of A1 or A2. This is your credit. Enter here and on Schedule F, line 6 .... **A3** $ ______________

Worksheet B: Earned income phaseout

Complete if your earned income is between $18,000 and $18,600.

B1 Allowable maximum earned income.... **B1** $ 18,600

B2 Enter your earned income from Step 2 above.. **B2** $ ______________

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

B4 Multiply the amount on B3 by .5 .... **B4** $ ______________

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

B6 Enter the **smaller** of B4 or B5. This is your credit. Enter here and on Schedule F, line 6 .... **B6** $ ______________

Important: Remember, you can claim either this credit OR the homeowner's residential property tax deduction on Schedule C, line 2, but not both.

Lines 7 and 8:

- **Economic development for a growing economy credit (EDGE)**
- **Economic development for a growing economy retention credit (EDGE-R)**

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

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

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

To claim these credits you must complete and enclose Schedule IN-EDGE or Schedule IN-EDGE-R, which are located online at www.in.gov/dor/4878.htm. The information to be reported on Schedule IN-EDGE or Schedule IN-EDGE-R is located on the Indiana Schedule IN K-1 or on the approved credit agreement letter from the IEDC.

Schedule G: Offset Credits

Note: The following credits cannot be refunded; their purpose is to help reduce your state and/or county tax liabilities. See the *Combined Limitation* areas after the instructions for line 3 (on page 45) and line 6 instructions (on page 52).

Line 1 – Credit for local taxes paid outside of Indiana

If you figured county tax on Form IT-40PNR, line 9, and had to pay a local income tax outside Indiana, you may be able to take a credit. This credit applies only if the tax you paid outside Indiana was to another city, county, town, or other local governmental entity - and they did not refund the tax or give you a credit for Indiana county tax.

(R17 / 9-13)

Rate Conversion Chart

Use these rates when figuring a credit for local taxes paid outside of Indiana (Schedule G, line 1).

County Name	A County Resident Rate	B County Nonresident Rate
Adams	.006	.0015
Allen	.006875*	.0017188*
Bartholomew	.01	.0025
Benton	.02	.0025
Blackford	.01	.0025
Boone	.01	.0025
Brown	.0195	.0025
Carroll	.015539	.0025
Cass	.0225	.0025
Clark	.015	.0025
Clay	.0225	.0025
Clinton	.015	.0025
Crawford	.0075	.0025
Daviess	.0125	.0025
Dearborn	.006	.0015
Decatur	.01	.0025
DeKalb	.01	.0025
Delaware	.006	.0015
Dubois	.006	.0015
Elkhart	.0125	.0025
Fayette	.02	.005
Floyd	.0075	.0025
Fountain	.01	.0025
Franklin	.01	.0025
Fulton	.015	.0025
Gibson	(Cannot take credit)**	
Grant	.02	.005
Greene	.01	.0025
Hamilton	.01	.0025
Hancock	.0145*	.0025
Harrison	.0075	.0025
Hendricks	.0115	.0025
Henry	.01	.0025
Howard	.014	.0035
Huntington	.015	.0025
Jackson	.011	.0025
Jasper	.028265*	.0025
Jay	.021	.0025
Jefferson	(Cannot take credit)**	
Jennings	.01	.0025
Johnson	.01	.0025
Knox	.006	.0015
Kosciusko	.007	.00175
LaGrange	.01	.0025
Lake	.003125*	.000625*
LaPorte	.005	.0025
Lawrence	.0175	.0025
Madison	.0175*	.004375*

County Name	A County Resident Rate	B County Nonresident Rate
Marion	.0162	.00405
Marshall	.0125	.0025
Martin	.013	.00325
Miami	.021	.00525
Monroe	.0105	.002625
Montgomery	.02	.005
Morgan	.0245	.0025
Newton	.01	.0025
Noble	.01	.0025
Ohio	.01	.0025
Orange	.01	.0025
Owen	.01	.0025
Parke	.018	.0025
Perry	.005	.00125
Pike	(Cannot take credit)**	
Porter	(Cannot take credit)**	
Posey	.005	.00125
Pulaski	.027	.0025
Putnam	.01	.0025
Randolph	.01	.0025
Ripley	.01	.0025
Rush	.01	.0025
St. Joseph	.0135	.003375
Scott	.0125	.003125
Shelby	.01	.0025
Spencer	.003	.00075
Starke	.005	.0025
Steuben	.015	.0025
Sullivan	(Cannot take credit)**	
Switzerland	.01	.0025
Tippecanoe	.006	.0015
Tipton	.0125	.0025
Union	.0125	.0025
Vanderburgh	.01	.0025
Vermillion	(Cannot take credit)**	
Vigo	.0075	.0025
Wabash	.024	.0025
Warren	.018	.0025
Warrick	(Cannot take credit)**	
Washington	.01125*	.0025
Wayne	.0125	.0025
Wells	.0165	.0025
White	.01	.0025
Whitley	.01	.0025

* These rates have changed since last year.

** Gibson, Jefferson, Pike, Porter, Sullivan, Vermillion and Warrick counties have adopted CEDIT only, not CAGIT or COIT.

The credit can be used to reduce your Indiana county tax if it is the County Adjusted Gross Income Tax or the County Option Income Tax. It cannot be used to reduce any County Economic Development Income Tax.

Step 1: Figuring your rate: If your Jan. 1, 2013, county of residence has a rate on the *Rate Conversion Chart* on page 44, use the rate in Column A to figure your credit.

If your Jan. 1, 2013, county of residence does not have a rate on the *Rate Conversion Chart* on page 44, but the Jan. 1, 2013, county where you worked has a rate on the *Rate Conversion Chart*, use the rate in Column B to figure your credit.

Step 2: Figuring your credit. Complete lines A, B and C.

A. Enter the amount of tax paid to the non-Indiana locality .... **A** ____________
B. Multiply the amount of income taxed by the non-Indiana locality by the rate from Step 1 .. B ____________
C. Enter the amount of Indiana county income tax shown on Form IT-40PNR, line 9............. **C** ____________

The amount of the credit is the lesser of the amounts on A, B or C.

Note: See the **Combined Limitation** in the next column.

Important: You must enclose either a copy of your W-2s showing the non-Indiana locality amount withheld or a copy of the non-Indiana locality tax return.

Remember, you can use this credit only if you have both a county tax amount on Form IT-40PNR, line 9, and a local income tax that you had to pay outside Indiana.

Line 2 – County credit for the elderly (age 65 or older) or permanently disabled

If you take a credit on federal Schedule R, Credit for the Elderly or the Disabled, and you owe county tax, you may be allowed a credit.

Use the following steps to figure your credit.

A. Enter your county tax rate (from Schedule CT-40PNR, Section 1 line 4, or Section 2 line 6) .... **A** __________
B. Divide line A by .15, round to 3 places, and enter result here .... **B** __________
C. Enter credit from federal Schedule R .... **C** __________
D. Multiply B times C and enter result here .... **D** __________
E. Enter the amount of Indiana county tax shown on Form IT-40PNR, line 9 .... **E** __________

The amount of the county credit for the elderly is the lesser of the amount on D or E. Keep a copy of your federal Schedule R as the department may request it at a later time.

Example. Melinda is 67 years old. She is entitled to a credit of $550 on federal Schedule R. Her county tax rate is .015, so the amount on Line B of the worksheet is .10. Her county tax due is $60. Melinda's county credit for the elderly is $55 (the lesser of [$550 x .10 = $55] or $60).

Note: See the **Combined Limitation** below.

Line 3 – Other local credits

Both of the following credits have been assigned a three-digit code number. When claiming the credit on Schedule G under line 3, enter the name of the credit, the three-digit code number and the amount claimed.

Community revitalization enhancement district credit 808

A state and local income tax liability credit is available for a qualified investment made within a community revitalization enhancement district. This credit is available to pass-through entities, such as members of partnerships and S corporations, and is nonrefundable and cannot be carried back. You may carry forward any excess credit to the next tax year. The allowable credit is the lesser of the available credit, or the county tax due on line 9 of Form IT-40PNR. Also, claim any unused amount (within certain limitations) on Schedule G under line 6 (see instructions for this credit on page 48). Contact the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN, 46204 for additional information.

Note: See the **Restriction for certain tax credits - Limited to one per project** and the **Combined Limitation** below for additional limitations. Enter code 808 under line 3 if claiming this credit.

Restriction for certain tax credits - Limited to one per project

A taxpayer may not be granted more than one credit for the same project. The credits that are included are the alternative fuel vehicle manufacturer credit, community revitalization enhancement district credit, enterprise zone investment cost credit, Hoosier business investment credit, industrial recovery credit, military base investment cost credit and the military base recovery credit.

For more information see Commissioner's Directive #29 at www.in.gov/dor/3617.htm. Apply this restriction first when figuring your credits. Then apply the following **Combined Limitation**.

Combined Limitation: There is one final limitation if you claim more than one credit on lines 1 through 3 of Schedule G. These credits, *when combined*, cannot be greater than the county tax shown on Form IT-40PNR line 9; if they are, adjust the amounts before you enter them. See the following *Order of Application* and examples for guidance.

Order of Application

First, use the credits which cannot be carried over and applied against your county tax in another year. These credits include the county credit for the elderly and the credit for local taxes paid outside Indiana. Then, use any community revitalization enhancement district credit.

How to adjust the amount of credit to be entered (example)

Example. Megan is eligible to claim a $100 credit for local taxes paid outside Indiana plus a $200 community revitalization enhancement district credit (CREED), for a $300 total amount in offset credits. Her county tax due (IT-40PNR, line 9) is $160. Since her combined credits are $140 more than her county tax due, she should reduce the last entry (the $200 CREED credit) by the $140 difference to $60. She will enter the full $200 credit for local taxes paid outside Indiana on Schedule G, line 1, and the $60 limited CREED credit on line 3a. Note: Megan may use the $140 remaining CREED credit to offset any state tax due on this year's tax return (IT-40PNR, line 8). See additional instructions for the CREED credit on page 48.

Line 4 – College credit

If you donated money or property to an Indiana college or university, you may be able to take a credit of up to $100 on a single return or $200 on a joint return. To claim this credit you must complete and attach Schedule CC-40. Contact the department to get more information and the Schedule CC-40 at www.in.gov/dor/4878.htm and Income Tax Information Bulletin #14 at www.in.gov/dor/3650.htm. You must maintain documentation of your contributions as the department can require you to provide this information at a later date.

Note: Tuition paid to a college or university is not a contribution, and does not qualify for this credit. Also, see the **Combined Limitation** on page 52.

Line 5 – Credit for taxes paid to other states

If you received income from another state while you were an Indiana resident, you must report that income on your Indiana income tax return. You may be able to take a credit for taxes paid to another state. If you had income from another state, and had to pay taxes to that state, read the following instructions carefully.

If you were an Indiana resident during part or all of 2013 and had income from any of the states listed in Group A below, you should first find out what the other state's rules are concerning the taxation of your income.

Group A

No Agreement (Credit taken on resident return)

Alabama	Maine	New York
Arkansas	Maryland	North Carolina
Colorado	Massachusetts	North Dakota
Connecticut	Minnesota	Oklahoma
Delaware	Mississippi	Rhode Island
Georgia	Missouri	South Carolina
Hawaii	Montana	Tennessee*
Idaho	Nebraska	Utah
Illinois	New Hampshire*	Vermont
Iowa	New Jersey	Virginia
Kansas	New Mexico	West Virginia
Louisiana	Any foreign countries or U.S. possessions	

*Capital gain, interest, and dividends only.

Group A Worksheet

A. Enter the amount of tax paid to the other state. (This does not mean the tax withheld from your wages, but the actual tax figured on the other state's return) .... A ________

B. Multiply the amount of income from the other state (that is subject to Indiana tax) by 3.4% (.034) .... B ________

C. Enter the amount of Indiana state income tax shown on Form IT-40PNR line 8 .... C ________

The lesser of the amounts on A, B or C is your allowable credit for taxes paid to other states.

You must attach a copy of the income tax return (not just the W-2 forms) you filed with the other state to claim this credit. If the other state's return is not attached, the credit will not be allowed. Likewise, if you have a foreign tax credit, complete the Group A Worksheet and attach federal Form 1116. If Form 1116 was not required, attach Forms 1099-INT and/or 1099-DIV (or a substitute statement) to verify the foreign tax and amount of income being taxed.

Exception: **Gambling winnings** from other states. If, during your Indiana residency, you had gambling winnings from another state, and you are not required to file a return with that state, attach the W-2G issued by that state. Use the amount of state tax withheld by that state on Line A of the Group A Worksheet.

Group B

Reciprocal Agreement (Wages, Salaries, Tips, and Commissions Only)

Kentucky	Michigan	Ohio
Pennsylvania	Wisconsin	

If you were an Indiana resident during the tax year and had income from one of the states listed in Group B, you are covered by a reciprocal agreement. However, this agreement only applies to income from wages, salaries, tips and commissions. If you had other types of income from these states (such as business income, farm income, etc.), use the Group A Worksheet to figure your credit.

Normally, employers in these states will withhold Indiana state tax from your wages because of the reciprocal agreement. However, if the state tax they withheld is not for Indiana, you must file a claim for refund with that state. You still have to include this income on your Indiana return and pay the Indiana tax. You will get some or all of the other state's taxes back by filing a refund claim with them.

If you were a full-resident of one of the reciprocal states and had other types of income from Indiana, or were a part-year Indiana resident, you will need to file form IT-40PNR.

Note. Winnings from Indiana **riverboats** and **lotteries** are not eligible for the reciprocal agreement.

Caution: You may have to make estimated tax payments to Indiana. If the reciprocal state employer does not withhold Indiana withholding on your wage income, or does not withhold enough, see page 30 for Schedule F, line 3 instructions for information on how to figure and pay estimated tax.

If you were a full-year resident of one of the reciprocal states and your only income from Indiana was from wages, salaries, tips, and commissions, you should file Form IT-40RNR, Reciprocal Nonresident Income Tax Return. If you were a resident of one of the reciprocal states and had other types of income from Indiana, or were a part-year Indiana resident, you will need to file Form IT-40PNR.

Group C

Reverse Credit (Credit taken on nonresident return)

Arizona California Oregon Washington D.C.

If you were an Indiana resident during 2013 and had income from one of the states in Group C, you must pay Indiana tax on all your income. You will also need to file a nonresident return with the other state and claim a credit on their tax return for the Indiana tax paid.

If you were a resident of a Group C state and had income from Indiana, you must file an Indiana nonresident return, figure your tax, and then claim a credit for taxes paid to other states on the Indiana nonresident return. Make sure to attach a copy of the other state's return to substantiate the credit.

Group D

No State Income Tax (No credit allowed)

Alaska	Florida	Nevada
South Dakota	Texas	Washington
Wyoming		

If you were an Indiana resident during 2013 and had income from one of the states in Group D, you are not allowed to claim this credit. These states do not have an income tax. You must file an Indiana resident return and pay Indiana tax on all your income.

Note: See the **Combined Limitation** on page 52.

Line 6 – Other credits

Each of the following credits has been assigned a three-digit code number. When claiming the credit on Schedule G under line 6, enter the name of the credit, the three-digit code number and the amount claimed.

About airport development zone credits

Certain areas within Indiana have been designated as airport development zones (ADZ). These zones are established to encourage investment and job growth in distressed urban areas.

Who is eligible to claim these credits?

Sole proprietors who operate and/or invest in a business located in a zone, and/or businesses organized as partnerships, S corporations and fiduciaries (who may pass through airport development zone credits to their partners or shareholders) are eligible to claim the airport development zone employment expense credit and/or the airport development zone loan interest credit. Contact the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN, 46204, or visit their website at http://iedc.in.gov/ for more information about these credits.

Airport development zone employment expense credit 800

This credit is based on qualified investments made within Indiana. It is the lesser of 10 percent of qualifying wages, or $1,500 per qualified employee, up to the amount of tax liability on income derived from the airport development zone.

For more information, and how to calculate this credit, see Income Tax Information Bulletin #66 at www.in.gov/dor/3650.htm and Indiana Schedule EZ, Parts 1, 2 and 3 at www.in.gov/dor/3515.htm. Enter code 800 under line 6 if claiming this credit. Also, see the **Combined Limitation** on page 52.

Airport development zone investment cost credit 801

This credit is based on qualified investments made within Indiana. It can be up to a maximum of 30 percent of the investment, depending on the number of employees, the type of business and the amount of investment in an airport development zone.

For more information about this credit see Income Tax Information Bulletin #66 at www.in.gov/dor/3650.htm, contact the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN, 46204, call (317) 232-8827, or visit their website at http://iedc.in.gov/. Enter code 801 under line 6 if claiming this credit. Also, see the **Combined Limitation** on page 52.

Airport development zone loan interest credit 802

This credit can be for up to five percent of the interest received from all qualified loans made during a tax year for use in an Indiana airport development zone.

For more information on how to calculate this credit, see Income Tax Information Bulletin #66 at www.in.gov/dor/3650.htm and Indiana Schedule LIC at www.in.gov/dor/3515.htm. Enclose a substitute Schedule LIC (as modified to reflect ADZ entries) if claiming this credit. Enter code 802 under line 6 if claiming this credit. Also, see the **Combined Limitation** on page 52.

Alternative fuel vehicle manufacturer credit 845

A credit is available for qualified investments made within Indiana that foster job creation, reduce dependency on foreign oil and reduce pollution. A person who proposes a project to manufacture or assemble alternative fuel vehicles may apply to the Indiana Economic Development Corporation before the qualified investment is made. A certificate of verification from the IEDC must be enclosed when claiming the credit. For additional information, contact the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN 46204, call (317) 232-8827, or visit their website at http://iedc.in.gov/. Also, get Income Tax Information Bulletin #103 at www.in.gov/dor/3650.htm.

Enter code 845 under line 6 if claiming this credit. Also, see the **Restriction for Certain Tax Credits - Limited to One per Project** and the **Combined Limitation** on pages 51 and 52 for additional limitations.

Blended biodiesel credit 803

Credits are available for taxpayers who produce biodiesel and/or blended biodiesel at an Indiana facility, and for dealers who sell blended biodiesel at retail. Pass-through entities are eligible for this credit. An approved Form BD-100 must be enclosed to verify the claimed credit.

For more information, contact the Indiana Economic Development Corporation, Biodiesel Credit Certification, One North Capitol, Suite 700, Indianapolis, IN, 46204, call (317) 232-8827, or visit their website at http://iedc.in.gov/. Also, see Income Tax Information Bulletin #91 at www.in.gov/dor/3650.htm for additional information. Enter code 803 under line 6 if claiming this credit. Also, see the **Combined Limitation** on page 52.

Indiana's CollegeChoice 529 education savings plan credit 837

You may be eligible for a credit for contributions made to Indiana's CollegeChoice 529 education savings plan. While there are many 529 college savings plans available both in Indiana and nation-wide, only contributions made to this specific *CollegeChoice 529 education savings plan* are eligible for this credit.

For more information about this credit, see Income Tax Information Bulletin #98 at www.in.gov/dor/3650.htm. This plan is administered through the Indiana Education Savings Authority. More information can be obtained online at www.in.gov/tos/iesa and at www.collegechoiceplan.com. See Schedule IN-529 at www.in.gov/dor/4878.htm to figure your credit. This schedule must be enclosed when claiming the credit. Enter code 837 under line 6 if claiming this credit. Also, see the **Combined Limitation** on page 52.

Coal combustion product credit 805

A manufacturer who uses coal combustion products (byproduct resulting from the combustion of coal in an Indiana facility) for the manufacturing of recycled components may be eligible for this credit. Pass-through entities are eligible for this credit. An approved Form CCP-100 must be enclosed to verify the claimed credit. For more information, contact the Indiana Department of Revenue, Coal Combustion Credit, Room N203, 100 N. Senate Ave., Indianapolis, IN, 46204, or call (317) 232-2339. Enter code 805 under line 6 if claiming this credit. Also, see the **Combined Limitation** on page 52.

Coal gasification technology investment credit 806

A credit may be available for a qualified investment in an integrated coal gasification power plant or a fluidized bed combustion technology. This credit is available to pass-through entities, such as members of partnerships and S corporations. You must file an application for certification with the Indiana Economic Development Corporation (IEDC). For more information, contact the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN, 46204, or visit their website at http://iedc.in.gov/. Also, see Income Tax Information Bulletin #99 at www.in.gov/dor/3650.htm for more information. Enter code 806 under line 6 if claiming this credit. Enclose the certificate of compliance issued by IEDC to support this credit. Also, see the **Combined Limitation** on page 52.

Community revitalization enhancement district credit 808

See the Schedule G line 3 instructions for details about this credit. This credit is available to offset **both** your state and local tax liabilities, and any unused remainder is available to be carried forward. Pass-through entities are eligible for this credit. If you did not use all of the available community revitalization enhancement district credit on Schedule G, line 3, the remaining credit should be claimed on this line. For more information, contact the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN, 46204, or visit their website at http://iedc.in.gov/.

Note: If you have not used all of the community revitalization enhancement district credit, the unused portion should be carried over to next year's tax return.

Enter code 808 under line 6 if claiming this credit. Also, see the **Restriction for Certain Tax Credits - Limited to One per Project** and the **Combined Limitation** on pages 51 and 52 for additional limitations.

Employer health benefit plan credit

This credit will not be awarded after 2011. Any tax credit previously awarded but not claimed must be carried forward to a taxable year that begins after December 31, 2013, and before January 1, 2016.

About enterprise zone credits

Certain areas within Indiana have been designated as enterprise zones. Enterprise zones are established to encourage investment and job growth in distressed urban areas. Use this website to look up contact information for a particular enterprise zone: www.aiez.org/directory.html.

Sole proprietors who operate and/or invest in a business located in a zone and pass-through entities are eligible to claim the enterprise zone employment expense credit and/or the enterprise zone loan interest credit. Contact the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN, 46204, or visit their website at http://iedc.in.gov/ for more information about these credits.

Enterprise zone employment expense credit 812
This credit is based on qualified investments made within Indiana. It is the lesser of 10 percent of qualifying wages, or $1,500 per qualified employee, up to the amount of tax liability on income derived from the enterprise zone.

For more information see Income Tax Information Bulletin #66 at www.in.gov/dor/3650.htm and Indiana Schedule EZ, Parts 1, 2 and 3 at www.in.gov/dor/3515.htm. Also, contact the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN, 46204, call (317) 232-8827, or visit their website at http://iedc.in.gov/. Schedule EZ must be enclosed if claiming this credit. Enter code 812 under line 6 if claiming this credit. Also, see the **Combined Limitation** on page 52.

Enterprise zone investment cost credit 813
This credit is based on qualified investments made within Indiana. It can be up to a maximum of 30 percent of the investment, depending on the number of employees, the type of business and the amount of investment in an enterprise zone.

For more information about this credit, see Income Tax Information Bulletin #66 at www.in.gov/dor/3650.htm and contact the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN, 46204, or visit their website at: http://iedc.in.gov/.

Enter code 813 under line 6 if claiming this credit. Also, see the **Restriction for Certain Tax Credits - Limited to One per Project** and the **Combined Limitation** on pages 51 and 52 for additional limitations.

Enterprise zone loan interest credit 814
This credit can be for up to five percent of the interest received from all qualified loans made during a tax year for use in an Indiana enterprise zone.

For more information, and how to calculate this credit, get Income Tax Information Bulletin #66 at www.in.gov/dor/3650.htm and Indiana Schedule LIC at www.in.gov/dor/3515.htm. Note: Schedule LIC must be enclosed if claiming this credit. Contact the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN, 46204, call (317) 232-8827, or visit their website at http://iedc.in.gov/ for additional information. Enter code 814 under line 6 if claiming this credit. Also, see the **Combined Limitation** on page 52.

Ethanol production credit 815
An Indiana facility with a capacity to produce 40 million gallons of grain ethanol per year may be eligible for this credit. Proof of information for the credit calculation, plus a copy of the Certificate of Qualified Facility issued by the Indiana Recycling and Energy Development Board, must be enclosed to verify this credit. This credit is available to pass-through entities, such as members of partnerships and S corporations.

File an Application for Ethanol Credit Certification, State Form 52302, with the Indiana Economic Development Corporation, Ethanol Credit Certification, One North Capitol, Suite 700, Indianapolis, IN, 46204, call them at (317) 232-8827, or visit their website at http://iedc.in.gov/ for additional information. Also, see Income Tax Information Bulletin #93 at www.in.gov/dor/3650.htm for more information. Enter code 815 under line 6 if claiming this credit. Also, see the **Combined Limitation** on page 52.

Headquarters relocation credit 818
A business with annual worldwide revenue of $100 million, and at least 75 employees, that relocates its corporate headquarters to Indiana may be eligible for a credit. The credit may be as much as 50 percent of the cost incurred in relocating the headquarters. For more information, including limitations and the application process, see Income Tax Information Bulletin #97 at www.in.gov/dor/3650.htm. Enter code 818 under line 6 if claiming this credit. Also, see the **Combined Limitation** on page 52.

Historic building rehabilitation credit 819
An historic building rehabilitation credit is available for the rehabilitation or preservation of an historic building that is listed on the Indiana Register of Historic Sites and Structures, is at least 50 years old and is income-producing. The cost of rehabilitation or preservation must also exceed $10,000. A credit of 20 percent of the cost of the qualified rehabilitation or preservation expenses may be taken against your state income tax liability. Any unused balance of the credit may be carried forward for up to 15 years. Those eligible to claim this credit include an individual, corporation, S corporation, partnership, limited liability company, limited liability partnership, nonprofit organization and/or joint venture.

To qualify for the credit, you must obtain certification from the Division of Historic Preservation and Archaeology, Indiana Department of Natural Resources. For additional information, you may call the Department of Natural Resources at (317) 232-1646, visit their website at www.in.gov/dnr/historic and see Income Tax Information Bulletin #87 at www.in.gov/dor/3650.htm.

Enter code 819 under line 6 if claiming this credit and enclose the certification from the Division of Historic Preservation and Archaeology to your return. Also, see the **Combined Limitation** on page 52.

Hoosier business investment credit 820
This credit is for qualified investments, which include the purchase of new telecommunications, production, manufacturing, fabrication, processing, refining or finishing equipment. Pass-through entities are eligible for this credit. This credit is administered by the Indiana Economic Development Corporation (IEDC), One North Capitol, Suite 700, Indianapolis, IN, 46204. Visit the IEDC website at http://iedc.in.gov/ or call (317) 234-4046 for additional information.

See Income Tax Information Bulletin #95 at www.in.gov/dor/3650.htm for more information.

Note: See the **Restriction for Certain Tax Credits - Limited to One Per Project** and the **Combined Limitation** on pages 51 and 52 for additional limitations.

Enter code 820 under line 6 if claiming this credit. Maintain with your records a copy of the certificate from the IEDC verifying your share of the tax credit.

Indiana's research expense credit 822

Indiana has a research expense credit that is similar to the federal credit for research and experimental expenses paid in carrying on your trade or business in Indiana. S corporations and partnerships may pass through the credit to their shareholders and partners. Enclose your schedule IN K-1 to support your claim.

A completed Form IT-20REC must be kept with your records as the department can require you to provide this information. Get Form IT-20REC at www.in.gov/dor/4570.htm. Enter code 822 under line 6 if claiming this credit. Also, see the **Combined Limitation** on page 52.

Individual development account credit 823

A credit is available for contributions made to a community development corporation participating in an Individual Development Account (IDA) program. The IDA program is designed to assist qualifying low-income residents to accumulate savings and build personal finance skills. Applications for the credit are filed through the community development corporation by using Form IDA-10/20. An approved Form IDA-20 must be enclosed with your return if claiming this credit. To request additional information about the definitions, procedures and qualifications for obtaining this credit, contact: Indiana Housing and Community Development Authority, 30 S. Meridian St., Suite 1000, Indianapolis, IN 46204, telephone number (317) 232-7777. Keep the approval certification from IEDC or letter of assignment with your records as the department can require you to provide this information. Enter code 823 under line 6 if claiming this credit. Also, see the **Combined Limitation** on page 52.

Industrial recovery credit 824

This credit is based on a taxpayer's qualified investment in a vacant industrial facility located in a designated industrial recovery site. If the Indiana Economic Development Corporation approves the application and the plan for rehabilitation, you are entitled to a credit based on the "qualified investment." For additional information regarding procedures for obtaining this credit, contact the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN 46204, call (317) 232-8827, or visit their website at http://iedc.in.gov/.

Enter code 824 under line 6 if claiming this credit. Also, see the **Restriction for Certain Tax Credits - Limited to One per Project** and the **Combined Limitation** on pages 51 and 52 for additional limitations.

Maternity home credit

This credit will not be awarded after 2011. Any tax credit previously awarded but not claimed must be carried forward to a taxable year that begins after December 31, 2013, and before January 1, 2016.

Military base investment cost credit 826

This credit is available for certain taxpayers who provide for a qualified investment in a business located in a military base, a military base reuse area, an economic development area, a military base recovery site or a military base enhancement area. For more information about this credit, contact the Indiana Economic Development Corporation at One North Capitol, Suite 700, Indianapolis, IN, 46204, call (317) 232-8827, or visit their website at http://iedc.in.gov/. You must keep documentation of the qualified investment and certification of the percentage credit allowed by the Indiana Economic Development Corporation as the department can require you to provide this information.

Enter code 826 under line 6 if claiming this credit. Also, see the **Restriction for Certain Tax Credits - Limited to One per Project** and the **Combined Limitation** on pages 51 and 52 for additional limitations.

Military base recovery credit 827

A taxpayer who is an owner or developer of a military base recovery site may be eligible for a credit if investing in the rehabilitation of real property located in a military base recovery site according to a plan approved by the Indiana Economic Development Corporation (IEDC). For more information about this credit, contact the Indiana Economic Development Corporation at One North Capitol, Suite 700, Indianapolis, IN, 46204, call (317) 232-8827, or visit their website at http://iedc.in.gov/.

Enter code 827 under line 6 if claiming this credit. You must enclose approval certification from IEDC or a letter of assignment with your return. Also, see the **Restriction for Certain Tax Credits - Limited to One per Project** and the **Combined Limitation** on pages 51 and 52 for additional limitations.

Neighborhood assistance credit 828

If you made a contribution or engaged in activities to upgrade areas in Indiana, you may be able to claim a credit for this assistance. Contact the Indiana Housing & Community Development Authority, Neighborhood Assistance Program, 30 S. Meridian, Suite 1000, Indianapolis, IN 46204, telephone number (317) 232-7777 (800-872-0371 outside Indianapolis), for more information. Pass-through entities are eligible for the credit.

Note. The amount of all neighborhood assistance tax credits allowed for all taxpayers in a year is limited to $2,500,000.

Important. Do not report fees paid to your neighborhood association on this line. They are not eligible for this credit. Enter code 828 under line 6 if claiming this credit. Also, see the **Combined Limitation** on page 52.

New employer credit 850

A credit may be available if a business employs at least 10 new qualified employees and, after Dec. 31, 2009, the business:
- Relocates or locates its operations in Indiana;
- Incorporates in Indiana; or
- Expands it operations in Indiana. This credit is equal to 10 percent of the wages paid to qualified employees.

For more information about this credit, contact the IEDC at One North Capitol, Suite 700, Indianapolis, IN, 46204, call (317) 232-8827, or visit their website at http://iedc.in.gov. Also, see Income Tax Information Bulletin #106 at www.in.gov/dor/3650.htm.

Enter code 850 under line 6 if claiming this credit. Enclose certification from IEDC, credit assignment and proof of investment with your return. Also, see the **Combined Limitation** on page 52.

Prison investment credit 829

A credit is allowed for amounts invested in Indiana prisons to create jobs for prisoners. The amount is limited to 50 percent of the investment in a qualified project approved by the Department of Corrections (DOC), plus 25 percent of the wages paid to inmates. Pass-through entities are eligible for the credit. For additional information, contact the Indiana Department of Correction, Office of the Commissioner, Indiana Government Center South, Room E334, Indianapolis, IN 46204. Enter code 829 under line 6 if claiming this credit and enclose verification provided from the DOC. Also, see the **Combined Limitation** on page 52.

Residential Historic Rehabilitation Credit 831

A credit is available for the repair and rehabilitation of historic residential property that is at least 50 years old and will be used as your primary residence. For more information about this credit, see Income Tax Information Bulletin #87A at www.in.gov/dor/3650.htm. Also, contact the Department of Natural Resources, Historic Preservation and Archaeology Division, Indiana Government Center South, Room W-274, Indianapolis, IN 46204, call (317) 232-1646, or visit www.in.gov/dnr/historic. Enter code 831 under line 6 if claiming this credit. Also, see the **Combined Limitation** on page 52.

Riverboat building credit 832

A tax credit has been established for any individual or company that builds or refurbishes a riverboat licensed to conduct legal gambling in Indiana. The Indiana Economic Development Corporation (IEDC) must approve the costs of the qualified investment BEFORE the costs are incurred. Contact the Indiana Economic Development Corporation, Development Finance Division, One North Capitol, Suite 700, Indianapolis, IN, 46204, call (317) 234-0616, or visit http://iedc.in.gov/ for additional information.

Note. The amount of all riverboat building tax credits allowed for all taxpayers in a year is limited to $1,000,000.

Enter code 832 under line 6 if claiming this credit. Enclose certification from IEDC, credit assignment and proof of investment with your return. Also, see the **Combined Limitation** on page 52.

School scholarship credit 849

A credit is available for donations to certain scholarship-granting organizations (SGOs). The amount of credit is equal to 50% of the amount of the contribution. While there are no limits to how much a donor can contribute to a qualified SGO, the entire tax credit program cannot award more than $7.5 million in credits per state fiscal year (July 1 – June 30). Beginning Jan. 1, 2013, this credit can now be carried forward for nine years after the unused credit year.

To qualify for the credit, you must make a contribution to a scholarship granting organization that is certified by the Department of Education. Visit the Indiana Department of Education's website at www.doe.in.gov/choice/school-scholarships for additional information.

When claiming this credit, maintain with your records a completed Schedule IN-SSC as the department can require you to provide this information at a later date. You may get Schedule IN-SSC at www.in.gov/dor/4878.htm. Enter code 849 under line 6 if claiming this credit. Also, see the **Combined Limitation** on page 52.

Small employer qualified wellness program credit

This credit will not be awarded after 2011. Any tax credit previously awarded but not claimed must be carried forward to a taxable year that begins after December 31, 2013, and before January 1, 2016.

Twenty-first century scholars program credit 834

A credit is allowed for contributions made to the Twenty-First Century Scholars Program Support Fund. The credit is equal to 50 percent of the contributions made during the tax year up to a maximum limit of $100 for a single return and $200 for a joint return. To claim this credit, you must complete and enclose Schedule TCSP-40. Get a Schedule TCSP-40 at www.in.gov/dor/4878.htm. Detailed information about the scholarship program, registration and administration may be obtained by calling the office of the Twenty-First Century Scholars Program at (317) 233-2100. Note: This credit is <u>not</u> the same as the College Credit.

Enter code 834 under line 6 if claiming this credit. Also, see the **Combined Limitation** on page 52.

Venture capital investment credit 835

A taxpayer that provides qualified investment capital to a qualified Indiana business may be eligible for this credit. Certification for this credit must be obtained from the Indiana Economic Development Corporation Development Finance Office, VCI Credit Program, One North Capitol, Suite 700, Indianapolis, IN 46204, telephone number (317) 232-8827, or visit http://iedc.in.gov/.

Enter code 835 under line 6 if claiming this credit. Also, see the **Restriction for Certain Tax Credits - Limited to One per Project** below and the **Combined Limitation** on page 52 for additional limitations.

Restriction for Certain Tax Credits - Limited to One per Project

A taxpayer may not be granted more than one credit for the same project. The credits that are included are the alternative fuel vehicle manufacturer credit, community revitalization enhancement district credit, enterprise zone investment cost credit, Hoosier business investment credit, industrial recovery credit, military base investment cost credit and the military base recovery credit. Apply this restriction first when figuring your credits. Then apply the **Combined Limitation** on page 52.

Combined Limitation: There is one final limitation if you have more than one credit to be entered on lines 4 through 6 of Schedule G. These credits, *when combined*, cannot be greater than the state adjusted gross income tax (AGIT) shown on Form IT-40PNR line 8; if they are, adjust the amounts before you enter them.

How to adjust the amount of credit to enter (examples)

Example. Tanya is eligible to claim both a $200 college credit and a $300 credit for taxes paid to other states, for a $500 total amount of offset credits. Her state adjusted gross income tax due (IT-40PNR, line 8) is $360. Since her combined credits are $140 more than her state tax due, she should reduce the last entry (the $300 credit for taxes paid to other states) by the $140 difference to $160. She will enter the full $200 college credit on Schedule G, line 4, and the $160 limited credit for taxes paid to other states on line 5.

Example. Matthew has a $500 Indiana College Choice 529 savings plan credit and a $600 employer health benefit plan credit. His state adjusted gross income tax due (IT-40PNR, line 8) is $700. He will report the full $500 Indiana College Choice 529 savings plan credit on Schedule G, line 6a, and enter $200 of the employer health benefit plan credit on line 6b. He will carry the $400 remaining unused employer health benefit plan credit over to next year's tax return.

Schedule H
Section 1: Residency Information

Your (and spouse's) information

Tell us where you were a resident during 2013 by completing this area. Enter the 2-letter name for the other state(s) where you lived. For a list, visit the U.S. Postal Service's website at www.usps.com/ncsc/lookups/abbr_state.txt.

Complete the area asking for the time period you lived in Indiana and/or other state(s). If you lived in more than one state other than Indiana, let us know where and when.

Note. If you were a resident of a foreign country during all or a part of 2013, enter the 2-letter code "OC" for other country. In addition, indicate whether or not you filed a tax return with the state/country you were a resident of in 2013.

Schedule H
Section 2: Additional Required Information

Line 1 – Federal filing information

You must place an "X" in the "yes" or "no" box to answer the question: "Are you filing a federal income tax return for 2013?"

Line 2 – Extension of time to file information

Place an "X" in the box on line 2a if you have a valid federal extension of time to file (federal Form 4868 or Form 2350). Place an "X" in the box on line 2b if you have a valid Indiana extension of time to file, Form IT-9.

Line 3 – Farmers and fishermen

Farmers and fishermen have special filing considerations. If at least two-thirds (2/3) of your gross income is from farming or fishing, mark the box provided on the back of the tax return. This will make sure that a penalty for the underpayment of estimated tax is not assessed provided you have followed through by:

- Paying all your estimated tax on or by Jan. 15, 2014, and filing your Form IT-40PNR by April 15, 2014, **or**
- Filing your Form IT-40 by March 3, 2014, and paying all the tax due at that time. You are not required to make an estimated tax payment if you use this option.

Important: If you have checked the box, you must enclose the completed Schedule IT-2210 to support your claim.

Line 4 – Date of death

If the taxpayer and/or spouse died during 2013, and this return is being filed with his/her name on it, make sure to enter the month and day of death in the appropriate box. For example, a date of death of Jan. 9, 2013, would be entered as 01/09/2013. See instructions on page 7 for more information.

Note: If the taxpayer and/or spouse died before 2013, or after Dec. 31, 2013, but before filing his or her tax return, do not enter his/her date of death in this box.

Line 5 – Telephone and email address information

If this is a joint return, both you and your spouse must sign and date the tax return. Please enter your daytime telephone number so we can call you if we have any questions about your tax return. Also, enter your email address if you would like us to be able to contact you by email.

Personal representative information

Typically, the department will contact you (and your spouse, if filing jointly) if there are any questions or concerns about your tax return. If you wish to allow the department to discuss your tax return with someone else (e.g. the person who prepared it, a relative or friend, etc.), you will need to complete this area.

First, you must check the "Yes" box, which follows the sentence, "I authorize the department to discuss my tax return with my personal representative."

Next, enter:

- The name of the individual you are designating as your personal representative,
- That person's telephone number, and
- That person's complete address.

If you complete this area, you are authorizing the department to be in contact with someone other than you concerning information about this tax return.

Note. If you are due a refund, it will be paid to you (and your spouse, if filing jointly) even if you designate a personal representative.

You may decide at any time to revoke the authorization for the department to speak with your personal representative. You will need to provide a signed statement indicating you revoke this authorization. Include your name, Social Security number and the year of your tax return. Mail your statement to Indiana Department of Revenue, P.O. Box 40, Indianapolis, IN. 46206-0040.

Paid Preparer Information

Have your paid preparer complete this area (even if the paid preparer is the same individual designated as your personal representative).

The paid preparer must provide:

- The name of the firm that he/she represents,
- The preparer's tax identification number (PTIN), and
- The firm's address or his/her address if self-employed.

Opt-Out Designation

There are many benefits to electronic filing, which include:

- Elimination of math errors.
- Faster refunds.

Paid preparers are required to electronically file all Indiana individual income-tax returns if they prepare more than 10 tax returns annually. If you use a paid preparer and do not want your tax return to be filed electronically, you must complete a state Form IN-OPT. This form requires your signature (and your spouse's, if filing jointly), and must be maintained by your paid preparer with his or her records. Get Form IN-OPT at http://www.in.gov/dor/4878.htm for more information.

Make sure you keep a copy of your completed tax return, including all required enclosures, such as W-2s and schedules.

County Tax: Schedule CT-40PNR

If you live or work in an Indiana county as of January 1 of the tax year, you will probably owe county tax. Complete the county tax Schedule CT-40PNR to figure if you owe, and how much it will be.

Lake County adopts a county tax in 2013

If you lived or worked in Lake County as of Jan. 1, 2013, then you will probably need to figure a Lake County tax.

Since the rate was not imposed for the full year (it became effective on Oct. 1, 2013), you will use a reduced rate when completing the county tax Schedule CT-40PNR. Specifically, Lake County imposed an annual rate of .015 for county residents. One-fourth of this rate, or .00375, is the reduced rate to use to figure your 2013 county tax. Likewise, if you lived in another state on Jan. 1, 2013, and worked in Lake County as of Jan. 1, 2013, you will use a reduced rate of .00125 to figure your 2013 county tax.

County where you lived defined

The county where you lived is the county where you maintained your home on Jan. 1, 2013. If you had more than one home on this date, then your county of residence as of Jan. 1, 2013, was:

- Where you were registered to vote. If this did not apply, then your county of residence was
- Where your personal automobile was registered. If this did not apply, then your county of residence was
- Where you spent the majority of your time in Indiana during 2013.

Did you move during the year?

If you moved to another Indiana county (or out-of-state) after Jan. 1, 2013, the county where you lived for tax purposes will not change *until the next year*.

County where you worked defined

The county where you worked (county of principal employment) is the county where your main place of business was located or where your main work activity was performed as of Jan. 1, 2013. If you began working in another county (or out of state) after Jan. 1, 2013, the county where you worked for tax purposes *will not change until next year*.

Example. Jessie worked in Marion County, Indiana, on Jan. 1, 2013. She quit that job and began a new one in Johnson County, Indiana, on Feb. 10, 2013. She will enter the Marion County two-digit code "49" in the *County Where You Worked* box on the front of Form IT-40PNR even though she changed jobs during the year.

If you had more than one job on Jan. 1, 2013, your principal place of employment is the job where you worked the most hours and earned the most income.

If, on Jan. 1, 2013, your county of principal employment was not in Indiana, write county code "**00**" (out-of-state) in the *County Where You Worked* box on the front of Form IT-40PNR.

Exception: If you worked in any of the following states on Jan. 1, 2013, enter their two-digit code number (instead of 00):

State	Use Code #
Illinois	94
Kentucky	95
Michigan	96
Ohio	97
Pennsylvania	98
Wisconsin	99

Principal employment income

You must figure your principal employment income if, on Jan. 1, 2013, you lived out-of-state and were employed in an Indiana county. Your principal employment income is income you earned from your main Indiana work activity (job) for the entire year. See instructions for Section 2, line 1 on page 55 for more information.

Military personnel

If you were stationed in Indiana, your county of residence is the county where you lived on Jan. 1 of the year you entered the military service. If, on Jan. 1, 2013, you were stationed outside Indiana and your family was with you, write county code "00" (out-of-state) in all the county boxes on the front of Form IT-40PNR (you won't owe a county tax).

If, however, you maintained your home in an Indiana county and/or your spouse and a family were still living in an Indiana county on Jan. 1, 2013, you are considered to be a resident of that county and will be subject to county tax.

Retired persons, homemakers or unemployed

If you were retired, a homemaker, or were unemployed on Jan. 1, 2013, put your county of residence two-digit code number in both the Indiana County where you lived and Indiana *County Where You Worked* boxes on Form IT-40PNR. **Do not write the word "Retired," "Homemaker" or "Unemployed" over the boxes**.

Special note to married taxpayers filing a joint return

- If you lived in different Indiana counties on Jan. 1, 2013, you need to figure your county tax separately on Section 1.
- If both of you lived out-of-state on Jan. 1, 2013, but worked in different Indiana counties, you must figure your tax separately on Section 2.
- If only one of you is subject to county tax, then you may use all of the exemptions from Schedule D, line 7, except for your spouse's personal exemption, to figure your tax.*

* *Example.* On Schedule D Jack and Sue show three exemptions ($3,000) on line 1 and one exemption ($1,500) on line 2. The line 5 amount is $4,500. The line 6 amount is .40. Jack can use the $3,500 exemptions x .40 = $1,400 to figure his county tax.

County Tax Schedule CT-40PNR Section 1: line-by-line instructions

Where did you live?

Did you live in an Indiana county on Jan. 1, 2013? If "yes," complete Section 1 for yourself, and skip Section 2. If your answer is "no," skip Section 1 and go to Section 2: Line-by-line instructions.

Did your spouse live in an Indiana county on Jan. 1, 2013 If yes, complete Section 1 for your spouse, and skip Section 2. If your answer is no, skip Section 1 and go to Section 2: Line-by-line instructions.

Line 1 – If you are filing a single return or are married filing separately, enter in Column A the state taxable income from line 7 of Form IT-40PNR.

If you are filing a joint return and you both lived in the same county on Jan. 1, 2013, enter in Column A the state taxable income from line 7 of Form IT-40PNR. Leave Column B blank.

Example. On Jan. 1, 2013, Jack and Diane lived in the same Indiana county. They'll enter their Form IT-40PNR, line 7 combined state taxable income in Column A.

If you are filing a joint return and you and your spouse lived in different counties on Jan. 1, 2013, enter each person's share of state taxable income from Form IT-40PNR, line 7, in the appropriate columns.

Example. Simon and Tina married in 2013 and are filing a joint return. On Jan. 1, 2013, Simon lived in Greene County (Indiana) and Tina lived in Clay County (Indiana). Their federal adjusted gross income is $55,400. Their Form IT-40PNR line 7 income of $29,301 includes the following breakdown:

Simon: $20,000 wages
+ 200 (1/2 joint interest income)
- 736 exemption*
$19,464 income for CT-40PNR Section 1, line 1 Column A

Tina: $10,000 wages
+ 200 (1/2 joint interest income)
- 362 exemption*
$ 9,838 income for CT-40PNR Section 1, line 1 Column B

* *Exemptions.* Schedule D line 7 is $2,000 x .549 = $1,098. A total of two-thirds or (.67) of the $30,400 Indiana income is Simon's, and one-third or (.33) is Tina's. Therefore, .67 x $1,098 = $736 exemption for Simon, and .33 x $1,098 = $362 exemption for Tina.

Line 2 – If you claimed a non-Indiana locality earnings deduction on Schedule C, line 8, enter that amount on this line in Column A. If you are completing Column B instead, and your spouse is the one taking this deduction, then enter it in Column B.

Line 4 – Find your county on the County Income Tax Chart located on the back of Schedule CT-40PNR. Find the rate from the *County Resident Rate* column and enter it here.

Line 6 – Add the amounts from line 5, Columns A and B. If you were a Perry County (Indiana) resident and worked in the Kentucky counties of Breckinridge, Hancock or Meade, complete lines 7 and 8. Otherwise, enter the total here and on line 9.

County Tax Schedule CT-40PNR Section 2: Line-by-line instructions

Complete Section 2 if, as of Jan. 1, 2013, you were a non-Indiana resident and you worked in an Indiana county.

Line 1 – Enter your principal employment income that is included on Indiana Schedule A, Section 1, Column B* (if you are a resident of a reciprocal state, see ***Reciprocal state residents*** on page 55). This includes income from wages, tips, salaries and commissions; net self-employment income from federal Schedule C/C-EZ; federal Form 1065, Schedule K-1; and/or net farm income from federal Schedule F. Do not include passive-source income like nonbusiness interest and dividends, pension, capital gains, farm rental, unemployment compensation, etc. Also, do not include income from a part-time job if you hold it at the same time you have a full-time job.

Example. During 2013, Jake received income from the following sources (included on Indiana Schedule A, Section 1, Column B):

$15,000 from his full-time job (held for the entire year)
$1,850 from his part-time job
$50 nonbusiness interest income
$800 pension income

Jake will enter his $15,000 principal employment income on line 1.

***Exception.** A spouse of a nonresident military servicemember who claims the nonresident military spouse earned income deduction on Schedule C, line 11, will not owe county tax on that income.

Example. Jo Anne and her husband are Illinois residents, and live there. Her husband is in the military, and is stationed in Indiana. She has an Indiana job. Jo Anne reported her $25,000 Indiana-source wage income on Schedule A, lines 2A and 2B. She reported the $25,000 as a military spouse earned income deduction on Schedule C, line 11. That $25,000 income is not subject to Indiana county tax. She will not enter it on Schedule CT-40PNR, Section 2, line 1B.

If you had more than one job at different times during the year (not including part-time employment), and that income is taxed on Indiana Schedule A, Column B, add the income from those jobs and enter here.

Example. Sarah had two full-time jobs in Indiana during the year. She earned $7,000 from her first job, which she held from January through April. She began a new job in May and worked through year's end, earning $11,000. She should enter the $18,000 combined amount here.

If you worked two or more jobs at the same time, enter the portion you earned from your main job.

Example. Daniel had two jobs at the same time. On Job #1 he worked 30 hours a week and earned $270 a week. On Job # 2 he worked 10 hours a week and earned $80 a week. Daniel should enter only the amount he earned from Job #1 ($270 per week) as his principal employment income.

Reciprocal state residents (see instructions on page 9) with Indiana-source income from wages, tips or other compensation may owe county tax on that income even though it's not taxed on Schedule A, Section 1, Column B.

Example. Fred and Deanna are full-year Michigan residents. Deanna earned $25,000 wage income from an Elkhart, Indiana employer, which is the county where she worked as of Jan. 1, 2013. Fred received $10,000 winnings from an Indiana riverboat. Fred's gambling income is subject to Indiana state tax (he will report it on Schedule A, line 20, Column B); however, his winnings are not subject to Indiana county tax (he lived and worked in Michigan on Jan. 1, 2013).

Conversely, while Deanna's wage income is not subject to Indiana adjusted gross income tax, it is subject to county tax. Enter her wage income on CT-40PNR, line 1B. **Note:** See the exception under line 4 below.

Line 2 – You may use certain deductions to lower the amount of income to be taxed. These deductions must have been claimed on Indiana Schedule A, Section 2, Column B, or Indiana Schedule C and must have a direct relationship to the income being taxed on line 1.

Allowable deductions from your Indiana Schedule C can include: airport development zone employee deduction, enterprise zone employee deduction, active military pay deduction, National Guard and reserve component member's deduction, and/or an (Indiana) medical savings account deduction.

Allowable deductions claimed on Indiana Schedule A, Section 2, Column B can include: certain business expenses of reservists, performing artists and fee-based government officials, health savings account deduction, moving expenses*, deductible part of self-employment tax, SEP, SIMPLE and qualified plans, self-employed health insurance deduction, IRA deduction and/or Archer MSA deduction.

*The moving expense deduction will be allowed only to the extent the income earned from that move is being taxed on Indiana Schedule A, Column B.

Example. Ann's Indiana income was $21,000 in wage income, which she reported on line 1. She claimed a $2,000 IRA deduction on Indiana Schedule A, Section 2, line 31B. She should claim the $2,000 IRA deduction on line 2.

Example. Tim and Jane file a joint tax return and live in a county that does not have a tax. Jane does not owe county tax, but Tim does because his business is in an Indiana county that has a tax. Jane has a $21,000 wage income and a $1,400 moving expense. Tim has $23,000 net income from his photography shop and claimed a $700 self-employed SEP deduction. He will enter his $23,000 income on line 1 of Section 2 and the $700 SEP deduction on line 2 of Section 2. He is not eligible to take the moving expense deduction because the wage income that it is in relation to is not being taxed for county tax purposes.

Line 4 – If you are filing a single or married filing separately tax return, enter your total exemptions from Schedule D, line 7. If you are filing a joint tax return, enter your exemption(s) (personal, over 65 and/or blind) included on Schedule D, line 7.

Note: You cannot claim your spouse's personal exemption. Exemptions for dependents can be claimed by either spouse, as long as the total of line 4, Columns A and B is not greater than the total reported on Schedule D, line 7.

Example. On Schedule D Jack and Sue show three exemptions ($3,000) on line 1 and one exemption ($1,500) on line 2. The line 5 amount is $4,500. The line 6 amount is .40. Jack may use $3,500 exemptions x .40 = $1,400 to figure his county tax.

Exception. Reciprocal state residents (see instructions on page 9 and in the left-hand column) with Indiana-source income from wages, tips or other compensation may use some or all of the exemptions from Schedule D, line 7. A single (or married filing separately) filer should use the full amount from line 7 minus the spouses' $1,000 personal exemption.

Line 6 – Find your county on the County Income Tax Chart the back of Schedule CT-40PNR. Find the rate from the *County Nonresident Rate* column (the second column of rates over) and enter it here.

Note: If you have figured a tax in Section 1 and Section 2, add amounts from Section 1, line 9 and Section 2, line 8, and enter on Form IT-40PNR, line 9.

INDIANA

A State that Works

Rev. 9-13

Indiana School Corporations

The list below gives the school corporations within each county in Indiana. If you are unable to determine your correct school corporation, you should contact your county auditor for assistance. Please enter your four-digit number in the appropriate space on the front of your Indiana return.

County
Corporation Number and Name

Adams
0015 Adams Central Comm
0025 North Adams Community
0035 South Adams Schools

Allen
0125 M.S.D. Southwest Allen Co
0225 Northwest Allen County
0235 Fort Wayne Community
0255 East Allen County

Bartholomew
0365 Bartholomew Consolidated
0370 Flatrock-Hawcreek
4215 Edinburgh Community

Benton
0395 Benton Community
5995 South Newton
8535 TriCounty

Blackford
0515 Blackford Community

Boone
0615 Western Boone County
0630 Zionsville Community Schools
0665 Lebanon Community Sch Corp
3055 Marion-Adams

Brown
0670 Brown County Sch Corp

Carroll
0750 Carroll Consolidated Sch Corp
0755 Delphi Community Sch Corp
1180 Rossville Consolidated
8565 Twin Lakes Sch Corp

Cass
0815 Southeastern Sch Corp
0875 Logansport Community
0775 Pioneer Regional Sch Corp
2650 Caston Sch Corp

Clark
0940 West Clark Community
1000 Clarksville Community
1010 Greater Clark County

Clay
1125 Clay Community Schools
2960 MSD Shakamak Schools

Clinton
1150 Clinton Central Sch Corp
1160 Clinton Prairie Sch Corp
1170 Frankfort Community
1180 Rossville Consolidated

Crawford
1300 Crawford Co. Community

Daviess
1315 Barr-Reeve Community
1375 North Daviess Comm Sch
1405 Washington Community

Dearborn
1560 Sunman-Dearborn Comm
1600 South Dearborn Comm
1620 Lawrenceburg Comm

Decatur
1655 Decatur Co Community
1730 Greensburg Community

DeKalb
1805 DeKalb County Eastern Community Sch Dist
1820 Garrett-Keyser-Butler Community
1835 DeKalb County Central United Sch Dist
7610 Hamilton Community

Delaware
1875 Delaware Community
1885 Wes-Del Community Schools
1895 Liberty-Perry Community
1900 Cowan Comm Sch Corp
1910 York Town Community School District
1940 Daleville Community Schools
1970 Muncie Community Schools

Dubois
2040 Northeast Dubois County
2100 Southeast Dubois County
2110 Southwest Dubois County
2120 Greater Jasper Consolidated

Elkhart
2155 Fairfield Comm Schools
2260 Baugo Community Schools
2270 Concord Community Schools
2275 Middlebury Community Schools
2285 Wa-Nee Community Schools
2305 Elkhart Community Schools
2315 Goshen Community Schools

Fayette
2395 Fayette County Sch Corp

Floyd
2400 New Albany-Floyd County Consolidated Sch Corp

Fountain
2435 Attica Consolidated Sch Corp
2440 Covington Community
2455 Southeast Fountain

Franklin
2475 Franklin Co Community
6895 Batesville Community
7950 Union County

Fulton
2645 Rochester Community
2650 Caston Sch Corp
4445 Tippecanoe Valley
5455 Culver Community
6620 Eastern Pulaski

Gibson
2725 East Gibson Sch Corp
2735 North Gibson Sch Corp
2765 South Gibson Sch Corp

Grant
2815 Eastbrook Community
2825 Madison-Grant United
2855 Mississinewa Community
2865 Marion Community
5625 Oak Hill United

Greene
2920 Bloomfield School District
2940 Eastern School District
2950 Linton-Stockton Sch Corp
2960 MSD Shakamak Schools
2980 White River Valley School District

Hamilton
3005 Hamilton Southeastern
3025 Hamilton Heights Sch Corp
3030 Westfield-Washington Schools
3055 Marion-Adams Schools
3060 Carmel Clay Schools
3070 Noblesville Schools

Hancock
3115 Southern Hancock Co Community Sch Corp
3125 Greenfield Central Comm
3135 Mt Vernon Community
3145 Eastern Hancock County Community Sch Corp

Harrison
3160 Lanesville Community
3180 North Harrison Comm
3190 South Harrison Comm
1300 Crawford Co Community

Hendricks
3295 North West Hendricks
3305 Brownsburg Community
3315 Avon Community Sch Corp
3325 Danville Community
3330 Plainfield Community
3335 Mill Creek Community

Henry
3405 Blue River Valley Schools
3415 South Henry Sch Corp
3435 Shenandoah School Corp
3445 New Castle Community
3455 C A Beard Memorial Sch Corp
6795 Union Sch Corp
8305 Nettle Creek Sch Corp

Howard
3460 Taylor Community
3470 Northwestern Sch Corp
3480 Eastern Howard Comm
3490 Western Sch Corp
3500 Kokomo-Center Township Consolidated

Huntington
3625 Huntington Co Comm

Jackson
3640 Medora Community
3675 Seymour Community
3695 Brownstown Central Comm
3710 Crothersville Community

Jasper
3785 Kankakee Valley
3815 Rensselaer Central
6630 West Central Sch Corp
8535 Tri-County Sch Corp

Jay
3945 Jay Sch Corp

Jefferson
3995 Madison Consolidated
4000 Southwestern Jefferson Consolidated

Jennings
4015 Jennings County Schools

Johnson
4145 Clark-Pleasant Comm
4205 Center Grove Community
4215 Edinburgh Community
4225 Franklin Community
4245 Greenwood Community
4255 Nineveh-Hensley-Jackson United

Knox
4315 North Knox Sch Corp
4325 South Knox Sch Corp
4335 Vincennes Community

Kosciusko
4345 Wawasee Community
4415 Warsaw Community
4445 Tippecanoe Valley
4455 Whitko Community
2285 Wa-Nee Community
5495 Triton Sch Corp

LaGrange
4515 Prairie Heights Comm
4525 Westview Sch Corp
4535 Lakeland Sch Corp

Lake
4580 Hanover Community
4590 River Forest Community
4600 Merrillville Comm Schls
4615 Lake Central Sch Corp
4645 Tri Creek Sch Corp
4650 Lake Ridge Schools
4660 Crown Point Community
4670 School City of East Chicago
4680 Lake Station Community
4690 Gary Community Sch Corp
4700 Griffith Public Schools
4710 School City of Hammond
4720 School Town of Highland
4730 School City of Hobart
4740 School Town of Munster
4760 Whiting School City

Indiana School Corporations Cont'd...

County
Corporation Number and Name

LaPorte
4805 New Prairie United Sch Corp
4860 MSD New Durham Twp
4915 Tri-Township Consolidated School Corporation
4925 Michigan City Area Schools
4940 South Central Community
4945 LaPorte Community
7150 John Glenn Sch Corp

Lawrence
5075 North Lawrence Comm
5085 Mitchell Community

Madison
5245 Frankton-Lapel Comm
5255 South Madison Comm
5265 Alexandria Community
5275 Anderson Community
5280 Elwood Community
2825 Madison-Grant United

Marion
5300 MSD Decatur Township
5310 Franklin Township Comm
5330 MSD Lawrence Township
5340 MSD Perry Township
5350 MSD Pike Township
5360 MSD Warren Township
5370 MSD Washington Township
5375 MSD Wayne Township
5380 Beech Grove City Schools
5385 Indianapolis Public Schools
5400 Sch Town of Speedway

Marshall
5455 Culver Community
5470 Argos Community Schools
5480 Bremen Public Schools
5485 Plymouth Community
5495 Triton Sch Corp
7150 John Glenn Sch Corp
7215 Union-North United

Martin
5520 Shoals Community
5525 Loogootee Community

Miami
5615 Maconaquah Sch Corp
5620 North Miami Consolidated
5625 Oak Hill United Sch Corp
5635 Peru Community Schools

Monroe
5705 Richland-Bean Blossom Community Sch Corp
5740 Monroe Co Community

Montgomery
5835 North Montgomery Comm
5845 South Montgomery Comm
5855 Crawfordsville Comm Schools

Morgan
5900 Monroe-Gregg Sch Corp
5910 Eminence Consolidated Comm Sch Corp
5925 MSD Martinsville Sch Corp
5930 Mooresville Con Sch Corp
4255 Nineveh-Hensley-Jackson United

Newton
5945 North Newton Sch Corp
5995 South Newton Sch Corp

Noble
6055 Central Noble Community
6060 East Noble Sch Corp
6065 West Noble Sch Corp
4535 Lakeland Sch Corp
8625 Smith-Green Comm Sch

Ohio
6080 Rising Sun-Ohio County Community

Orange
6145 Orleans Community Schools
6155 Paoli Community Sch Corp
6160 Springs Valley Comm

Owen
6195 Spencer-Owen Comm
6750 Cloverdale Community

Parke
6260 Southwest Parke Comm
6375 North Central Parke Community School
1125 Clay Community Schools

Perry
6325 Perry Central Community
6340 Cannelton City Schools
6350 Tell City-Troy Township

Pike
6445 Pike County Sch Corp

Porter
6460 MSD Boone Township
6470 Duneland Sch Corp
6510 East Porter County
6520 Porter Township
6530 Union Township
6550 Portage Township Schools
6560 Valparaiso Community
4925 Michigan City Area

Posey
6590 MSD Mount Vernon
6600 MSD North Posey Co
6610 New Harmony Town and Township Con Sch

Pulaski
6620 Eastern Pulaski Comm
6630 West Central Sch Corp
5455 Culver Community
7515 North Judson-San Pierre

Putnam
6705 South Putnam Community
6715 North Putnam Community
6750 Cloverdale Community
6755 Greencastle Community

Randolph
6795 Union Sch Corp
6805 Randolph Southern
6820 Monroe Central
6825 Randolph Central
6835 Randolph Eastern

Ripley
6865 South Ripley Community
6895 Batesville Community
6900 Jac-Cen-Del Community
6910 Milan Community Schools
1575 Ripley-Ohio-Dearborn-Special-Ed-Coop
1560 Sunman-Dearborn Comm

Rush
6995 Rush County Schools
3455 C A Beard Memorial Sch Corp

St. Joseph
7150 John Glenn Sch Corp
7175 Penn-Harris-Madison
7200 Sch City of Mishawaka
7205 South Bend Community
7215 Union-North United Sch Dist
4805 New Prairie United Sch Corp

Scott
7230 Scott Co Sch District No. 1
7255 Scott Co Sch District No. 2

Shelby
7285 Shelby Eastern Schools
7350 Northwestern Consolidated
7360 Southwestern Consolidated
7365 Shelbyville Central Schools
1655 Decatur Co Community

Spencer
7385 North Spencer County
7445 South Spencer County

Starke
7495 Oregon-Davis Sch Corp
7515 North Judson-San Pierre
7525 Knox Community Sch Corp
5455 Culver Community

Steuben
7605 Fremont Community Schools
7610 Hamilton Community Schools
7615 MSD Steuben County
1835 DeKalb County Central United Sch Dist
4515 Prairie Heights Comm

Sullivan
7645 Northeast Sch Corp
7715 Southwest Sch Corp

Switzerland
7775 Switzerland County

Tippecanoe
7855 Lafayette Sch Corp
7865 Tippecanoe Sch Corp
7875 West Lafayette Comm
0395 Benton Community

Tipton
7935 Tri-Central Sch Corp
7945 Tipton Community Sch Corp

Union
7950 Union County

Vanderburgh
7995 Evansville-Vanderburgh

Vermillion
8010 North Vermillion Comm
8020 South Vermillion Comm

Vigo
8030 Vigo County Sch Corp

Wabash
8045 Manchester Community Schls
8050 MSD Wabash County
8060 Wabash City Schools

Warren
8115 MSD Warren County
0395 Benton Community Sch Corp
2440 Covington Community

Warrick
8130 Warrick County Sch Corp

Washington
8205 Salem Community Schools
8215 East Washington Sch Corp
8220 West Washington Sch Corp

Wayne
8305 Nettle Creek Sch Corp
8355 Western Wayne Schools
8360 Centerville-Abington Community Schools
8375 Northeastern Wayne
8385 Richmond Community

Wells
8425 Southern Wells Comm
8435 Northern Wells Comm
8445 MSD Bluffton-Harrison

White
8515 North White Sch Corp
8525 Frontier Sch Corp
8535 Tri-County School Corp
8565 Twin Lakes Sch Corp
0775 Pioneer Regional Sch Corp

Whitley
8625 Smith-Green Comm Schls
8665 Whitley Co. Con Schools
4455 Whitko Community Sch Corp

Index to Instructions

V

W

Z

Indiana Department of Revenue
100 North Senate Avenue
Indianapolis, IN 46204-2253

PRSRT STD
U.S. Postage
PAID
Indiana Dept.
of Revenue

This 2013 IT-40PNR booklet contains:

- **Form IT-40PNR and Instructions**
- Schedule A Sections 1, 2 and 3
- Schedule B Add-Backs
- Schedule C Deductions
- Schedule D Exemptions
- Schedule E Other Taxes
- Schedule F Credits
- Schedule G Offset Credits
- Schedule H Sections 1 & 2
- Schedule CT-40PNR, County Tax with tax rates
- Schedule IN-DEP, Additional Dependent Child Information
- Schedule IN-EIC, Earned Income Credit
- Mailing Envelope

Contributions to the Indiana Nongame Wildlife Fund

Donations to the Nongame Wildlife Fund assist the Indiana Department of Natural Resources to manage and protect over 750 nongame and endangered wildlife species in Indiana. Your contributions to the Fund have brought ospreys and bald eagles back to our skies and river otters to our waters.

These reintroduction programs, as well as many other restoration, management, and educational projects implemented by the Wildlife Diversity Section, rely on donations from individuals like you. The program is funded almost exclusively by donations to the Indiana state income tax check-off and direct donations.

If you would like to make a donation to the Fund, you may donate all or a portion of your tax refund on line 17 of the IT-40PNR. To make a direct donation, you can also complete the form to the right and mail it with a check or money order made payable to the Fund to: Nongame Wildlife Fund, Division of Fish and Wildlife, W-273, 402 West Washington St., Indianapolis, IN 46204. You can learn more about Indiana's Nongame Wildlife Diversity Section at **www.in.gov/dnr/fishwild/**

I (We) wish to donate $___________
to the Indiana Nongame Wildlife Fund.

Name(s): ________________________________

Address: ________________________________

____

City: ________________________________

State: ______________ Zip Code: ____________

Send to: **Nongame Wildlife Fund**
Division of Fish and Wildlife, W-273
402 West Washington St.
Indianapolis, IN 46204