



Indiana Individual Income Tax Fact Sheet

2015 Tax Season:

The 2015 individual income tax season is Jan. 20 – April 15, 2015.

Call Center Statistics (2014):

Taxpayers with individual income tax questions can call the department at (317) 232-2240. Below are the department's call center statistics for the 2014 tax season (Jan. 31 – April 15, 2014). For up-to-date 2015 tax center call center statistics, contact Bob Dittmer, APR at (317) 234-3793 or rdittmer@dor.in.gov.

Total number of calls (individual tax)	79,611 answered calls
Average number of calls per day	1,502 (79,611 /53)
Average wait time*	2:45 average wait time
Average call completion time	3:45 average talk time (6:30 total handle time)
Identity Confirmation Quiz average wait time	0:12 average wait time

Top Three Mistakes:

The top three tax filing errors are:

1. **Math errors.** Even with a calculator, it's easy to miss a step, and to add where you should have subtracted, or to transpose some numbers when writing them down.
2. **Claiming more deductions and credits than you are entitled to.** For example, \$3,000 is the most you can claim as a renter's deduction; anyone claiming more than that has made an error.
3. **Forgotten attachments.** If a taxpayer forgets a W-2, or a Schedule 1 to support a renter's deduction, or a homeowner's property tax deduction, will have to send a letter requesting this information.

Reducing errors benefits everyone – tax returns filed correctly the first time costs less to process and refunds are issued quicker.

State Tax Deductions and Credits:

The top four most commonly claimed deductions and credits are:

Deductions www.in.gov/dor/3799.htm – for full list

1. Indiana property tax paid on home – up to \$2,500
2. Rent paid on home – up to \$3,000
3. Social Security benefits – if included on federal tax return, Indiana will not tax them – so back them out
4. Unemployment compensation – may be able to deduct some or all of reported benefits

Credits www.in.gov/dor/3803.htm – for full list

1. Indiana College Choice 529 Credit
2. Earned Income Tax Credit
3. Unified Tax Credit for the Elderly (low income, age 65 or older)
4. Indiana college/university donations (College Credit)

Checking Refunds

Taxpayers can go to www.in.gov/dor/4339.htm to check the status of their refunds 24 hours a day, 7 days a week. They also can call (317) 233-4018 to access the automated refund line.

To check a refund, a taxpayer will need her:

- Social Security number
- Exact amount of requested refund

Choosing a Tax Preparer:

If a taxpayer is going to pay someone to do his tax return, he should be sure to choose his tax preparer wisely. Remember, taxpayers are legally responsible for what is on their tax returns even if they are prepared by someone else.

A reputable preparer will ask multiple questions to determine whether expenses, deductions and other items qualify and remind clients that they need to keep careful and complete records in order to substantiate information contained on their tax return. They do this with their client's best interest in mind and are trying to help their client avoid penalties, interest or additional taxes.

- Find someone who's still going to be there when tax season is over.
- Know what the fees are *before* you start filing anything.
- Avoid preparers who base their fee on a percentage of the amount of your refund or who claim they can obtain larger refunds than other preparers without first reviewing your returns.
- Never sign a blank tax form for any reason.
- Check to see if the preparer has any questionable history with the Better Business Bureau, the state's board of accountancy for CPAs or the state's bar association for attorneys.
- The IRS lists approved preparers on its website – check those too.
- Check to see if the preparer has a proper Preparer Tax Identification Number (PTIN) from the Internal Revenue Service (IRS), which has been required to file federal tax returns since 2011.

Locations to find quality, qualified tax preparers are among the members of the [Indiana CPA Society](#) or the [Indiana Society of Enrolled Agents](#).

ATR:

The Automatic Taxpayer Refund (ATR) credit is for eligible Indiana taxpayers when the state budget surplus exceeds the amount needed to protect against a downturn in the economy. Eligible Hoosier taxpayers will share equally in the Automatic Taxpayer Refund credit by keeping more of their hard-earned money.

The ATR credit will not be available in the 2015 tax season for 2014 taxes. However, it will be available in the 2016 tax season from 2105 taxes.

EIC:

The earned income credit (EIC) is a tax credit for certain people who work and have earned income under \$41,950. A tax credit usually means more money in a taxpayer's pocket. It reduces the amount of tax she owes. The EIC may also give taxpayers a refund.

Delayed Refunds:

Refunds can be delayed for a number of reasons, such as a calculation error, forgotten attachments, or if more information is needed from the taxpayer.

Returns that are e-filed typically are processed within 14 days and paper returns should be processed within 12 weeks.

Extension of Time to File

An extension of time to file gives a taxpayer more time to get all his information together to file. However, it *does not* extend the time to pay the tax he owes.

Here's how an extension works:

- Figure how much you expect to owe.
- Pay at least 90 percent of the tax you expect to owe by April 15, 2015.
- File your tax return by June, and pay any additional tax due at that time. While interest will be due with this payment, the penalty will be waived.

Taxpayers who follow these steps and have a valid federal extension of time to file (Form 4868) have until Nov. 16, 2015 to file and pay the remaining amount due. Interest will be due with the amount paid.

Here are two ways to file for an Indiana extension:

- Figure how much you owe and to pay online by credit card or electronic check, visit www.in.gov/dor/epay
- Fill out Form IT-9, figure how much you owe and mail in your payment.

Taxpayers expecting a refund or who expect to break even and can't file by April 15 *still* need to file for an extension.

Here's how an extension works for taxpayers who don't owe:

- If you have filed for a federal extension of time to file (IRS [Form 4868](#)), then you won't need an additional extension for Indiana filing purposes. In fact, this extends your filing period with Indiana to Nov. 16, 2015.
- If you don't have a federal extension, just complete [Form IT-9](#), get it postmarked by April 15, and file your tax return by Nov. 16, 2015.

Credits vs. Deductions:

- A deduction reduces income before it is taxed.
- A credit reduces tax due dollar-for-dollar, and could result in a refund.
- Example: What is the difference between a \$2,000 deduction and a \$2,000 credit?

Without a deduction or credit:

\$10,000 wage income (taxable income)
X .034 state tax rate
\$ 340 tax due – write a check

Effect of using a deduction:

\$10,000 wage income
-\$ 2,300 deduction
\$7,700 (taxable income)
X .034 state tax rate
\$262 tax due – write a check

Effect of using a credit:

\$10,000 wage income (taxable income)
X .034 state tax rate
\$ 340 tax due
\$2,300 credit
\$1,960 overpayment = get a refund
(\$2,300 - \$340 tax due = refund)

Resources

- Indiana deductions www.in.gov/dor/4735.htm
- Indiana credits www.in.gov/dor/4745.htm

Indiana Department of Revenue:

The Indiana Department of Revenue was created by an Act of the Indiana General Assembly on Feb. 18, 1947. The department is led by Commissioner Mike Alley. The department of Revenue is responsible for providing service to Indiana citizens regarding state tax matters. Additionally, the department administers state tax laws, develops regulations and makes decisions about tax policy.

To serve the public and properly administer the tax laws, the department employs approximately 650 full-time and part-time employees.

The department is headquartered at the Indiana Government Center located in downtown Indianapolis. Additionally, it provides service through 11 district offices located throughout Indiana.