

**Indiana Department of Revenue
Administrative Highlights
Individual Income Tax
Tax Year 2016**

IT-40EZ/CT-40EZ Update

This form/schedule has been retired; tax year 2015 was the last year for them to be filed.

DONATIONS

- **NEW Military Family Relief Fund**

- **NEW 3-Digit Numbering System** – Schedule IN-DONATE has now been configured to offer the 3-digit fill-in-the-blank option instead of offering designated lines.
 - **200 Indiana Nongame Wildlife Fund**
 - **201 Military Family Relief Fund**
 - **202 Public K-12 Education Fund**

Modified Schedule IN-DONATE: New Look/Function

Schedule IN-DONATE Important: The amount on line 2 cannot exceed the amount on Form IT-40/IT-40PNR, line 16.
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1. Donations: List fund name, 3-digit code and amount to be donated (see instructions)

a. Enter fund name	<input type="text"/>	code no.	<input type="text"/>	1a	<input type="text"/>	<input type="text"/>	<input type="text"/>
b. Enter fund name	<input type="text"/>	code no.	<input type="text"/>	1b	<input type="text"/>	<input type="text"/>	<input type="text"/>
c. Enter fund name	<input type="text"/>	code no.	<input type="text"/>	1c	<input type="text"/>	<input type="text"/>	<input type="text"/>
d. Enter fund name	<input type="text"/>	code no.	<input type="text"/>	1d	<input type="text"/>	<input type="text"/>	<input type="text"/>

2. Add lines 1a through 1d. Enter total here and on Form IT-40/IT-40PNR, line 17 **Total Donations** 2

Add-Backs

- **Repealed Add-Backs**
 - **102 Lump Sum Distribution**
 - **117 Discharge of Debt of a Principal Residence**
 - **110 Qualified Disaster Assistance Property**
 - **111 Qualified Refinery Property**
 - **112 Qualified Film or Television Production**
 - **113 Qualified Preferred Stock**
 - **132 Certain Trade of Business Deductions Based on Employment of Unauthorized Aliens**
- SEA 441-2015, Sec. 12**

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Credits

- **Expired Credits** These credits are no longer available to claim; also, any unused credit has expired, and is not available to be carried forward.
 - **842 Employer Health Benefit Plan Credit**
 - **825 Maternity Home Credit**
 - **843 Small Employer Qualified Wellness Program Credit**
HEA 1004-2011

- **809 County Credit for the Elderly Repealed SEA 441-2015**
- **819 Historic Building Rehabilitation Credit – no new credit after 6/30/16; CF available thru 2031.**
SEA 441-2015 Sec. 27 Mention in 2017 booklet
- **849 School Scholarship Credit.** Effective July 1, 2016 Annual contribution ceiling increased from \$8,500,000 to \$9,500,000.

Deductions

- **601 Civil Service Annuity Deduction**
 - **Ceiling increase.** The ceiling has increased from \$8,000 to \$16,000 per person for the 2016 tax year. Social Security income limitation still applies.
SEA 441-2015, Sec. 12
- **Indiana Lottery Winnings Annuity Deduction.** While this deduction has been allowed since 2003, it has been renamed (adding “annuity”) and has been assigned its own 3-digit code number, which is 629.*

- **Expired Deductions**
 - **609 Insulation Deduction**
 - **611 Law Enforcement Reward Deduction**
 - **612 Medical Care Savings Account Deduction**
 - Repeals the Indiana deduction for funds put in a medical care savings account by an employer for an employee that are not exempt from federal tax.
Note: If the funds put into a medical care savings account by an employer established for an employee are exempt income to the employee for federal income tax purposes, the federal exemption still applies.
 - **614 Non-Indiana Locality Earnings Deduction**
 - **Note** – this also affects the CT-40/CT-40PNR. Two lines have been removed from those schedules.
 - **623 Solar-Powered Roof Vents or Fans Deduction**

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- **606 Indiana Lottery Winnings Deduction designation partially repealed.**
 - Repeals the deduction for the first \$1,200 of winnings of a lottery winning event. IC 6-3-2-14.5
 - Lottery Deduction Worksheet is no longer necessary; has been removed from instruction booklets.
 - The deduction for an annuity payment of prize money received from a winning lottery ticket purchased in Indiana before July 1, 2002, is not repealed. IC 6-3-2-14.1.
- HEA 441-2015**
- **New 3-digit code for the renamed *Indiana Lottery Winnings Annuity Deduction* is 629.**

Form/Schedule Changes

School Corporation Codes Eliminated

The school corporation codes will no longer be requested. The fields have been removed from the IT-40 and IT-40PNR.

Schedule 1/Schedule B

Replaced line 3 (lump sum distribution, repealed) verbiage with:

- OOS municipal obligation interest add-back

Schedule 2/Schedule C

- The non-Indiana locality earnings deduction has been repealed.
- The insulation deduction has been repealed

They were previously hard-coded on lines 8 and 9, respectively.

Action taken

Replaced verbiage with:

- Line 8. Private school/homeschool deduction: \$1,000 per qualifying child (see instructions)
- Line 9. Indiana net operating loss deduction

Schedule 6/Schedule G

- The “county credit for the elderly: attach federal Schedule R” has been repealed

Action taken

Replaced verbiage with:

- Line 2. Community revitalization enhancement district credit

- Note: The Line 3 *Other credits* field remains as additional county tax offset credits may become available in future years.

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Schedule CT-40/CT-40PNR

- The non-Indiana locality earnings deduction is repealed (eff. 1/1/16).

Action taken

- Added *qualifier* to line 1 instructions: “Enter the amount from IT-40(IT-40PNR), line 7 (if less than zero, leave blank).”
- Eliminated lines 2 and 3 as there is no longer a non-Indiana locality deduction to be added back; renumbered following lines accordingly.

Form ES-40

Change to worksheet (on back). Line D 2017 AGIT rate reduced to .0323 for 2017 (and years beyond).

Updated Indiana AGI Worksheet for the Lake County Residential Income Tax Credit

Note: Do not include any homeowner’s property tax deduction in the amount on line 1 of the worksheet as you are not eligible to use this deduction if claiming the Lake County Residential Income Tax Credit.

Indiana AGI Worksheet

1. Enter amount from Form IT-40, line 7 1 _____

Enter the Following Add-Backs if Reported on Schedule 1

2. Qualified electric utility amortization add-back.....2 _____
3. Other (current year conformity) add-back3 _____
4. Subtotal. Add lines 2 and 3 4 _____
5. Subtract line 4 from line 1..... 5 _____

Enter the Following Deductions if Reported on Schedule 2

6. Civil service annuity deduction6 _____
7. Disability retirement deduction.....7 _____
8. Enterprise zone employee deduction8 _____
9. Lottery winning annuity deduction.....9 _____
10. Indiana net operating loss deduction10 _____
11. Military service deduction.....11 _____
12. Nontaxable portion of unemployment compensation deduction12 _____
13. Olympic/Paralympic Medal Winners deduction.....13 _____
14. Private school/homeschool deduction.....14 _____
15. Renter’s deduction.....15 _____
16. Subtotal. Add lines 6 through 15..... 16 _____
17. Add line 5 plus line 16. Enter total here. (If the amount is more than \$18,599, **STOP**.
You do not qualify for this credit.*).....**Indiana AGI** 17 _____

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Various IND Due Dates

Date	Form Type/Filing/Payment Activity
01/17/17	Farmer/fisherman (2/3 rd rule): only one est. pymt. due
02/01/17	File IND rtn, pay tax due, no 4 th installment pymt. due
03/01/17	Farmer/fisherman (2/3 rd rule): file return/pay by March 1, no est. tax due
04/18/17	IT-40; IT-40PNR; IT-40RNR; IT-40ES; ES-40 (1 st est. installment period); IT-9
06/15/17	IT-40ES; ES-40 (2 nd est. installment period)
06/30/17	SC-40; IT-40/IT-40PNR filing due date if claiming unified tax credit for the elderly (not including extensions)
09/15/17	IT-40ES; ES-40 (3 rd est. installment period)
11/14/17	State filing due date if filing under extension (federal Form 4868 and/or IT-9)
01/16/18	IT-40ES; ES-40 (4 th est. installment period)
01/31/18	File IND rtn, pay tax due, no 4 th installment pymt. due
03/01/18	Farmer/fisherman (2/3 rd rule): file return/pay by March 1, no est. tax due
04/17/18	IT-40; IT-40PNR; IT-40RNR; IT-40ES; ES-40 (1 st est. installment period); IT-9