Indiana Department of Revenue

General Update
2010 Filing Statistics

More than 140,000 phone calls handled during the tax season

• 114,000 for the same time period last year

• hold times reduced to less than three minutes on average this year
2010 Filing Statistics

More than 140,000 phone calls handled during the tax season

• 114,000 for the same time period last year

• >17,000 calls in April alone
2010 Filing Statistics

More than 140,000 phone calls handled during the tax season

• an average of 1,100 calls a day

• compared to about 500 per day in our off-season
2010 Filing Statistics

Issued more than 1.6 million refunds in 2010

• average refund this year was $324
• average refund in 2009 was $279
2010 Filing Statistics

Issued more than 1.6 million refunds in 2010

• direct deposit from returns filed electronically were issued in an average of three days
2010 Filing Statistics

Electronic filing up – again

• increase for the fourth year in a row

• overall, electronic filing in Indiana has increased by nearly 20 percent during that same time period
2010 Filing Statistics

Electronic filing up – again

• I-File usage *increased 22 percent* over last year

• as of April 16, *nearly 86 percent* of all state filings were electronic
  • I-File or the federal e-File program
2010 Filing Statistics

Electronic filing up – again

• costs state only about $150,000 to process more than 2 million electronic returns

• costs state approximately $2.3 million to process about 1 million paper returns
Legislative Updates

County tax rates can change throughout the year

- adopted before October 1, *takes effect October 1*

- adopted after September 30 and before October 16 of the current year, *takes effect November 1*

- adopted after October 15 and before November 1, *takes effect December 1*
2008 and 2009 loss year NOLs for individuals and corporations

- a federal NOL carryback election of more than 2 years, but less than 6 years, is limited to a 2-year carryback period for Indiana. (IC 6-3-2-2.5;2.6)

(retroactive to November 6, 2009)
Legislative Updates

New employer tax credit

- for corporations or pass-throughs if they relocate in Indiana and employ at least ten new qualified employees

- credit is 10 percent of the wages paid for two years

- Information Bulletin #106
Legislative Updates

School Scholarship Credit

• available to individuals/corporations making donations to scholarship granting organizations

• Department of Education certifies credit

• www.doe.in.gov/schoolscholarships
Efile Update

The Department will now accept PNRs and RNRs filed electronically through fed/state

• software vendor must opt in and complete certification process

• previous delay caused by IRS finalizing technical specifications

Fed/State efile for corporate returns still a few years out
Commas in Dollar Amounts

Do not use a comma in the dollar amounts on all individual, corporate and trust tax forms

• good example: 2400
• bad example: 2,400
Negative Entries

Use a minus sign instead of brackets on all individual, corporate and trust tax forms

• good example: -2400
• bad example: (2400)
Foreign Country in Address Area

Use 2 alpha-character country codes

- good example: AS for Australia
- bad example: AUS for Australia

www.in.gov/dor/4432.htm
New Suffix Box

<table>
<thead>
<tr>
<th>Your first name</th>
<th>Initial</th>
<th>Last name</th>
<th>Suffix</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>If filing a joint return, spouse's first name</th>
<th>Initial</th>
<th>Last name</th>
<th>Suffix</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- JR
- SR
- III

**No Titles:** Minor, Ph.D., M.D., DECD
Direct Deposit

New line required to be added to the direct deposit election

“Place an “X” in the box if refund will go to an account outside the United States”

• If yes, cannot direct deposit; paper refund will be issued
Zip Code Area

Now says Zip/Postal Code

- if a foreign country, use that country’s postal code
New Forms

IN-ESC: Energy Star Heating and Cooling Equipment Tax Credit

IN-SSC: School Scholarship Credit

forms: www.in.gov/dor/3489.htm
# Due Dates

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 18, 2011</td>
<td>IT40, IT40 EZ, IT 40 PNR, IT40 RNR, IT40 ES/ES 40, IT9</td>
</tr>
<tr>
<td>June 15, 2011</td>
<td>IT40 ES/ES40 (2nd quarter)</td>
</tr>
<tr>
<td>June 20, 2011</td>
<td>Filing due date for IT40, IT40 EZ, IT 40 PNR, IT40 RNR if filing under IT9 extension</td>
</tr>
<tr>
<td>June 30, 2011</td>
<td>Form SC40</td>
</tr>
<tr>
<td>September 15, 2011</td>
<td>IT40 ES/ES40 (3rd quarter)</td>
</tr>
<tr>
<td>November 18, 2011</td>
<td>State filing due date for IT40, IT40 EZ, IT 40 PNR, IT40 RNR, SC40 if filing under federal extension (Form 4868)</td>
</tr>
<tr>
<td>January 17, 2012</td>
<td>IT40 ES/ES40 (4th quarter)</td>
</tr>
</tbody>
</table>
Offset Credits Application Update

The order of application of offset credits (nonrefundable) as outlined in IC 6-3.1-1-2 added to 2010 tax booklets

- first, use credits not eligible for carryover (e.g. college credit)
- then, use credits with limited carryover years (e.g. capital investment credit [10 year carryover])
- then, use credits with no limit on carryover years (e.g. ethanol production credit)
New Add-Backs

New Add-Backs

- a discharge of debt of a principal residence must be added back

- “Other” add-back, which is limited to federal/state conformity issues. May only be a positive amount
New Reporting Method for certain add-backs

New Add-Back reporting method

- three-digit code numbers have been assigned to certain add-backs
- report these add-backs in the same manner as is done with certain deductions and offset credits
Unemployment Compensation

Uncertain of status of $2,400 federal exemption when going to print

Complete add-back section even if federal exemption is not extended – necessary so unemployment compensation deduction can be properly calculated
Tips and Tricks

Use the IT-40 X for any amended return
  • processed more quickly

Don’t white out or make any handwritten changes on trust tax returns
  • causes errors when processing

Use of “onion skin” W-2s can cause delays in refund and result in correspondence with the client
Tips and Tricks

Please ensure all necessary and required schedules are included when submitting paper returns

• any missing schedules will delay processing

Do not submit a paper return if you have already e-filed or I-Filed
Composite Filing / Nonres Withholding

New FAQs have posted to the internet and can be found at the link posted below

http://www.in.gov/dor/4006.htm#composite
New Payment Plan Tool Online

www.intaxpay.in.gov
pay in full or setup payment plan

• 20 percent down
• must owe > $100
• need case ID found on bill
POA1

• fax to (317) 615-2605
• e-mail to poa1forms@dor.in.gov

• or mail to
  Indiana Department of Revenue
  P.O. Box 7230
  Indianapolis, IN 46207-7230
I-File
fast, friendly and free

- Prepare and file Indiana individual income tax returns using the Internet
- Available to taxpayers and tax professionals
- Uses a question/answer format
- www.ifile.in.gov
New Subscription Tool Available

• After registering, you’ll receive an email to inform you of Web site updates

• Subscribe to the entire Web site or a specific area

• Choose when you receive emails – Daily, Weekly or Monthly
Contact Us

• Practitioner Hotline: (800) 462-6320 enter code 4367
• Individual Income Tax Questions: (317) 232-2240
• Business Tax Questions: (317) 233-4015
• Efile Questions: (317) 232-0059
• Streamlined Sales Tax: (317) 233-4015
  • www.in.gov/dor/3341.htm
• New and Small Business Education Center
  • www.in.gov/dor/3939.htm
Contact Us

• Friend us on Facebook

• Follow us on Twitter
  http://twitter.com/INDeptoRevenu
Feedback

• Form changes

• Web site suggestions

• Department interaction

• feedback@dor.in.gov