

INDIANA DEPARTMENT OF REVENUE  
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INDIANAPOLIS, IN 46204-2253

[www.in.gov/dor](http://www.in.gov/dor)  
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STATE OF INDIANA

STATE OF INDIANA

Financial Institution Tax Booklet

# 2016 Form FIT-20

Indiana Department of Revenue  
**2016 Financial Institution Tax Booklet**

This booklet contains forms and instructions for preparing Indiana financial institution returns for tax year 2016 and for fiscal years beginning in 2016 and ending in 2017.

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**The following forms can be found after page 20:**

- Form FIT-20 - Indiana Financial Institution Tax Return
- FIT-20 Schedule E-U - Apportionment of Receipts to Indiana
- FIT-20 Schedule H - Members of Unitary Group Filing a Combined Return
- Schedule FIT-2220 - Underpayment of Estimated Tax by Financial Institutions
- Schedule FIT-NRTC - Indiana Financial Institution Nonresident Tax Credit
- Instructions for Schedule FIT-20NOL
- Schedule FIT-20NOL - Computation of Indiana Member's Net Operating Loss Deduction
- Form FT-ES - Indiana Financial Institution Tax Return - Estimated Quarterly Payment
- FIT-20 Schedule SUT - Sales/Use Tax Worksheet

**Find Other Indiana Department of Revenue Forms online at [www.in.gov/dor/](http://www.in.gov/dor/)**

## Annual Public Hearing

In accordance with the Indiana Taxpayer Bill of Rights, the department will conduct an annual public hearing in Indianapolis in June of 2017. Event details will be listed at [www.in.gov/dor/4877.htm](http://www.in.gov/dor/4877.htm). Please come and share feedback or comments about how the department can better administer Indiana tax laws. If you cannot attend, please submit feedback or comments in writing to: Indiana Department of Revenue, Commissioner's Office, MS# 101, 100 N. Senate Avenue, Indianapolis, IN 46204. Our homepage provides access to forms, information bulletins and directives, tax publications, email, and various filing options. Visit [www.in.gov/dor/](http://www.in.gov/dor/).

### Expired Credits

The following credits have expired and are no longer available for carryforward purposes for tax years beginning after Dec. 31, 2015.

- Small Employer Qualified Wellness Program Credit
- Employer Health Benefit Plan Credit

## General Filing Requirements for FIT-20 Forms and Schedules

Copies of pages 1 through 5 of the corporation's federal income tax return must be enclosed with Form FIT-20 along with Schedule M-3 as well as any extension of time to file form(s). This requirement is made under the authority of Indiana Code (IC) 6-5.5-6-5.

### References to the Internal Revenue Code

Public Law (PL) 204-2016, SEC. 15 amended Indiana Code (IC) 6-3-1-11. The definition of adjusted gross income (AGI) is updated to correspond to the federal definition of adjusted gross income contained in the Internal Revenue Code (IRC). For tax year 2016, any reference to the IRC and subsequent regulations means the Internal Revenue Code of 1986, as amended and in effect on Jan. 1, 2016. For a complete summary of new legislation regarding taxation, please see the *2016 Summary of State Legislation Affecting the Department of Revenue* at [www.in.gov/dor/3656.htm](http://www.in.gov/dor/3656.htm).

### Extension of Time to File

Effective Jan. 1, 2015, all Indiana financial institutions tax return due dates are treated the same as extensions granted because of a federal income tax due date extension.

### Who Must File Form FIT-20

IC 6-5.5-2-1 imposes a financial institution tax on the adjusted gross income of any corporation transacting the business of a financial institution, including a holding company, a regulated financial corporation, a subsidiary of a holding company or regulated financial corporation, or any other corporation carrying on the business of a financial institution. Any taxpayer who is subject to tax under IC 6-5.5 is exempt from Indiana's adjusted gross income tax.

The financial institution tax extends to financial institutions and to **all other corporate entities when 80% or more of its gross income is derived from activities that constitute the business**

**of a financial institution.** The business of a financial institution is defined as activities authorized by the federal reserve board; the making, acquiring, selling, or servicing of loans or extensions of credit; acting as an agent, a broker, or an advisor in connection with leasing real and personal property that is the economic equivalent of an extension of credit; or operating a credit card, debit card, or charge card business.

**File the general Indiana corporate adjusted gross income tax return, Form IT-20, if for the taxable year the 80% threshold of gross income derived from activities that constitute the business of a financial institution is not met.** This form is available online at [www.in.gov/dor/5414.htm](http://www.in.gov/dor/5414.htm).

### Due Date of Return

The annual return is due on or before the 15th day of the 4th month following the close of the corporation's tax year.

### Apportionment of Adjusted Gross Income

The financial institution tax is imposed on the apportioned Indiana income of financial institutions. The law employs a single-factor receipts formula to determine the percentage of the taxpayer's income subject to the tax. The single-factor formula is derived by dividing the gross receipts attributable to transacting business in Indiana by the total receipts from transacting business in all taxing jurisdictions.

### Nexus Rules

The law is based on the ability of a corporation under modern technology to transact the business of a financial institution in Indiana, regardless of the principal location of its offices and employees.

A taxpayer is transacting business in Indiana for purposes of the FIT when it satisfies any of the following eight tests:

- (1) Maintains an office in Indiana;
- (2) Has an employee, a representative, or an independent contractor conducting business in Indiana;
- (3) Regularly sells products or services of any kind or nature to customers in Indiana who receive the product or service in Indiana;
- (4) Regularly solicits business from potential customers in Indiana;
- (5) Regularly performs services outside Indiana that are consumed within Indiana;
- (6) Regularly engages in transactions with customers in Indiana involving intangible property, including loans, but not property described in IC 6-5.5-3-8(5), and resulting in receipts flowing to the taxpayer from within Indiana;
- (7) Owns or leases tangible personal or real property located in Indiana; or
- (8) Regularly solicits and receives deposits from customers in Indiana.

A taxpayer is presumed to "regularly" engage in the above activities when its assets attributable to Indiana are equal to at least \$5 million or it has 20 or more Indiana customers.

## Exempt Entities

Four specific types of organizations are exempted from the FIT:

- Insurance companies otherwise subject to tax under IC 6-3, IC 27-1-2-2.3, or IC 27-1-18-2;
- International banking facilities;
- S corporations exempt from income tax under IRC Section 1363; and
- Nonprofit corporations unless the nonprofit corporation has unrelated business income (with the exception of state chartered credit unions).

Federal law prohibits state taxation of federally chartered credit unions.

## Exempt Transactions

A taxpayer is not considered to be transacting business in Indiana if the ONLY activities of the taxpayer in Indiana are in connection with any of the following:

- (1) Maintaining or defending an action or a suit;
- (2) Filing, modifying, renewing, extending, or transferring a mortgage, deed of trust, or security interest;
- (3) Acquiring, foreclosing, or otherwise conveying property in Indiana as a result of a default under the terms of a mortgage, deed of trust, or security interest relating to the property;
- (4) Selling tangible personal property, if taxation under this law is precluded because of P.L. 86-272;
- (5) Owning an interest in the following types of property even though activities are conducted in Indiana that are reasonably required to evaluate and complete the acquisition or disposition of the property, the servicing of the property, or the income from the property, or the acquisition or liquidation of collateral relating to the property:
  - (a) An interest in a real estate mortgage investment conduit, a real estate investment trust, or a regulated investment company.
  - (b) An interest in a loan-backed security representing ownership or participation in a pool of promissory notes or certificates of interest providing for payments in relation to payments or reasonable projections of payments on the notes or certificates.
  - (c) An interest in a loan or other asset where the interest is attributed to a consumer loan, commercial loan, or secured commercial loan and where the payment obligations were solicited and entered into by a person who is independent and not acting on behalf of the owner.
  - (d) An interest in the right to service or collect income from a loan or other asset where interest on the loan is attributed as a loan described above and the payment obligations were solicited and entered into by a person who is independent and not acting on behalf of the owner.

- (e) An amount held in an escrow or trust account with respect to the property described previously.
- (6) Acting:
- (a) As an executor of an estate;
  - (b) As a trustee of a benefit plan;
  - (c) As a trustee of an employee's pension, profit sharing, or other retirement plan;
  - (d) As a trustee of a testamentary or inter vivos trust or corporate indenture; or
  - (e) In any other fiduciary capacity, including holding title to real property in Indiana.

## Method of Reporting

A taxpayer is allowed to file a separate return only in those instances where the taxpayer is not a member of a unitary group. Members of a unitary group must file collectively on one combined return. **No provision is made for filing consolidated returns.**

If the taxpayer is a member of a unitary group, combined reporting is mandatory. However, if the taxpayer determines that its Indiana income is not accurately reflected by the filing of a combined return, the taxpayer can petition the department. Such petition is subject to approval by the department. The petition must include the name and federal identification number of each member of the group petitioning for an alternative method. Each member must include its justification for the alternative method.

Petitions can also be sent to:

**Indiana Department of Revenue  
Tax Policy Division  
100 N. Senate Ave.  
Room N248 MS 102  
Indianapolis, IN 46204**

Once the petition is approved, the taxpayer will indicate on the annual return that the return is a separate return made by a member of a unitary group. Attach the department's letter granting petition to the annual return filing.

## Members of a Unitary Group

The combined return shall include the adjusted gross income of all members of the unitary group that are transacting business wholly or partially within Indiana. The statute provides exclusion for the income of corporations or other entities organized in foreign countries, except a federal or state branch of a foreign bank or its subsidiary that transacts business in Indiana.

"Unitary business" means business activities or operations that are of mutual benefit, dependent upon or contributory to one another, individually or as a group, in transacting the business of a financial institution. The term can be applied within a single entity or between multiple entities and without regard to whether each entity is a corporation, partnership, or trust. Unity is presumed if there is unity of ownership, operation, or use as

evidenced by centralized purchasing, advertising, accounting, or other controlled interaction among entities that are members of the unitary group as defined in IC 6-5.5-1-18(a).

Unity of ownership exists for a corporation if it is a member of a group of two or more business entities, 50% of whose voting stock is owned by a common owner or owners or by one or more of the member corporations of the group.

The taxpayer designated as the reporting member of a unitary group shall file a combined return that includes all operations of the unitary business. **List members included in the combined return by completing FIT-20 Schedule H on page 4 of the return.** See page 19, Instructions for Filing a Combined Return.

## Partnerships

Partnerships and trusts as entities are not subject to FIT. Partnerships conducting the business of a financial institution are required to file the appropriate informational return, Form IT-65. Trusts conducting the business of a financial institution in Indiana are required to file the appropriate tax returns.

If the entity is a partnership and has nonresident corporate partners that are themselves conducting the business of a financial institution, the partnership is required to withhold FIT on behalf of the non-resident corporate partner on the non-resident partner's share of the partnership income. If the non-resident corporate partner is not otherwise itself conducting the business of a financial institution, the partnership is required to withhold Indiana adjusted gross income tax on the non-resident partner's share of the partnership income. The apportioned income attributable to the partner is the same percentage as its distributive share of the partnership's income.

A partnership is not required to withhold FIT on behalf of its resident corporate partners. The resident corporate partners are responsible for paying the relevant FIT or adjusted gross income tax themselves. See the Instructions for Form IT-65 for further information regarding withholding requirements

**Example:** A bank in Maine and a bank in Indiana form a partnership to make loans to Indiana borrowers. The only Indiana activity of the Maine bank is its involvement in the partnership. The partnership is required to withhold FIT on the Maine bank's share of the partnership income.

## United States Government Obligations

Although interest earned on U.S. obligations is not subject to income taxation, it is not preempted by federal law from being included in the tax base of a franchise tax. Therefore, interest from U.S. obligations is not to be subtracted from federal taxable income in determining the adjusted gross income for the FIT.

## Extensions for Filing

The department accepts the federal extension of time application (Form 7004) or the federal electronic extension. If the taxpayer has one, there is no need to contact the department prior to filing the annual return. Returns postmarked within 30 days after the last date indicated on the federal extension will be considered timely filed. If the taxpayer does not need a federal extension of time but needs one for filing a state return, submit a letter requesting such an extension to the department prior to the due date of the annual state return.

To request an Indiana extension of time to file, contact:

**Indiana Department of Revenue  
Corporate Income Tax  
Tax Administration  
P.O. Box 7206  
Indianapolis, IN 46207-7206**

If there is a valid extension of time or a federal electronic extension to file, **check Yes on line V** on the front of the return. If applicable, enclose a copy of the federal extension of time when filing the state return.

An extension of time granted under IC 6-8.1-6-1 waives the late payment penalty for the extension period on the balance of tax due provided at least 90% of the tax due is paid by the original due date and the remaining balance, plus interest, is paid in full by the extended due date. Form FT-QP should be used to make an extension payment for the taxable year. This payment will be processed as a fifth estimated payment. Use the preprinted extension form included with the previous estimated coupon packet Form FT-ES.

**Note:** Any tax paid after the original due date must include interest. Interest on the balance of tax due must be included with the return when it is filed. Interest is computed from the original due date until the date of payment. In October of each year, the department establishes the interest rate for the next calendar year. See Departmental Notice #3 at [www.in.gov/dor/3618.htm](http://www.in.gov/dor/3618.htm) for interest rates.

## Amended Returns

A taxpayer must notify the department within 180 days of final alterations or modifications to its federal income tax return (federal adjustment, RAR, etc.) by filing an amended Form FIT-20.

To amend a previously filed Form FIT-20, file a corrected copy of the original form. Check the box at the top of the form for filing an amended return.

To claim a refund of an overpayment, file the return within three years from the latter of the date of the overpayment or the due date of the return. IC 6-8.1-9-1 entitles a taxpayer to claim a refund because of a reduction in tax liability resulting from a final federal modification. The claim for refund must be filed within 180 days from the date of notice of the final modification by the Internal Revenue Service unless the normal three year state of

limitations has yet to expire. If an agreement to extend the statute of limitations for an assessment is entered into between the taxpayer and the department, the period for filing a claim for refund is likewise extended.

### Estimated Quarterly Payments

Quarterly payments of estimated financial institution tax are required under IC 6-5.5-6-3. The quarterly due dates for estimated quarterly payments of a calendar year filer are April 20, June 20, September 20, and December 20 of the taxable year.

If a taxpayer uses a taxable year that does not end on December 31, the due dates for the estimated quarterly financial institution tax payments are on or before the 20th day of the 4th, 6th, 9th, and 12th months of the taxpayer's taxable year. The payments must be made with the financial institution estimated quarterly vouchers, Form FT-QP. **The department mails preprinted FT-QP vouchers to current FIT estimated account holders.** A copy of a blank estimated quarterly voucher, Form FT-ES, is located at the back of this publication.

If the annual tax liability is less than \$2,500, estimated payments are not required to be made.

### Electronic Funds Transfer Requirements

A taxpayer's quarterly estimated tax payments must be remitted by electronic funds transfer (EFT) if the amount of financial institution tax exceeds an average liability of \$5,000 per quarter (or \$20,000 annually). If the department is unable to obtain payment by the EFT, a penalty of 10% of either the unpaid tax or the EFT, whichever is less, will be assessed. Because there is no minimum amount of payment, the department encourages all taxpayers not required to remit by EFT to participate voluntarily in our EFT program.

**Note:** Taxpayers remitting by EFT should not file quarterly FT-QP coupons. The amounts paid by EFT are reconciled when filing the annual income tax return.

If the department notifies a corporation of the requirement to remit by EFT, the corporation must do the following:

- (1) Complete and submit the EFT Authorization Agreement (Form EFT-1); and
- (2) Begin remitting tax payments via EFT by the date/tax period specified by the department.

Failure to comply with the EFT requirement will result in a 10% penalty on each quarterly estimated tax payment not sent by EFT. Indiana Code does not require the extension of time to file payment or final payment due with the annual tax return to be made by EFT. Be sure to claim any EFT payment as an extension or estimated payment credit. Do not file a return indicating an amount due for an amount that has been paid by EFT. If a corporation determines that it meets the requirements to remit by EFT or has any questions, it should contact the EFT Section at (317) 232-5500.

### Penalty for Underpayment of Estimated Taxes (IC 6-5.5-7-1)

Corporations estimating financial institution tax liability are subject to a 10% underpayment penalty if the corporation fails to file estimated tax payments or fails to remit the sufficient amount of estimated payments. To avoid the penalty, the required quarterly estimated payment(s) should include at least 20% of the final financial institution tax liability for the current taxable year or 25% of the corporation's final financial institution tax liability for the previous tax year.

The penalty for the underpayment of estimated tax is assessed on the difference between the actual amount paid by the corporation for each quarter and 20% of the final liability for the current year or 25% of the corporation's final tax liability for the previous tax year, whichever is less. Refer to Schedule FIT-2220, Underpayment of Estimated Tax by Financial Institutions, on return page 4 of Form FIT-20.

### Instructions for Completing Form FIT-20

#### Filing Period and Identification

File a 2016 Form FIT-20 return for a taxable year ending Dec. 31, 2016; a short tax year beginning in 2016 and ending in 2016; or a fiscal tax year beginning in 2016 and ending in 2017. For a short or fiscal tax year, fill in the beginning month and day and the ending date of the taxable year at the top of the form.

Please use the correct legal name of the corporation and its present mailing address. *For foreign addresses, please note the following:*

- Be sure to enter the name of the city, town, or village in the box labeled City;
- Be sure to enter the name of the state or province in the box labeled State; and
- Be sure to enter the postal code and the 2-digit country code in the box labeled ZIP Code.

For a name change, check the box at the top of the return. Enclose with the return copies of the amended Articles of Incorporation or an Amended Certificate of Authority filed with the Indiana Secretary of State. The federal identification number (FID) shown in the box must be correct.

List the Indiana county of the primary business location within the state. Enter "00" (two zeroes) in the county box for addresses outside Indiana.

Enter the principal business activity code, derived from the North American Industry Classification System (NAICS), in the designated block of the return. Use the six-digit activity code as reported on the federal corporation return. A link to a list of these codes is available through the department's website: [www.in.gov/dor/3742.htm](http://www.in.gov/dor/3742.htm).

**Lines L through W** of the FIT-20 must be completed for the return to be accepted by the department. Check or complete all boxes that apply to the return.

Check the “final return” box only if the corporation is dissolved, liquidated, or has withdrawn from the state. Timely file Form BC-100 to close out any sales and withholding accounts. Complete these online at [www.in.gov/dor/3508.htm](http://www.in.gov/dor/3508.htm).

Check the appropriate box if filing as a real estate mortgage investment conduit (REMIC). **Note:** The return for a REMIC is due on the 15th day of the 5th month following the close of the taxpayer’s tax year.

Indicate on line **V** if an extension of time to file is in effect. If applicable, enclose a copy of federal Form 7004 when filing the state return.

## Schedule A — Line Instructions

### Note:

Per IC 6-8.1-6-4.5, round amounts to the nearest whole dollar. Each line on which an amount can be entered has a “.00” already filled in. This is a reminder that rounding is now required when completing the tax return.

Also, please do not use a comma in dollar amounts of four digits or more. For example, instead of entering “3,455” enter “3455.”

**Line 1.** Enter federal taxable income from Federal Form 1120 before the net operating loss deduction or the special federal deduction.

**Note:** If filing as a state-chartered credit union or an investment company registered under the Investment Company Act of 1940, proceed to line 19 to enter adjusted gross income as defined under IC 6-5.5-1-2(b) and(c).

**Line 2.** Enter the qualifying dividend deduction.

**Line 3.** Subtract line 2 from line 1.

**Add backs:** Lines 4 through 10.

**Line 4.** Enter the amount deducted for bad debt (IRC Sec. 166). See line 16 to report recovery of a previously reported worthless debt to the extent a deduction was allowed from gross income in a prior tax year under IRC Sec. 166(a).

**Line 5.** Enter the amount deducted for bad debt reserves of banks (IRC Sec. 585).

**Line 6.** Enter the amount deducted for bad debt reserves (IRC Sec. 593).

**Line 7.** Enter the amount deducted for charitable contributions (IRC Sec. 170).

**Line 8.** Enter the amount deducted on the federal return for all state and local taxes based on or measured by income (IRC Sec. 63).

**Line 9.** Enter an amount equal to the capital loss carryover (from federal Schedule D: line 4, minus line 14 loss amount) to the extent used in offsetting capital gains allowed under IRC Section 1212. See the instructions to line 23 for subtracting the amount deductible for Indiana net capital losses.

**Line 10.** Enter the amount of interest on state and local obligations excluded under IRC Section 103, or under any other federal law, minus the associated expenses disallowed in the computation of taxable income under IRC Section 265.

## Lines 11 A, B, C, and D. Other Income Modifications

Enclose a complete explanation for adjustments.

**Line 11A.** Enter an amount equal to the amount claimed as a deduction for domestic production activities under IRC Section 199 for federal income tax purposes.

**Line 11B.** Add or subtract an amount attributable to bonus depreciation in excess of any regular depreciation that would be allowed had not an election under IRC Section 168(k) been made as applied to property in the year that it was placed into service. Taxpayers who own property for which additional first-year special depreciation for qualified property, including 50% bonus depreciation, was allowed in the current taxable year or in an earlier taxable year, must add or subtract an amount necessary to make adjusted gross income equal to the amount computed without applying any bonus depreciation. The subsequent depreciation allowance is to be calculated on the state’s stepped-up basis until the property is disposed. If line 11B’s amount is negative, use a minus sign to denote that.

The additional regular depreciation may be excluded in subsequent years from the amounts to be added back on line 11B, or 11C when excess IRC Section 179 deduction or bonus depreciation was elected for assets placed in service those subsequent years.

See Commissioner’s Directive #19 available at [www.in.gov/dor/3617.htm](http://www.in.gov/dor/3617.htm) for information on the allowance of depreciation for state tax purposes.

**Line 11C.** Enter the share of the IRC Section 179 adjustment claimed for federal tax purposes that exceeds the amount recognized for state tax purposes. Add or subtract the amount necessary to make the adjusted gross income of the taxpayer that placed any IRC Section 179 property in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made for the year in which the property was placed in service to take deductions, as defined in IRC Section 179 in a total amount exceeding \$25,000.

**Line 11D.** Deduct the amount of income from qualified utility and plant patents included in federal taxable income. **Note:** Use a minus sign to denote the negative amount. For tax years beginning after Dec. 31, 2007, this income is exempt from Indiana AGI. For more information, see Information Bulletin #104 available at [www.in.gov/dor/3650.htm](http://www.in.gov/dor/3650.htm).

## Lines 12 A, B, C, and D.

### Total Addbacks

Enter any addbacks and deductions on lines 12A through 12D. Enter the name of the addback/deduction, its 3-digit code, and its amount. Use a minus sign to denote a negative amount. Attach additional sheets if necessary.

### Adding Back Depreciation Expenses

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

*Example.* ABC Company has qualified restaurant equipment. For federal tax purposes, they use the accelerated 15-year recovery period for an asset placed in service in 2009. Since 2009, ABC Company 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.

So, in this example, the asset was acquired in January 2009 at a purchase price of \$120,000. This normally would have a 25-year recovery period, but IRC Sec. 168 allows for a 15-year recovery period. Tax year 2012 is the last year ABC Company will have reported a qualified restaurant equipment addback until the end of the 15-year recovery period.

If this asset was sold before being fully depreciated, the catch-up modification would be reflected in the year of the sale. However, if this property is held through 2023 (the 15th year of depreciation), ABC Company will report a negative \$9,600 catch-up addback on the 2023 state tax return.

### The following addbacks and deductions should be entered on lines 12A through 12D:

Add back the deduction for deferral of business indebtedness discharge and reacquisition (3-digit code: 107). Enter an amount equal to the amount claimed as a 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 (as provided in Section 108(i) of the IRC), for federal income tax purposes. If a deferred amount was previously added back, deduct the amount of deferred income recognized for federal purposes in the current period.

If a taxpayer:

- Had losses from the sale or exchange of preferred stock in either Federal National Mortgage Association or Federal Home Loan Mortgage Corporation;

- Treated the loss from the sale or exchange as ordinary income for federal income tax purposes in the year the loss had been incurred; and
- Had any amount previously added back that not been allowed as a deduction,

The taxpayer is permitted to continue deducting the loss on the sale or exchange of the asset not previously allowed as a capital loss. However, the amount allowable as a capital loss must be computed in accordance with federal limitations on allowable capital losses. See IRC sections 1211 and 1212 for further details on federal limitations (**3-digit code: 113**).

**Line 13. Total Addbacks:** Add lines 4 through line 12D.

**Line 14. Subtotal Income:** Add line 3 and line 13.

### Deductions from Income

**Line 15.** Subtract net income (foreign gross receipts less the foreign deductions) derived from sources outside the United States as defined in the Internal Revenue Code and included in federal taxable income.

**Line 16.** Subtract an amount equal to a debt or portion of a debt becoming worthless (IRC Sec. 166). This will include reporting a modification as a positive adjustment for any recovery of an amount of previously reported bad debts that were included in a bad debt deduction in prior years. (applicable to taxpayers not defined as a large bank under IRC Section 585(c)(2) or Savings Association under IRC Section 593).

**Line 17.** Subtract an amount equal to any bad debt reserves included in federal income because of accounting method changes required by IRC Sec. 585(c)(3)(A) or IRC Section 593.

**Line 18. Total Deductions:** Add lines 15 through 17.

**Line 19. Total Income Prior to Apportionment:** Subtract line 18 from line 14.

State-chartered credit unions must begin on line 19 by entering "adjusted gross income." For state-chartered credit unions, "adjusted gross income" equals the total transfers to undivided earnings, minus dividends for that taxable year after statutory reserves are set aside under IC 28-7-1-24. In other words, "adjusted gross income" can be defined as net transfers to undivided earnings. No other deductions are permitted. The above definition also applies to a nonresident credit union doing business in Indiana.

Investment companies, defined under IC 6-5.5-1-2(d), must begin on line 19 by reporting federal taxable income computed according to the Internal Revenue Code plus interest on state and local obligations acquired by the taxpayer after Dec. 31, 2011, and excluded from federal gross income under IRC section 103, before any net operating loss deduction. An investment company must also complete line 12 of FIT-20 Schedule E-U.



**Line 20. Total Income Prior to Apportionment:** Enter the amount carried from line 19.

**Line 21. Apportionment Percentage:** (See instructions for Schedule E-U.) This line should be used by all taxpayers and unitary groups. Enter the amount from line 15 of Schedule E-U.

**Line 22. Apportioned Adjusted Gross Income for Indiana:** Multiply line 20, total income subject to apportionment, by line 21, apportionment percentage from Schedule E-U.

**Line 23. Indiana Net Capital Loss Adjustment:** Enter Indiana net capital loss carryover, as computed on the enclosed worksheet. See the sample worksheet on page 11. Line 23 is limited to the amount on line 22. Also, line 9 must be completed to add back an amount equal to the federal net capital loss deduction.

**Note:** Excess capital losses may be carried forward for five years following the loss year; however, there is no provision for the carryback of a capital loss incurred under the FIT.

## **Net Capital Loss Adjustment for FIT-20**

### **Line 23 — Sample Worksheet**

Enclose with the return the worksheet that shows the following calculations. Use this format to determine the available amount of an Indiana net capital loss and the remainder to carry forward. Add sheets to include all members of a unitary group. See the worksheet on the next page.

## Computation of Indiana Net Capital Loss for Carryforward

For a taxpayer who is not filing a combined return, the taxpayer's taxable income consists of an adjustment for net capital losses computed under the Internal Revenue Code and derived from Indiana. Capital losses and capital gains derived from Indiana are determined by the apportionment percentage applicable to each taxable year.

### Example

#### Loss Year Ending: 12-31-2015

1. Net capital loss from federal Schedule D without IRC Section 1212 carryover.....	(\$80,000)
2. FIT-20 Indiana apportioned income percentage for the taxable year of the capital loss .....	50%
3. Indiana net capital loss for carry forward (limited to succeeding five years) .....	(\$40,000)

*Additional provisions required for a combined return:* Any net capital loss or net operating loss attributable to Indiana in the combined return must be prorated between each member of the unitary group having nexus in Indiana. Each member must calculate its share of the capital loss and amount available to be applied for the combined return.

The net capital loss attributable to Indiana in the combined return is prorated between each taxpayer member of the unitary group by the quotient of:

- (a) The Indiana receipts of those taxpayer members attributable to Indiana, divided by;
- (b) The total receipts of all taxpayer members to Indiana.

### Example

Indiana receipts attributable to:	<u>Member A</u>	<u>Member B</u>	<u>Member C</u>	<u>Combined Indiana Total</u>
	\$6,000,000	\$9,600,000	\$8,400,000	\$24,000,000
Member's ratio of Indiana receipts:	25%	40%	35%	100%
Prorated share of Indiana net capital loss:	(\$10,000)	(\$16,000)	(\$14,000)	

*Carry forward these amounts separately on the combined return.*

*Use this portion of the worksheet as many times as needed to determine the deductible net capital loss applied against any Indiana net capital gains during the five-year carryforward period following the year of a loss.*

## Computation of Net Capital Loss Adjustment

The net capital loss available to be applied, if any, and carried forward to any subsequent year shall be limited to the capital gains for the subsequent year of each taxpayer member. The amount of net capital gains is determined by the same receipts formula used in computing the amount of loss derived from Indiana and is prorated between members of a unitary group (IC 6-5.5-2-1).

### Example

#### Loss Year Ending: 12-31-2015

4. Net capital loss from federal Schedule D (recomputed without any IRC Section 1212 unused capital loss carryover) .....	\$50,000
5. FIT-20 Indiana apportioned income percentage for the taxable year .....	60%
6. Available Indiana net capital gain for the year .....	\$30,000

#### Example for members of a unitary group filing a combined return having a net capital gain in 2016:

Indiana receipts attributable to:	<u>Member A</u>	<u>Member B</u>	<u>Member C</u>	<u>Combined Indiana Total</u>
	\$5,000,000	\$35,000,000	\$10,000,000	\$50,000,000
Member's ratio of Indiana receipts:	10%	70%	20%	100%
Prorated share of Indiana net capital loss:	\$3,000	\$21,000	\$6,000	

## Application of Indiana Net Capital Loss Adjustment

Enter the unused net capital loss from loss year (prorated amounts) or remaining amount(s) of each member as reduced during each of the intervening years following the year of loss. The current year adjustment for Indiana is limited to the unused amount of net capital loss, up to the amount of the net capital gains prorated for each member.

#### Amount of Loss Applied to (2016): **\$3,000      \$16,000      \$6,000**

7. Combined total of Indiana net capital loss adjustment for the tax year. Carry to line 23 of Form FIT-20 .....	\$25,000
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**Note:** *This amount may be applied only up to the amount of the current year's income tax liability.*

8. Remaining share of taxable capital gain: and (unused net capital loss):	-0- (\$7,000)	\$5,000 -0-	-0- (\$8,000)	(Share of carryover to 2017)
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### Summary of Total Indiana Net Capital Loss Carryover(s) — 2015 Example, continued

Compile for each year the total amount of net capital loss applied against net capital gains. The gain or loss available is limited to the amount of each taxpayer member's portion as apportioned to Indiana. For net capital loss carryovers from two or more years, show amounts applied through all carryforward years. Unused net capital loss from loss years occurring since 2011, after application against any net capital gains, may be carried through taxable year 2016.

Example of carryover Enter below total Indiana net capital loss from loss year(s):	Combined total Indiana net capital gains for each year.					Carryover(s) of unused prorated net capital losses available for 2017
	2012	2013*	2014*	2015*	2016*	
		\$	\$	\$	\$30,000	
	Total amount of Indiana net capital loss applied against prorated net capital gains in each year					
2011 (\$ )						
2012 (\$ )						
2013 (\$ )						
2014 (\$ )						
2015 (\$40,000 )					(\$25,000)	(\$15,000)
Remaining taxable net capital gains		0			\$5,000	

### Instructions for Schedule A, continued

**Line 24. Total Adjusted Gross Income:** Subtract line 23 from line 22. If subtotal is less than zero, enter 0.

**Line 25. Indiana Net Operating Loss Deduction:** The amount to report on this line is the Indiana portion of the net operating loss, and it cannot exceed the amount reported on line 24. Net operating losses can be carried forward for 15 years. There is no provision for net operating loss carrybacks. Complete and enclose Schedule FIT-20NOL with the return. (See page 24 for instructions.)

**Line 26. Indiana Adjusted Gross Income:** Subtract line 25 from line 24.

**Line 27. Indiana Financial Institution Tax Due:** Multiply the amount on line 26 by the current tax rate. If line 26 is a loss amount, enter zero on this line.

Financial institutions are subject to a FIT under IC 6-5.5 at the following declining rates:

- For taxable years beginning after Dec. 31, 2014, and before Jan. 1, 2016, 7.5%.
- For taxable years beginning after Dec. 31, 2015, and before Jan. 1, 2017, 7.0%.
- For taxable years beginning after Dec. 31, 2016, and before Jan. 1, 2019 6.5%.

For taxable years beginning after Dec. 31, 2018, and before Jan. 1, 2020 6.25%.

For taxable years beginning after Dec. 31, 2019, and before Jan. 1, 2021 6.0%.

For taxable years beginning after Dec. 31, 2020, and before Jan. 1, 2022 5.5%.

For taxable years beginning after Dec. 31, 2021, and before Jan. 1, 2023 5.0%.

For taxable years beginning after Dec. 31, 2022, 4.9%.

**Line 28. Nonresident Taxpayer Credit (816):** To claim this credit, enclose a copy of the domiciliary state's tax return. Non-resident taxpayers might be able to claim a credit for taxes paid to domiciliary states. To be eligible to claim the credit, the following conditions must be met: (1) the receipt of interest or other income from the loan is attributed to both the domiciliary state and also to Indiana; and (2) the principal amount of the loan is at least \$2 million.

To determine the amount of tax attributable to the loan transaction, divide the total receipts from qualified loans by the total receipts attributable to Indiana. Multiply that quotient, expressed as a percentage, by the total amount of tax due to determine the amount of tax attributable to the loan. This is the amount of credit that may be available. The actual credit is equal to the lesser of the actual taxes paid to the domiciliary state for the loan transaction and the amount due to Indiana on the loan transaction. If the taxpayer's domiciliary state grants a credit for taxes paid to

other states, the credit available for purposes of Indiana's tax must be reduced by the amount of the credit granted by the taxpayer's domiciliary state. (See the instructions for completing Schedule FIT-NRTC on page 19.)

Nonresident credits are determined for each taxpayer member of a unitary group on an individual basis, notwithstanding that the adjusted gross income is reported on a combined basis for all members of a unitary group.

**Line 29. Net Financial Institution Tax Due:** Subtract the amount on line 28 from the amount on line 27.

**Line 30. Use Tax Due:** Taxpayers are required to report and pay 7% use tax on purchases. Purchases subject to use tax include (but are not limited to) subscriptions to magazines and periodicals as well as property that is purchased exempt from tax and that is later converted to a nonexempt use by the business. To calculate the amount of purchases subject to the use tax, please see FIT-20 Schedule SUT on page 21 and enter the amount on line 30.

For more information regarding use tax, visit the department's website at [www.in.gov/dor](http://www.in.gov/dor) or call (317) 232-0129.

**Line 31. Subtotal Due:** Add line 29 and line 30.

## Tax Liability Credits

### Restriction for Certain Tax Credits – Limited to One per Project

Within a certain group of credits, a taxpayer may not be granted more than one credit for the same project. You can choose the credit to be applied. However, the credit selected cannot be changed nor can the investment be redirected for a different credit in subsequent years. See Commissioner's Directive #29 available at [www.in.gov/dor/3617.htm](http://www.in.gov/dor/3617.htm) for more information.

Six credits are included in this group:

- Alternative fuel vehicle manufacturer credit;
- Community revitalization enhancement district credit;
- Enterprise zone investment cost credit;
- Hoosier business investment credit;
- Industrial recovery credit; and
- Venture capital investment credit.

### Order of Credit Application

If claiming more than one credit, first use the credits that cannot be carried over and applied against the state AGI in another year. Next, use the credits that can be carried over for a limited number of years and applied against the state AGI. If one or more credits are available, apply the credits in the order that the credits would expire. Finally, use the credits that can be carried over and applied against the state AGI in another year.

Example:

Assume a taxpayer has a neighborhood assistance credit for which no carryover is available, a Hoosier business investment credit that can be carried forward until 2019, a school scholarship credit that can be carried forward to 2023, a second Hoosier business investment credit that can be carried forward until 2024, and a community revitalization enhancement district credit with an indefinite carryforward. The taxpayer would apply the credits in the following order until the credit is exhausted or the taxpayer's liability is reduced to zero, whichever comes first:

- Neighborhood assistance credit
- Hoosier business investment credit expiring in 2019
- School scholarship credit expiring in 2023
- Hoosier business investment credit expiring in 2024
- Community revitalization enhancement district credit

For more information about Indiana tax credits, see Information Bulletin #59 available at [www.in.gov/dor/3650.htm](http://www.in.gov/dor/3650.htm).

## Line 32. Neighborhood Assistance Tax Credit 828

If a contribution was made or activities were engaged to upgrade areas in Indiana, a credit might be available for this assistance. Effective July 1, 2014, contributions to organizations that provide services to individuals who are ex-offenders are also eligible for this credit. Contact the Indiana Housing and Community Development Authority, Neighborhood Assistance Program, 30 S. Meridian Street, Suite 1000, Indianapolis, IN 46204, for more information. Or, call (317) 232-7777 within Indianapolis or (800) 872-0371 outside of Indianapolis, for more information.

Approval Form NC-20 must be enclosed with the return to claim this credit, otherwise the credit will be denied. For more information about this credit, see Form NC-20 available at [www.in.gov/dor/3508.htm](http://www.in.gov/dor/3508.htm) and Information Bulletin #22 available at [www.in.gov/dor/3650.htm](http://www.in.gov/dor/3650.htm).

## Line 33. Enterprise Zone Employment Expense Tax Credit 812

This credit is based on qualified investments made within an Indiana enterprise zone. It is the lesser of 10% of qualifying wages or \$1,500 per qualified employee, up to the amount of tax liability on income derived from an enterprise zone. Enclose the completed Schedule EZ 1, 2, 3 with the return, otherwise the credit will be denied.

Find the Indiana Schedule EZ 1, 2, 3 at [www.in.gov/dor/3515.htm](http://www.in.gov/dor/3515.htm) for more information on how to calculate this credit.

## Line 34. Enterprise Zone Loan Interest Tax Credit

814

This credit is allowed for up to 5% of the interest received from all qualified loans made during a tax year for use in an active Indiana enterprise zone.

See Information Bulletin #66 available at [www.in.gov/dor/3650.htm](http://www.in.gov/dor/3650.htm) for more information on how to calculate this credit. **Note:** Schedule LIC must be enclosed if claiming this credit; it is available at [www.in.gov/dor/3515.htm](http://www.in.gov/dor/3515.htm). Contact the Indiana Economic Development Corporation at 1 N. Capitol Ave., Suite 700, Indianapolis, IN 46204; call them at (317) 232-8800; or visit the IEDC website at [www.iedc.in.gov](http://www.iedc.in.gov) for additional information.

Enclose Schedule LIC with the return, otherwise the credit will be denied.

**Note:** Claimants must be in good standing to remain eligible for the enterprise zone loan interest credit. The term “zone business” includes an entity that claims certain tax benefits available to businesses located in an enterprise zone. A taxpayer can claim the enterprise zone loan interest credit only if that taxpayer pays a registration fee, provides additional assistance to urban enterprise associations required of zone businesses, and complies with the requirements adopted by the Indiana Economic Development Corporation.

## Lines 35 and 36 — Other Tax Liability Credits Available to Financial Institutions

Claim other allowable tax liability credits by entering the name, credit ID code number, and amount using line 35 or 36. The total nonrefundable tax liability credit is limited to the amount of income tax on line 29, unless otherwise noted. If your claim exceeds the amount of your tax liability, adjust by recalculating the credit to the amount that you can apply. If you qualify for the refundable Economic Development for a Growing Economy (EDGE) job retention credit, claim that credit on line 43.

A detailed explanation or supporting schedule must be enclosed with the return when claiming any credits on lines 35, 36, 43, and 44. See Information Bulletin #59 available at [www.in.gov/dor/3650.htm](http://www.in.gov/dor/3650.htm) for more information about the Indiana tax credits available to taxpayers.

## Line 37 — Certified Credits Available to Financial Institutions

If you are claiming any credits on IN-OCC including credits passed through from IN K-1 Part 2, enter the total of those credits here and enclose Schedule IN-OCC with you return. The credit codes reported on IN-OCC are 820, 849, 858, 860, 1820, 1849, 1858, 1860. See page 12 for a list of available credits.

**Line 38. Total Credits:** Add the amounts on lines 32 through 37.

**Line 39. Total Tax Due:** Subtract the amount on line 38 from the amount on line 31.

**Line 40. Total Estimated Tax Paid:** Enter the total amount of estimated tax paid for the taxable year. Itemize each quarterly payment in the spaces provided.

List all members included in a combined return by completing FIT-20 Schedule H on page 4 of the return. Show any amount of estimated tax you are claiming that might have been paid by a member under the federal identification number.

## Line 41. Extension Payment and Prior Year Overpayment:

Enter on line (a) the payment made resulting from an extension of time to file request, and on line (b) list your carryover credit of a prior-year overpayment. This provision is applicable to a prior-year overpayment of the financial institution tax only. Indiana will accept the federal extension date, plus an additional 30 days. However, an extension of time to file is not an extension of time to pay. You must pay at least 90% of the current year liability by the original due date of the FIT return. Enter the total amount on line 41.

**Line 42. Other Payments/Credits:** Enter any other payments that are allowable and enclose an explanation.

**Line 43. EDGE Credit.** Claim the approved Economic Development for a Growing Economy (EDGE) credit on this line. Enter the amount from line 19 of Schedule IN-EDGE here. This credit is for businesses that conduct certain activities designed to foster job creation in Indiana. It is a refundable tax liability credit. **Note:** Complete Schedule IN-EDGE and enclose it with the return, otherwise the credit will be denied. Obtain a PIN from the IEDC.

Contact the Indiana Economic Development Corporation at One North Capitol, Suite 700, Indianapolis, IN 46204, for eligibility requirements. Call (317) 232-8800 or visit [www.iedc.in.gov](http://www.iedc.in.gov) for additional information.

**Line 44. EDGE-R Credit.** Claim the approved EDGE-R credit on this line. Enter the amount from line 19 of Schedule IN-EDGE-R here.

This credit is for businesses that conduct certain activities designed to foster job retention in Indiana. It is a refundable tax liability credit. The aggregate amount of credits awarded for projects to retain existing jobs in Indiana is capped at \$10 million per year. **Note:** Complete Schedule IN-EDGE-R and enclose it with the return, otherwise the credit will be denied. Obtain a PIN from the IEDC.

Contact the Indiana Economic Development Corporation at One North Capitol, Suite 700, Indianapolis, IN 46204, for eligibility requirements. Visit [www.iedc.in.gov](http://www.iedc.in.gov) for additional information.

**Line 45. Total Payments:** Add lines 40 through 44.

**Line 46. Balance of Tax Due:** Subtract line 45 from line 39.

**Line 47. Penalty for Underpayment:** Enter the penalty, if any, for underpayment of estimated tax. Complete and enclose Schedule FIT-2220 to determine if the underpayment of estimated tax penalty or an exception to the penalty applies.

**Note:** If a taxpayer's annual liability exceeds \$2,500, filing quarterly estimated payments to remit 25% of the estimated annual tax liability is required.

**Line 48. Interest:** If payment is made after the original due date, interest must be included with the payment. Interest is calculated from the original due date of the return until the date of payment.

For the current rate of interest charged see Departmental Notice #3 available at [www.in.gov/dor/3618.htm](http://www.in.gov/dor/3618.htm), or contact the department by calling (317) 232-0129.

An extension of time to file the return does not grant an extension of time to pay any tax due; therefore, interest must be calculated.

**Line 49. Late Penalty:** Enter the computed penalty amount that applies.

- A. If a payment is made after the original due date, a penalty that is the greater of \$5 or 10% of the remaining tax due must be entered. The penalty for late payment or late filing will not be imposed if all three of the following conditions are met:
- (1) A valid extension of time to file exists;
  - (2) At least 90% of the tax was paid by the original due date; and
  - (3) The remaining tax and interest due is paid by the extended due date.
- B. If the return showing no tax liability (on line 31) is filed late, the penalty for failure to file by the due date will be \$10 for each day that the return is past due, up to a maximum of \$250.

**Line 50. Total Due:** Add lines 46 through 49. If a payment is due, enter the total tax due plus any applicable penalty and interest. Make checks payable to the Indiana Department of Revenue for each Form FIT-20 filed. All payments must be made in U.S. funds.

**Lines 51, 52, and 53. Total Overpayment:** If the taxpayer has an overpayment determined by subtracting the amounts on lines 39, 47, and 49 from the amount on line 45, the corporation can elect to have a portion or all of its overpayment credited to following year's estimated tax account. The portion to be refunded should be entered on line 52, and the portion to be applied to next year's account should be entered on line 53. The total of line 52 and line 53 must equal the amount on line 51.

An election to apply an overpayment to the following year is irrevocable. If your overpayment is reduced due to an error on the return or an adjustment by the department, the amount to be refunded will be corrected before any changes are made to the estimated account for next year. A refund may be set off and applied to other liabilities under IC 6-8.1-9-2(a) and 6-8.1-9.5 before it is credited to the following year's estimated tax account.

## **Certification of Signatures and Authorization Section**

Sign, date, and print the corporation name on the return. If a paid preparer completes the return, authorize the department to discuss the tax return with the preparer by checking the authorization box above the line for the name of the personal representative.

## **Personal Representative Information**

Typically, the department contacts the corporation if there are any questions or concerns about the tax return. If the department is authorized to discuss the tax return with someone else (e.g., the person who prepared it or a designated person), complete this area.

First, check the "Yes" box that follows the sentence "I authorize the department to discuss my tax return with my personal representative."

Next, enter:

- The name of the individual designated as the corporation's personal representative; and
- The individual's email address.

If this area is completed, the department is authorized to contact the personal representative, instead of the corporation, about this tax return. After the return is filed, the department will communicate primarily with the designated personal representative on matters concerning the return.

**Note:** The authorization for the department to be in contact with a personal representative can be revoked at any time. To do so, submit a signed statement to the department. The statement must include a name, Federal Identification Number of the corporation, and the year of the tax return. Mail the statement to Indiana Department of Revenue, P.O. Box 7206, Indianapolis, IN 46207-7206.

## **Corporate Officer Information**

An officer of the organization must sign and date the tax return and enter the officer's name and title. Please provide a daytime telephone number the department can call if there are any questions about the tax return. Also, provide an email address if contact via email is desired.

## **Paid Preparer Information**

Fill out this area if a paid preparer completed this tax return. The paid preparer must sign and date the return. In addition, please enter the following:

- The paid preparer's email address;
- The name of the firm the paid preparer is employed by;
- The paid preparer's PTIN (personal tax identification number). This must be the paid preparer's PTIN; do not enter an FID or Social Security number;
- The paid preparer's complete address.

**Note:** Complete this area even if the paid preparer is the same individual designated as the personal representative.

## **Mailing Options**

Please mail completed returns to:

**Indiana Department of Revenue**  
**P.O. Box 7228**  
**Indianapolis, IN 46207-7228**

The following credits are available to financial institutions.

## **Alternative Fuel Vehicle Manufacturer Credit** **845**

A credit is available for up to 15% for qualified investments made between Jan.1, 2007 and Dec. 31, 2016, within Indiana. This credit applies to expenditures for the manufacture or assembly of alternative fuel vehicles. An alternative fuel vehicle is any passenger car or light truck with a gross vehicle weight of 8,500 pounds or less and that is designed to operate using:

- Biodiesel
- Coal-derived liquid fuels;
- Denatured alcohol;
- E85;
- Electricity;
- Hydrogen;
- Liquefied petroleum gas;
- Methanol;
- Natural gas;
- Non-alcohol fuels derived from biological material;
- P-Series fuels; or
- Ultra-low sulfur diesel.

For more information on the qualifications for obtaining this credit, contact the Indiana Economic Development Corporation at One North Capitol, Suite 700, Indianapolis, IN 46204; call them at (317) 232-8800; or visit the IEDC website at [www.iedc.in.gov](http://www.iedc.in.gov). Also see Income Tax Information Bulletin #103 available at [www.in.gov/dor/3650.htm](http://www.in.gov/dor/3650.htm).

## **Blended Biodiesel Credits** **803**

This credit has been repealed. However, any previously approved yet unused credit is available to be claimed.

## **Coal Gasification Technology**

### **Investment Credit** **806**

A credit is available for a qualified investment in an integrated coal gasification power plant or fluidized bed combustion technology. It must serve Indiana gas utility and electric utility consumers to qualify. This can include an investment in a facility located in Indiana that converts coal into synthesis gas that can be used as a substitute for natural gas.

You must file an application for certification with the IEDC. If the credit is assigned, it must be approved by the utility regulatory commission and taken in 10 annual installments. The amount of credit for a coal gasification power plant is 10% of the first \$500 million invested and 5% for any amount over that. The amount of credit for a fluidized bed combustion technology is 7% of the first \$500 million invested and 3% for any amount over that.

For more information, visit the Indiana Economic Development Corporation's website at [www.iedc.in.gov](http://www.iedc.in.gov) or contact them at One North Capitol, Suite 700, Indianapolis, IN 46204. Or, see Information Bulletin #99 available at [www.in.gov/dor/3650.htm](http://www.in.gov/dor/3650.htm).

Enclose a copy of the utility regulatory commission's determination and the certificate of compliance issued by IEDC with the return, otherwise the credit will be denied.

## **Community Revitalization Enhancement District Credit** **808**

A state and local income tax liability credit is available for a qualified investment for the redevelopment or rehabilitation of property within a community revitalization enhancement district. To be eligible for the credit, the intended expenditure plan must be approved by the IEDC before the expenditure is made. The credit is equal to 25% of the IEDC-approved qualified investment made by the taxpayer during the tax year. The department has the authority to disallow any credit if the taxpayer:

- Ceases existing operations;
- Substantially reduces its operations within the district or elsewhere in Indiana; or
- Reduces other Indiana operations to relocate them into the district.

The taxpayer can assign the credit to a lessee who remains subject to the same requirements. The assignment must be in writing. Also, any consideration may not exceed the value of the part of the credit assigned. Both parties must report the assignment on the state income tax returns for the year of assignment.

Contact the Indiana Economic Development Corporation at One North Capitol, Suite 700, Indianapolis, IN 46204, or visit the IEDC website at [www.iedc.in.gov](http://www.iedc.in.gov) for more information about this credit.

**Note:** See the section "Restriction for Certain Tax Credits - Limited to One per Project" on page 12.

## **Employer Health Benefit Plan Credit 842**

Per IC 6-3.1-31-14, this credit will not be awarded for tax years that begin after Dec. 31, 2011. However, it can be carried forward to tax years beginning prior to Jan. 1, 2016. Enclose proof of continued eligibility for the credit with the return, otherwise the credit will be denied. Also include proof of the expenditures necessary to calculate the credit.

## **Ethanol Production Credit 815**

This credit has been repealed. However, any previously approved yet unused credit is available to be claimed.

## **Headquarters Relocation Credit 818**

A business may be eligible for a credit if it:

- Has an annual worldwide revenue of \$50 million;
- Has at least 75 Indiana employees; and
- Relocates its corporate headquarters to Indiana. (Effective July 1, 2013, “corporate headquarters” includes the principal offices of a division or similar subdivision of an eligible business, as well as a research and development center of an eligible business.)

The credit may be as much as 50% of the cost incurred in relocating the taxpayer’s headquarters. For more information (including limitations on the credit and the application process), get Income Tax Information Bulletin #97 at [www.in.gov/dor/3650.htm](http://www.in.gov/dor/3650.htm). This credit is administered by the IEDC. Contact IEDC at One North Capitol, Suite 700, Indianapolis, IN 46204. Visit the IEDC website at [www.iedc.in.gov](http://www.iedc.in.gov) or call them at (317) 232-8800. Submit a copy of the certificate from the IEDC verifying the amount of tax credit for the taxable year to the department with the FIT-20 return, otherwise the credit will be denied.

## **Hoosier Business Investment Credit 820**

This credit is for qualified investments, including costs associated with the following:

- Constructing special-purpose buildings and foundations;
- Making onsite infrastructure improvements;
- Modernizing existing equipment;
- Purchasing equipment used to make motion pictures or audio production;
- Purchasing or constructing new equipment directly related to expanding the workforce in Indiana;
- Retooling existing machinery and equipment;
- Constructing or modernizing transportation or logistical distribution facilities;
- Improving the transportation of goods via highway, rail, air, or water; and
- Improving warehousing and logistical capabilities.

This credit is administered by the IEDC. Contact IEDC at One North Capitol, Suite 700, Indianapolis, IN 46204. Visit the IEDC website at [www.iedc.in.gov](http://www.iedc.in.gov) or call them at (317) 232-8800. Please see Information Bulletin #95 available at [www.in.gov/dor/3650.htm](http://www.in.gov/dor/3650.htm) for additional information. Submit a copy of the certificate from the IEDC verifying the amount of tax credit for the taxable year to the department with the FIT-20 return, otherwise the credit will be denied.

**Note:** See the section “Restriction for Certain Tax Credits - Limited to One per Project” on page 12.

Claim this credit on Schedule IN-OCC.

## **Individual Development Account Credit 823**

A credit is available for qualified 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 in accumulating savings and building personal finance skills. The organization must have an approved program number from the Indiana Housing and Community Development Authority (IHCDA) before a contribution qualifies for preapproval. The credit is equal to 50% of the qualified contribution, which must not be less than \$100 and not more than \$50,000.

Applications for the credit are filed through the IHCDA by using Form IDA-10/20. An approval Form IDA-20 must be enclosed with the return if claiming this credit, otherwise the credit will be denied. To request additional information about the definitions, procedures, and qualifications for obtaining this credit, contact the Indiana Housing and Community Development Authority, 30 S. Meridian Street, Suite 1000, Indianapolis, IN 46204, (317) 232-7777.

## **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. The IEDC must approve the application for credit and the plan for rehabilitation. A lessee of property in an industrial recovery site may be assigned tax credits based on the owner’s or developer’s qualified investment within the designated industrial recovery site. **Note:** Per IC 6-3.1-11-1, the minimum age for a facility to be eligible for this credit has been reduced from 20 years to 15. Effective July 1, 2013, an industrial facility does not have to be vacant for at least one year to qualify and must be only 50,000 square feet; after Dec. 31, 2014, the minimum size will be 100,000 square feet. Effective Jan. 1, 2014, shareholders, partners, and members of pass-through entities may claim this credit. Enclose an approval certification from the IEDC or a letter of assignment with the return, otherwise the credit will be denied.

For additional information regarding procedures for obtaining this credit, contact the Indiana Economic Development Corporation Industrial Recovery Program Manager, located at One North Capitol, Suite 700, Indianapolis, IN 46204. Visit the IEDC website at [www.iedc.in.gov](http://www.iedc.in.gov) or call (317) 232-8800.

**Note:** See the section “Restriction for Certain Tax Credits - Limited to One per Project” on page 12.



**Military Base Investment Cost Credit 826**

This credit has been repealed. However, any previously approved yet unused credit is available to be claimed.

**Military Base Recovery Credit 827**

This credit has been repealed. However, any previously approved yet unused credit is available to be claimed.

**Natural Gas Commercial Vehicle Credit 858**

A credit is available for the purchase of vehicles powered with natural gas (CNG or LNG). It applies only to vehicles weighing more than 33,000 pounds and purchased from an Indiana dealer. It is effective Jan. 1, 2014, through Dec. 31, 2016. The amount of the credit is the amount of the difference between the price of the qualified vehicle and the price of a similarly equipped vehicle that is powered by a gasoline or diesel engine multiplied by 50%. The credit is the lesser of this result or \$15,000, whichever is smaller.

To be eligible for the credit, a dealer or purchaser must complete the Commercial Natural Gas Vehicle Credit form (Form NGV-C), available at [www.in.gov/dor/5051.htm](http://www.in.gov/dor/5051.htm), and submit it to the department. The approved credit must be reported on Schedule IN-OCC, available at [www.in.gov/dor/5174.htm](http://www.in.gov/dor/5174.htm). For more information about this credit, see Income Tax Information Bulletin #109 available at [www.in.gov/dor/3650.htm](http://www.in.gov/dor/3650.htm).

**New Employer Credit 850**

This credit has been repealed. However, any previously approved yet unused credit is available to be claimed.

**Riverboat Building Credit 832**

This credit has been repealed. However, any previously approved yet unused credit is available to be claimed. Enclose certification from the IEDC, the credit assignment, and proof of investment with the return. Otherwise, the credit will be denied.

**School Scholarship Credit 849**

A credit is available for contributions to school scholarship programs. A taxpayer that makes a qualifying contribution to a scholarship granting organization (SGO) is entitled to a credit against the state tax liability in the taxable year in which the contribution is made. The amount of a taxpayer's credit is equal to 50% of the amount of the contribution made to the SGO for a school scholarship program. Effective Jan. 1, 2013, this credit can now be carried forward for nine years after the unused credit year. **Note:** Credits that apply to taxable years beginning before Jan. 1, 2013, may not be carried forward.

To qualify for the credit, the taxpayer must:

- Make a contribution to a scholarship granting organization that is certified by the Department of Education under IC 20-51;
- Make the contribution directly to the SGO;
- Designate in writing to the SGO that the contribution is to be used solely for a school scholarship program or have written confirmation from the SGO that the contribution will be used solely for a school scholarship program.

Although there are no limits on the size of a qualifying contribution to an SGO, the entire tax credit program has a limit of \$9.5 million in credits per state fiscal year (July 1 – June 30).

Enclose Schedule IN-OCC with the return to claim this credit, otherwise the credit will be denied.

**Small Employer Qualified Wellness Program Credit 843**

Per IC 6-3.1-31.2-11, this credit will not be awarded for tax years that begin after Dec. 31, 2011, however it can be carried forward to tax years beginning prior to January 1, 2016.

Enclose the certificate you receive from the Department of Health with the return, otherwise the credit will be denied.

**Venture Capital Investment Credit 835**

A taxpayer who provides qualified investment capital to a qualified Indiana business may be eligible for this credit. Per IC 6-3.1-24-8, for calendar years beginning after Dec. 31, 2010, the maximum credit available to a qualified business is \$1 million. The carryforward provision is limited to five years. **Note:** 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. Apply online through the IEDC's website ([www.iedc.in.gov](http://www.iedc.in.gov)). Or, call (317) 232-8800 for more information.

**Note:** See the section "Restriction for Certain Tax Credits - Limited to One per Project" on page 12.

Enclose the certification letter from the IEDC with the return, otherwise the credit will be denied.

**Instructions for FIT-20 Schedule E-U Apportionment of Receipts to Indiana**

This schedule is on page 3 of the return. The following information must be completed by all taxpayers, including those taxpayers filing combined unitary returns. Investment companies must complete line 12. Credit unions must report adjusted gross income for a taxable year based on total transfers to undivided earnings minus dividends for that taxable year after statutory reserves are set aside under IC 28-7-1-24.

The Indiana Financial Institution Tax is imposed on apportioned income. Taxpayers and unitary groups must file using an apportionment percentage based on a single-factor formula. Indiana employs a single-factor receipts formula to determine the percentage of the taxpayer's income subject to tax.

The single-factor formula is derived by dividing the gross receipts attributable to transacting business in Indiana by the total receipts from transacting business in all taxing jurisdictions. This fraction is expressed as a percentage carried to two decimal places (e.g., 67.63). The total income is then multiplied by this percentage to arrive at Indiana financial institution adjusted gross income.

**The following types of receipts are attributable to Indiana:**

- (1) Receipts from the lease or rental of real or tangible personal property if the property is located in Indiana.
- (2) Interest income and other receipts from assets in the nature of loans or installment sales that are secured by or deal primarily with real or tangible personal property that is located in Indiana.
- (3) Interest income and other receipts from consumer loans not secured by real or tangible personal property if the loan is made to a resident of Indiana.
- (4) Interest income and other receipts from commercial loans not secured by real or tangible personal property must be attributed to Indiana if the proceeds of the loan are to be applied in Indiana. If it cannot be determined where the loan proceeds will be applied, the income and receipts are attributed to the state where the borrower applied for the loan.
- (5) Fee income and other receipts from letters of credit, acceptance of drafts, and other devices for guaranteeing loans must be attributed in the same manner as commercial loans are attributed.
- (6) Interest income, merchant discounts, and other receipts (including service charges from financial institution credit card and travel and entertainment card receivables) must be attributed to the state where the card charges are regularly billed.
- (7) Receipts from the sale of a tangible or an intangible asset must be attributed to the same state where the income from the tangible or intangible asset was attributed. Receipts attributed to Indiana can include receipts of dividends and interest from stocks, bonds, and other securities issued by an Indiana resident taxpayer. Income from intangible property that is located in Indiana and is controlled from an Indiana business situs may be attributed to Indiana.
- (8) Receipts from the performance of fiduciary and other services must be attributed to the state where the benefits of the services are consumed.
- (9) Receipts from the issuance of traveler's checks, money orders, or United States savings bonds must be attributed to the state where the item was purchased.
- (10) Receipts from investments of a financial institution in securities of this state and its political subdivisions, agencies, and instrumentalities must be attributed to Indiana.
- (11) Interest income and receipts from a participation loan must be attributed in the same manner as the loan is attributed. A participation loan is a loan in which more than one lender is a creditor to a common borrower.
- (12) The aggregate of gross payments collected by an investment company from the business upon investment contracts issued by the company and held by Indiana residents is attributed to Indiana.
- (13) Other receipts from non-municipal investment income are to be reported in the denominator of the apportionment factor to the extent they are included as gross income for federal tax purposes. "Non-municipal investments" means income from U.S. treasuries, federal

agencies (e.g., GNMA, FNMA, Freddie Mac, other loan-backed securities, etc.), and corporate securities. Any non-municipal investment receipts that are for the disposition of assets such as securities and money market transactions are limited to the gain that is recognized upon the disposition in accordance with IC 6-5.5-4-2(1).

**Instructions for Filing a Combined Return:  
Attributing Receipts of a Taxpayer Filing a  
Combined Return**

**List members included in the combined return by completing FIT-20 Schedule H on page 4 of the return.** When calculating adjusted gross income, the taxpayer must eliminate all income and deductions from transactions between entities that are included in the unitary filing.

- A. A taxpayer filing a combined return for a unitary group shall determine the income for a taxable year attributable to Indiana using the following formula:
  - (1) The aggregate adjusted gross income, from whatever source derived, of the taxpayer members of the unitary group;  
multiplied by
  - (2) The quotient of:
    - (a) The receipts of all the taxpayer members of the unitary group attributable to transacting business in Indiana;  
divided by
    - (b) The receipts of all the taxpayer members of the unitary group attributable to transacting business in all taxing jurisdictions.

Identify the members of the unitary group and determine which members are taxpayers under the FIT. To be included in the combined return under FIT, effective Jan. 1, 2002, the member must be transacting the business of a financial institution in Indiana as defined in IC 6-5.5-1-18. If the unitary group has receipts not attributable to Indiana, the group must file FIT-20 Schedule E-U to apportion its receipts within and outside of Indiana.

- B. Percent of Ownership by Parent(s): To qualify as a member of a unitary group, more than 50% of the voting stock of each member of the group must be directly or indirectly owned by a common owner or owners, or owned by one or more of the corporations of the group, regardless of where owners are located and/or where such owners conduct business. The unitary group is comprised of all the members of the group qualifying as unitary affiliates and conducting the business of a financial institution in Indiana.

- C. Regular Financial Institutions: A regulated financial corporation, a holding company, or a subsidiary of a regulated financial corporation or holding company, as defined in I.C. 6-5.5-1-17, is required to file a combined return for all members of the unitary group transacting business in Indiana.
- D. Other Corporations: The unitary group includes any other corporation (other than subsidiaries of an entity mentioned in part C) that transacts business in Indiana and derives at least 80% of its gross receipts from the extension of credit, leasing that is the economic equivalent of the extension of credit, or charge card operations. If a corporation does not meet the 80% test, it is not a FIT taxpayer and cannot file as a member for purposes of the FIT. Instead, the corporation not meeting the 80% test, will file an adjusted gross income tax return (Form IT-20).
- E. Federal Identification Number: Identify each corporate member of the unitary group by listing the member's federal identification number.
- F. Principal Business Activity Code: Enter the principal business activity code, from the North American Industry Classification System (NAICS), in the designated block of the return. Use the six-digit activity code reported on the federal corporation income tax return.
- G. Quarterly Payments of Estimated Tax: Indicate for each member if quarterly estimated payments of the financial tax were made by the member under its own federal identification number. If estimated tax payments were made, indicate whether payments were made on Form IT-6 or Form FT-QP.

List members included in the combined return by completing FIT-20 Schedule H on page 4 of the return.

## Instructions for Schedule FIT-NRTC — Nonresident Tax Credit

The FIT-NRTC schedule is used to claim the nonresident taxpayer credit for taxes paid to the state of commercial domicile and attributable to Indiana. A taxpayer filing on a unitary basis must compute this credit on an individual taxpayer basis. The principal amount of the loan must be at least \$2 million to qualify for this credit.

### PART I — Identification Section

In this section, identify the borrower, the principal amount of the loan, and the receipts less principal attributed to the loan during the tax year. Enclose additional sheets if necessary.

### PART II — Calculation Section

In this section, you calculate the amount of eligible credit. The credit is equal to the lesser of the actual taxes paid to the domiciliary state for the loan transaction or the amount due Indiana for the loan transaction.

**Line 1.** Enter the total from PART I (receipts attributable to the loan transaction).

**Line 2.** Enter the total receipts attributable to the nonresident.

**Line 3.** Divide the amount on line 1 by the amount on line 2. This is the apportionment percentage used to attribute receipts from qualified loans to the amount of tax due.

**Line 4.** Enter the amount of Indiana financial institution tax due from a pro forma schedule. The schedule must be enclosed.

**Line 5.** Multiply the percentage on line 3 by the amount on line 4. This is the amount of credit available to be applied against the taxpayer's domiciliary state for the qualified loans.

**Line 6.** Enter the amount of tax paid to the domiciliary state for the qualified loans, less any credit that the domiciliary state grants for taxes paid to other states.

**Line 7.** Enter the lesser of the amount on line 5 or line 6. Enter this amount on line 28 of the FIT-20.

**Enclose a copy of your domiciliary state's tax return with Form FIT-20, otherwise the credit will be denied.**

## Special Reminders

1. Financial institutions filing on a fiscal-year basis must enter the tax year beginning and ending dates.
2. Net operating loss deductions must be supported by the completed Schedule FIT-20NOL enclosed with the return.
3. The Schedule FIT-2220, Underpayment of Estimated Tax by Financial Institutions, must be completed to reflect the applicable penalty. See page 4 of the return.
4. Questions L through W on the front of the return must be answered.
5. A copy of the first five pages of the corporation's federal tax return must be enclosed with Form FIT-20, along with Schedule M-3 and a copy of any extension to file form.
6. If an extension of time to file exists, the corporation must prepay at least 90% of the tax due by the original due date. Failure to do so will result in a 10% penalty on the amount paid after the original due date of the return. Interest will be due on any payment made after the original due date.
7. If applicable, check the box indicating you are either a state-chartered credit union or an investment company.
8. If the name change box is checked, enclose with the return copies of amended Articles of Incorporation or an Amended Certificate of Authority filed with the Indiana Secretary of State.

**If you have any questions, see Commissioner's Directive #14 available at [www.in.gov/dor/3617.htm](http://www.in.gov/dor/3617.htm) or contact Tax Administration at (317) 232-0129.**

## Instructions for Form FT-ES

Quarterly payments of estimated financial institution tax for calendar-year taxpayers are due on April 20, June 20, September 20, and December 20 of the taxable year. Fiscal-year and short tax-year filers must remit by the 20th day of the fourth, sixth, ninth, and twelfth months of the tax periods.

Form FT-QP must be used when making these quarterly payments. (Do not use Form IT-6.) Please note the voucher number on the form when making the payment for that quarter. Payments made after the quarterly due date will be reported in the following quarter when paid.

If the annual tax liability is less than \$2,500, estimated payments are not required to be made. If the quarterly payment exceeds \$5,000, payments must be made by electronic funds transfer (EFT). Contact the EFT Section at (317) 232-5500 for more information.

Use the preprinted Form FT-QP estimated payment vouchers mailed to you at the beginning of your tax year. If you make payment by EFT, you don't need to file FT-QP forms. If you do not have preprinted forms and need coupon vouchers, fill out the appropriate FT-ES voucher for the tax period on the form provided at the end of this booklet. Enter the total financial institution tax due for the quarter.

Any penalty and interest paid as a result of a late payment assessment **cannot** be claimed as a credit on the annual return.

Claims for refunds are processed on an annual basis only. If errors are discovered on a quarterly filing, these errors should be adjusted on either the next quarterly return or the annual return. Adjustments of quarterly returns must be made during the taxable year of such quarterly returns, and a complete explanation should accompany that return.

**Each return must be signed by an authorized officer.**

## Additional Information

### Utility Services Use Tax

An excise tax known as the utility services use tax is imposed on the retail consumption of utility services in Indiana at the rate of 1.4% where the utility receipts tax is not paid by the utility providing the service.

You may be liable for this tax if you purchase utility services from outside Indiana (or anywhere if for resale) and become the end user in Indiana of any part of the purchase. The person who consumes the utility service is liable for the utility services use tax based on the price of the purchase. Unless the seller of the utility service is registered with the department to collect the utility services use tax on your behalf, you are required to remit this tax on Form USU-103. For more information, refer to Commissioner's Directive #32, at [www.in.gov/dor/3617.htm](http://www.in.gov/dor/3617.htm).

**INtax:** A free online program to manage your Indiana business tax account.

Reduce the burden of managing sales and withholding tax obligations by using INtax, Indiana's free online business tax filing program. INtax puts the business owner in control of the tax accounts.

INtax features include

- File and pay any time of day
- Schedule future payments
- Check account balances instantly
- Manage multiple businesses under one profile
- Review transaction history and receipt confirmation
- Establish multiple users and set access rights by user
- Correspond directly and confidentially with the department

To take advantage of this free service, visit [www.in.gov/dor/3963.htm](http://www.in.gov/dor/3963.htm).

### Sales/Use Tax Worksheet

List all purchases made during the tax year from out-of-state companies.

<b>Column A</b> Description of personal property purchased from out-of-state retailer	<b>Column B</b> Date of Purchase(s)	<b>Column C</b> Purchase Price
Magazine subscriptions:		
Mail order purchases:		
Internet purchases:		
Other purchases:		
1. Total purchase price of property subject to the sales/use tax .....	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 FIT-20, line 30. If the amount is negative, enter zero and put no entry on line 30 of the FIT-20.....	4	

**Form FIT-20**

State Form 44623  
(R15 / 8-16)

Department of Revenue

**Indiana Financial Institution Tax Return**

**2016**

Calendar Year Ending December 31, 2016 or

Fiscal Year Beginning

**2016** and Ending

Check box if amended.

Check box if name changed.

Name of Corporation		Federal Identification Number	
Number and Street	County	Principal Business Activity Code	
City	State	ZIP Code	Corporation Telephone Number

Check box if this is a state chartered credit union or an investment company registered under the Investment Company Act of 1940. (Also see instructions for line 19 and FIT-20 Schedule E-U)

L. Date of incorporation \_\_\_\_\_ in the state of \_\_\_\_\_

M. State of Commercial Domicile \_\_\_\_\_

N. Year of initial Indiana return \_\_\_\_\_

O. Location of accounting records if different from above address: \_\_\_\_\_

P. Accounting method:  Cash  Accrual

Q. Did the corporation make estimated tax payments using a different Federal Identification number?  Y  N  
*List any other Federal Identification numbers on Schedule H.*

R. Is 80% or more of your gross income derived from making, acquiring, selling, or servicing loans or extensions of credit?  Y  N *If you answer no, do not file this return; file Form IT-20.*

S. Check all boxes that apply:  Initial Return  
 Final Return  In Bankruptcy  REMIC

T. Is this return filed on a combined basis? *If yes, complete Schedule H*.....  Y  N

U. Is this a separate return by a member of a unitary group? (See instructions on page 5).....  Y  N

V. Do you have on file a valid extension of time to file your return (federal Form 7004 or an electronic extension of time)?  Y  N

W. Are you a member of a partnership?.....  Y  N *If you answer yes, see instruction page 5.*

Income:	Schedule A	Round all entries	
1. Federal taxable income (before NOL and special federal deduction); use minus sign for negative amounts.....		1	00
2. Qualifying dividend deduction .....		2	00
3. Subtotal (subtract line 2 from line 1) .....		3	00
<b>Add back:</b> Enter an amount equal to the deduction taken for:			
4. Bad debts (IRC Sec. 166) (see instructions).....		4	00
5. Bad debt reserves for banks (IRC Sec. 585).....		5	00
6. Bad debt reserves (IRC Sec. 593) .....		6	00
7. Charitable contributions (IRC Sec. 170).....		7	00
8. All state and local income taxes .....		8	00
9. Net capital loss carryovers to the extent used in offsetting capital gains on federal Schedule D (IRC Sec. 1212).....		9	00
10. Amount of interest excluded for state and local obligations (IRC Sec. 103) minus the associated expenses (IRC Sec. 265).....		10	00
<b>Other modifications to income (see instructions):</b>			
11A. Domestic production activities deduction (IRC Sec. 199) .....		11A	00
11B. Net bonus depreciation, add or subtract net amount .....		11B	00
11C. Excess IRC Section 179 deduction, add or subtract .....		11C	00
<i>If line 11B or 11C is negative, use a minus sign.</i>			
11D. Qualified patents income deduction (use a minus sign for negative amounts) .....		11D	00
12A. Enter name of addback or deduction _____ Code No. _____		12A	00
12B. Enter name of addback or deduction _____ Code No. _____		12B	00
12C. Enter name of addback or deduction _____ Code No. _____		12C	00
12D. Enter name of addback or deduction _____ Code No. _____		12D	00
13. Total addbacks (add lines 4 through 12D).....		13	00
14. Subtotal (add line 3 and line 13).....		14	00
<b>Deductions:</b>			
15. Subtract income that is derived from sources outside the U.S. and included in federal taxable income .....		15	00
16. Subtract an amount equal to a debt or portion of a debt that becomes worthless - net of all recoveries (IRC Sec. 166).....		16	00
17. Subtract an amount equal to any bad debt reserves that are included in federal income because of accounting method changes (IRC Sec. 585(c)(3)(a) or Sec. 593) .....		17	00
18. Total Deductions (add lines 15 through 17).....		18	00
19. Total Income Prior to Apportionment (subtract line 18 from line 14).....		19	00



20616111594

Round all entries

Table with 3 columns: Line number, Description, and Amount. Lines 20-31 cover Total Income Prior to Apportionment, Apportionment Percentage, Current Year Apportioned Adjusted Gross Income, Indiana Net Capital Loss Adjustment, Subtotal of line 22 minus line 23, Indiana Net Operating Loss Deduction, Total Indiana Adjusted Gross Income subject to tax, Financial Institution Tax, Less: Nonresident Taxpayer Credit, Net Financial Institution Tax Due, Sales/Use Tax Due, and Subtotal Due. Lines 32-39 cover Tax Liability Credits: Neighborhood Assistance Tax Credit, Enterprise Zone Employment Expense Credit, Enterprise Zone Loan Interest Tax Credit, and Net Tax Due. Lines 40-53 cover Estimated Tax and Other Payments: Total estimated financial institution tax paid, Extension payment, Other payments, EDGE credit, EDGE-R credit, Total Payments, Balance of Tax Due, Penalty for the Underpayment of Tax, Late penalty, Total Due, Total Overpayment, Refund, and Overpayment Credit.

Certification of Signatures and Authorization Section

Under penalties of perjury, I declare I have examined this return, including all accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct and complete.

I authorize the Department to discuss my return with my personal representative (see instructions) [ ] Yes [ ] No

Paid Preparer's E-mail address EE [ ]

Personal Representative's Name (Print or Type)

Paid Preparer: Firm's Name (or yours if self-employed)

Personal Representative's Email Address

PTIN [ ]

Signature of Corporate Officer Date

Telephone Number

Print or Type Name of Corporate Officer Title

Address

Signature of Paid Preparer Date

City

Print or Type Name of Paid Preparer

State Zip Code + 4

Please mail your return to: Indiana Department of Revenue, PO Box 7228, Indianapolis, IN 46207-7228.



Indiana Department of Revenue  
**2016 Indiana Financial Institution Tax Return**  
**Apportionment of Receipts to Indiana**  
 (See instructions)

Name of Corporation	Federal Identification Number
---------------------	-------------------------------

The following information must be completed by all taxpayers and taxpayers filing combined unitary returns. This will include all state (non-federal) chartered credit unions and investment companies carrying on the business of a financial institution in Indiana.

	A Total Receipts Attributed to Indiana		B Total Receipts Everywhere	
1. Lease or rental of real or tangible personal property.....	1A		1B	
2. Interest income and other receipts from assets in the nature of loans or installment sales contracts secured by real or tangible personal property.....	2A		2B	
3. Interest income and other receipts from unsecured consumer loans.....	3A		3B	
4. Interest income and other receipts from commercial loans and installment obligations not secured by real or tangible personal property.....	4A		4B	
5. Fee income and other receipts from letters of credit, acceptance of drafts, and other devices for guaranteeing loans or letters of credit.....	5A		5B	
6. Interest income, merchant discounts, and other receipts including service charges from credit cards and travel and entertainment credit cards, and credit card holder's fees.....	6A		6B	
7. Receipts from the sale of a tangible or intangible asset must be attributed to the same state in which the income from the tangible or intangible asset was attributed.....	7A		7B	
8. Receipts from the performance of fiduciary and other services, based on where the benefits are consumed.....	8A		8B	
9. Receipts from the issuance of traveler's checks, money orders, or United States savings bonds.....	9A		9B	
10. Receipts from investments in municipal securities of all states, their political subdivisions, and instrumentalities.....	10A		10B	
11. Interest income and other receipts from participation loans....	11A		11B	
12. Gross payments collected on investment contracts issued by an investment company.....	12A		12B	
13. Other receipts from non-municipal investment income.....			13	
<b>14. Total Receipts:</b> (Add lines 1A through 12A and lines 1B through 13).....	14A		14B	
15. Divide the sum of line 14A by the sum of line 14B. Multiply the quotient by 100 to express the amount as a percentage (e.g., .6789 = 67.89%). Enter the percentage here and on line 21 of the FIT-20. (Round percent to two decimal places).....			15	%



## Instructions for Completing FIT-20 Schedule E-U Apportionment of Receipts to Indiana

The following information must be completed by all taxpayers, including those taxpayers filing combined unitary returns. Investment companies must complete line 12. Credit unions must report adjusted gross income for a taxable year based on total transfers to undivided earnings minus dividends for that taxable year after statutory reserves are set aside under Indiana Code (IC) 28-7-1-24.

The Indiana Financial Institution Tax is imposed on apportioned income. Taxpayers and unitary groups must file using an apportionment percentage based on a single-factor formula. Indiana employs a single-factor receipts formula to determine the percentage of the taxpayer's income subject to tax.

The single-factor formula is derived by dividing the gross receipts attributable to transacting business in Indiana by the total receipts from transacting business in all taxing jurisdictions. This fraction is expressed as a percentage carried to 2 decimal places (e.g., 67.63). The total income is then multiplied by this percentage to arrive at Indiana financial institution adjusted gross income.

### The following types of receipts are attributable to Indiana:

- (1) Receipts from the lease or rental of real or tangible personal property if the property is located in Indiana.
- (2) Interest income and other receipts from assets in the nature of loans or installment sales that are secured by or deal primarily with real or tangible personal property that is located in Indiana.
- (3) Interest income and other receipts from consumer loans not secured by real or tangible personal property if the loan is made to a resident of Indiana.
- (4) Interest income and other receipts from commercial loans not secured by real or tangible personal property must be attributed to Indiana if the proceeds of the loan are to be applied in Indiana. If it cannot be determined where the loan proceeds will be applied, the income and receipts are attributed to the state where the borrower applied for the loan.
- (5) Fee income and other receipts from letters of credit, acceptance of drafts, and other devices for guaranteeing loans must be attributed in the same manner as commercial loans are attributed.
- (6) Interest income, merchant discounts, and other receipts (including service charges from financial institution credit card and travel and entertainment card receivables) must be attributed to the state where the card charges are regularly billed.
- (7) Receipts from the sale of a tangible or an intangible asset must be attributed to the same state where the income from the tangible or intangible asset was attributed. Receipts attributed to Indiana can include receipts of dividends and interest from stocks, bonds, and other securities issued by an Indiana resident taxpayer. Income from intangible property that is located in Indiana and is controlled from an Indiana business situs may be attributed to Indiana.
- (8) Receipts from the performance of fiduciary and other services must be attributed to the state where the benefits of the services are consumed.
- (9) Receipts from the issuance of traveler's checks, money orders, or United States savings bonds must be attributed to the state where the item was purchased.
- (10) Receipts from investments of a financial institution in securities of this state and its political subdivisions, agencies, and instrumentalities must be attributed to Indiana.
- (11) Interest income and receipts from a participation loan must be attributed in the same manner as the loan is attributed. A participation loan is a loan in which more than 1 lender is a creditor to a common borrower.
- (12) The aggregate of gross payments collected by an investment company from the business upon investment contracts issued by the company and held by Indiana residents is attributed to Indiana.
- (13) Other receipts from non-municipal investment income are to be reported in the denominator of the apportionment factor to the extent they are included as gross income for federal tax purposes. "Non-municipal investments" means income from U.S. treasuries, federal agencies (e.g., GNMA, FNMA, Freddie Mac, other loan-backed securities, etc.), and corporate securities. Any non-municipal investment receipts that are for the disposition of assets such as securities and money market transactions are limited to the gain that is recognized upon the disposition in accordance with IC 6-5.5-4-2(1).



Indiana Department of Revenue  
**2016 Financial Institution Tax Return**  
**Members of Unitary Group Filing a Combined Return**

Identify all members of the unitary group (other than the reporting member) that are transacting business wholly or partially within Indiana included in the combined filing. Indicate the amount, if any, of estimated tax that was separately paid by a member under its own federal identification number. Attach additional sheets if necessary.

A Federal Identification Number	B Name of Member	C Street Address	D City	E State	F ZIP Code	G Estimated Tax Paid
1						
2						
3						
4						
5						
6						
7						
8						
9						

Indiana Department of Revenue  
**Underpayment of Estimated Tax by Financial Institutions**

**Calculate Minimum Quarterly Payment**

1. Net tax due (line 39 of Form FIT-20) .....	1		
2. Use tax due (line 30 of Form FIT-20) .....	2		
3. Subtract line 2 from line 1: Net financial institution tax due .....	3		
4. Multiply line 3 by 80% (.80) .....	4		
5. Enter 25% (.25) of line 4 (enter here and see line 8 instructions below).....	5		

**Calculate Quarterly Underpayment Penalty**

(a)                      (b)                      (c)                      (d)  
 1st Quarter            2nd Quarter            3rd Quarter            4th Quarter

6. Enter in (a) through (d) the quarterly installment dates corresponding to the 20th day of the 4th, 6th, 9th, and 12th months of the tax year .....				
7. Enter the amount paid for each quarter.....				
8. Enter the lesser of the amount from line 5 above or 25% of the previous year's financial institution tax liability .....				
9. Subtract line 8 from line 7. Overpayment will be positive figure. Underpayment will be negative figure .....				
10. Enter overpayment, if any, from line 11 of the preceding column in excess of any prior underpayments .....				
11. Add net amount on line 10 to entry on line 9 and enter total (if result is negative, this is your underpayment) .....				
12. Compute 10% penalty on the underpayment amount on line 11 (enter as positive numbers) .....				
13. Add line 12, columns (a) through (d), and enter total here and on line 47 of Form FIT-20.....				

Department of Revenue  
**Indiana Financial Institution  
 Nonresident Tax Credit**  
 (See instructions)

Name of Corporation	Federal Identification Number
---------------------	-------------------------------

**Part I: Identification Section**

Column A Name of Borrower	Column B Principal Amount of Loan	Column C Receipts Attributed to Loan
Totals	\$	\$

**Part II: Calculation Section**

1. Enter the total receipts from Part I.....	1	
2. Enter the total receipts attributable to nonresident.....	2	
3. Divide line 1 by line 2. Express as a percentage (i.e., .5086 = 50.86%).....	3	%
4. Enter the amount of tax attributable to nonresident (from a pro forma schedule).....	4	
5. Multiply the percentage from line 3 by the amount on line 4.....	5	
6. Enter the amount of taxes paid to your state of commercial domicile for the qualified loans listed in Part I.....	6	
7. Enter the lesser of the amounts from lines 5 and 6. Enter this amount on line 28 of Form FIT-20.....	7	

## Instructions for Completing Schedule FIT-NRTC

The following schedule is to be used for nonresident taxpayers claiming the nonresident taxpayer credit for taxes paid to their state of commercial domicile and attributable to Indiana. A taxpayer filing on a unitary basis must compute this credit on an individual taxpayer basis. The principal amount of the loan must exceed \$2 million to qualify for this credit.

### Part I — Identification Section

In this section, identify the borrower, the principal amount of the loan, and the receipts less principal attributed to the loan during the tax year. Enclose additional sheets if necessary.

### Part II — Calculation Section

In this section, you calculate the amount of eligible credit. The credit is equal to the lesser of the actual taxes paid to the domiciliary state for the loan transaction or the amount due Indiana for the loan transaction.

**Line 1.** Enter the total from Part I (receipts attributable to the loan transaction).

**Line 2.** Enter the total receipts attributable to the nonresident.

**Line 3.** Divide the amount on line 1 by the amount on line 2. This is the apportionment percentage used to attribute receipts from qualified loans to the amount of tax due.

**Line 4.** Enter the amount of Indiana financial institution tax due from a pro forma schedule. The schedule must be enclosed.

**Line 5.** Multiply the percentage on line 3 by the amount on line 4. This is the amount of credit available to be applied against the taxpayer's domiciliary state for the qualified loans.

**Line 6.** Enter the amount of tax paid to the domiciliary state for the qualified loans, less any credit that the domiciliary state grants for taxes paid to other states.

**Line 7.** Enter the lesser of the amount on line 5 or line 6. Enter this amount on line 28 of Form FIT-20.

**Enclose a copy of your domiciliary state's tax return with Form FIT-20.**



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**Schedule FIT-20 NOL**

State Form 44624  
(R17 / 8-16)

Indiana Department of Revenue  
**Computation of Indiana Member's Net Operating Loss Deduction**

Name of Corporation	Federal Identification Number
---------------------	-------------------------------

Tax Year	2002	2003	2004	2005	2006	2007	2008	2009
1. Total AGI or (Loss)								
2. Combined Apportionment %								
3. Combined IN AGI or (Loss)								
4. Member's Share of IN Receipts %								
5. Member's Share of IN AGI or (Loss)								
Loss Year	Indiana NOL							
2001								
2002								
2003								
2004								
2005								
2006								
2007								
2008								
Adjusted Gross Income After NOL Deduction								
Tax Year	2010	2011	2012	2013	2014	2015	2016	2017
1. Total AGI or (Loss)								
2. Combined Apportionment %								
3. Combined IN AGI or (Loss)								
4. Member's Share of IN Receipts %								
5. Member's Share of IN AGI or (Loss)								
Loss Year	Indiana NOL							
2001								
2002								
2003								
2004								
2005								
2006								
2007								
2008								
2009								
2010								
2011								
2012								
2013								
2014								
2015								
2016								
Adjusted Gross Income After NOL Deduction								



## Instructions for Completing Schedule FIT-20NOL Computation of Indiana Member's Net Operating Loss Deduction

All taxpayers must complete and enclose this schedule with the Financial Institution Tax Return if they are claiming a net operating loss (NOL) deduction. The NOL that will be recognized for financial institution tax purposes will be the NOL apportioned to Indiana for the taxable year of the loss.

An Indiana NOL incurred under the Financial Institution Tax Act may be carried forward for 15 years following the loss year and applied in any year in which there is Indiana taxable income. There is no provision under the Financial Institution Tax Act for the carryback of a net operating loss or capital loss. An Indiana NOL incurred for adjusted gross income (AGI) tax purposes may not be applied to income subject to financial institutions tax. An Indiana NOL must be used the first year available for the deduction.

Use basic federal Separate Return Limitation Year (SRLY) rules when one or more members of the combined group incurred a net operating loss when that member was not part of the combined group. To compute the allowable net operating loss deduction, do the following:

If the taxpayer is filing a combined return, any net capital loss or net operating loss attributable to Indiana in the combined return shall be prorated between each member of the unitary group having nexus in Indiana by the quotient of:

- (1) The Indiana receipts of those taxpayer members attributable to Indiana; divided by:
- (2) The total receipts of all taxpayer members attributed to Indiana. A separate Schedule FIT-20NOL will be completed by each member to calculate their share of the loss and amount available to be applied for the combined return.

### Completing FIT-20NOL

**Tax Year:** Determine the years to which the NOL applies across the top of the schedule.

**Line 1.** Enter the total adjusted gross income or (loss) from line 19 of the FIT-20.

### Sample FIT-20NOL for Unitary Group - A form is to be completed by each member of a combined return filing FIT-20NOL.

Members A, B, and C are taxpayers under IC 6-5.5-1-17 and are required to be included in the combined return (IC 6-5.5-1-18) for the 2015 tax year.

Loss Year 2015	Member A	Member B	Member C	Combined Total	
AGI or (Loss)	(\$300,000)	\$300,000	(\$400,000)		(\$400,000)
IN Apportionment					50%
Combined IN AGI (Loss)					(\$200,000)
IN Receipts for A, B, & C	\$2,000,000	\$7,000,000	\$1,000,000	Total IN Receipts	\$10,000,000
<b>Line 4.</b> Ratio of IN Receipts	20%	70%	10%	[IN Receipts of A, B, & C divided by total receipts]	
<b>Line 5.</b> Available share of NOL					
[Line 3 X line 4 of A, B, & C]	(\$40,000)	(\$140,000)	(\$20,000)	<b>Line 5.</b>	(\$200,000)
<b>Carryover Year 2016</b> (For tax year 2016, member C is no longer required to be included in the combined return (IC 6-5.5-1-18(a).))					
AGI or (Loss)	\$500,000	(\$100,000)	N/A	<b>Line 1.</b>	\$400,000
IN Apportionment				<b>Line 2.</b>	20%
Combined IN AGI (Loss)				<b>Line 3.</b>	\$80,000
IN Receipts for A & B	\$6,000,000	\$4,000,000	=	Total IN Receipts	\$10,000,000
<b>Line 4.</b> Ratio of IN Receipts	60%	40%		[Receipts of A & B divided by total IN receipts]	
<b>Line 5.</b> IN AGI					
[Line 3 X line 4 of A & B]	\$48,000	\$32,000			
<b>Applied share of 2015 NOL</b>	(\$40,000)	(\$32,000)	[\$160,000 available]	<b>FIT-20NOL, line 25.</b>	\$72,000
<b>Taxable income</b>	\$8,000	\$ 0		<b>FIT-20NOL, line 26.</b>	\$8,000
<b>NOL to carry forward</b>	\$ 0	(\$108,000)	(\$20,000)		

**Line 2.** Enter the combined apportionment percentage, if applicable, for the tax year.

**Line 3.** Enter the combined amount of Indiana business income or loss. Multiply the amount on line 1 by the apportionment percentage on line 2.

**Line 4.** Enter the ratio of member's Indiana receipts. Divide member's Indiana receipts by receipts of entire unitary group attributed to Indiana for year. Enter as a percent. See Indiana Code (IC) 6-5.5-2-1(d)(1) and example below.

**Line 5.** Enter each taxpayer member's attributed Indiana income or loss available to offset combined income or to reduce the carryforward loss. Caution: The income or loss available is limited to the amount of each taxpayer member's portion of the receipts attributable to Indiana. See example below. Use amount from line 3 or multiply line 3 by ratio on line 4, if applicable.

The total of each taxpayer member's remaining share of the combined group's NOL deduction is applied on line 25 of Form FIT-20. However, the combined total may not exceed the taxable income for the year.

### Loss Year Carryforwards Applied Against AGI

In the second column next to the appropriate loss year, enter the total Indiana NOL coinciding with line 3 for the corresponding loss year. When utilizing the NOL deduction for a particular loss year, enter the amount of the deduction in the same column of the year the loss is being applied against AGI.

When calculating the AGI after the NOL deduction, subtract the total deductions taken from the AGI and enter the amount on the line titled "Adjusted Gross Income after NOL Deduction." The amount cannot be less than 0.

Enclose the complete schedule and any NOL worksheets with the return when the NOL is being utilized.



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**Sample FIT-20NOL for Combined Unitary Group**

Tax Year		2015	2016	2017	2018	2019	2020	2021
1. Total AGI or (Loss)		(400,000)	400,000	400,000	400,000	200,000	200,000	300,000
2. Combined Apportionment %		50%	20%	25%	40%	70%	50%	80%
3. Combined IN AGI or (Loss)		(200,000)	80,000	100,000	160,000	140,000	150,000	240,000
4. Member's Share of IN Receipts %		(Used for worksheet purposes only - see unitary 2015 & 2016 examples above)						
5. Member's Share of IN AGI or (Loss)		(140,000)	32,000	50,000	100,000	140,000	150,000	240,000
Loss Year	Indiana NOL							
2007-2014								
2015	140,000		32,000	50,000	58,000			
2016								
2017								
2018								
2019								
2020								
2021								
Adjusted Gross Income After NOL Deduction			0	0	42,000	140,000	150,000	240,000



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Indiana Department of Revenue  
**Indiana Financial Institution Tax Return**  
**Estimated Quarterly Payment**  
Due the 20th day of the 4th, 6th, 9th, and 12th months of the tax year.

Name \_\_\_\_\_

(Do Not Write Above)

Address \_\_\_\_\_

\_\_\_\_\_

Federal Identification Number		
Voucher Number (Enter 1, 2, 3, or 4)	Calendar or Fiscal Year Ending (Enter MM-YYYY)	Due Date (Enter MM-DD-YYYY)

\_\_\_\_\_  
Signature of Officer                      Title

\_\_\_\_\_  
Date                                      Daytime Telephone Number

Financial Institution Tax Due for the Quarter

Enter Total Tax Here:

**Indiana Department of Revenue**  
**100 N. Senate Ave.**  
**Indianapolis, IN 46204-2253**

Pay this amount, with U. S. funds. Do not send cash.

Make check payable to **Indiana Department of Revenue.**





## Instructions for Completing Form FT-ES

Quarterly payments of estimated financial institution tax for calendar-year taxpayers are due on April 20, June 20, Sept. 20, and Dec. 20 of the taxable year. Fiscal-year and short tax-year filers must remit by the 20th day of the fourth, sixth, ninth, and 12th months of their tax periods.

Form FT-QP must be used when making these quarterly payments. (Do not use Form IT-6.) Please note the voucher number on the form when making the payment for that quarter. Payments made after the quarterly due date will be reported in the following quarter when paid.

If the annual tax liability is less than \$2,500, estimated payments are not required to be made. If the quarterly payment exceeds \$5,000, payments must be made by electronic funds transfer (EFT). Contact the EFT Section at (317) 232-5500 for more information.

Use the preprinted Form FT-QP estimated payment vouchers mailed to you at the beginning of your tax year. If you make payment by EFT, you don't need to file FT-QP forms. If you do not have preprinted forms and need coupon vouchers, fill out the appropriate FT-ES voucher for the tax period. Enter the total financial institution tax due for the quarter.

Any penalty and interest paid as a result of a late payment assessment cannot be claimed as a credit on the annual return.

Claims for refunds are processed on an annual basis only. If errors are discovered on a quarterly filing, these errors should be adjusted on either the next quarterly return or the annual return. Adjustments of quarterly returns must be made during the taxable year of such quarterly returns, and a complete explanation should accompany that return.

**Each return must be signed by an authorized officer.**



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