



# Changes for Tax Year 2024

Legislative & Annual Changes

## Individual & Corporate Changes

### Individual

#### Individual Income Tax Rate

The [Individual income tax rate](#) is lowered to 3.05% for tax year 2024. The rate is 3.00% for tax year 2025.

#### Taxpayer Receipt

A ["Taxpayer Receipt"](#) is now available on [dor.in.gov](http://dor.in.gov), detailing where tax distributions go. It can also be found on individual INTIME accounts.

### Corporate

#### Sales Tax Nexus

Changes the economic threshold test for remote sellers into Indiana by removing the 200-separate-transaction threshold. Now, remote sellers are only required to register as a retail merchant if they meet a gross revenue threshold of \$100,000. This is retroactively effective to Jan. 1, 2024.

#### Statute of Limitations

Periodic tax is defined as a listed tax for which a return must be filed and a tax remitted four times or more in a calendar year (with certain exceptions). The due date for periodic tax returns is now always Jan. 31 of the following calendar year solely for statute of limitations purposes.

#### Utility Sales Tax Exemption for Restaurants

A [new form for filing a Utility Sales Tax Exemption](#) is now available. Restaurants can receive a 50% sales tax exemption on electricity without conducting a utility study by submitting Form ST-200R (IC 6-2.5-5.51(f)). Exemption certificate (ST-109R) distribution begins Jan. 1, 2025. The form will be available on INTIME beginning Dec. 18, 2024.

# New Credits

## Individual Only

### **ABLE 529A Account Credit**

Non-refundable tax credit available for contributions to Indiana ABLE 529A accounts, which is either 20% of the total contributions to one of these savings plans during the taxable year or \$500, whichever is less. This credit is reported on the new Schedule IN-ABLE and must be repaid for nonqualified withdrawals.

### **Physician Practice Ownership Credit**

Non-refundable tax credit for those practicing as primary care physicians, who have an ownership interest in a physician medical practice established after Dec. 31, 2023, has billed for primary health care services for at least six months of that taxable year and is not employed by a health system. The credit is limited to \$20,000 each year for the current year and the next two years.

## Individual & Corporate

### **Attainable Homeownership Tax Credit**

Non-refundable credit, Attainable Homeownership Tax Credit, is available for certain contributions to Habitat for Humanity of Indiana. The maximum credit is the lesser of 50% of contributions or \$10,000. The credit has a cap of \$4 million per fiscal year.

### **Employer Child Care Expenditure Credit**

Non-refundable tax credit for employers with 100 or fewer employees for capital expenses related to establishing childcare facilities for their employees. The maximum credit is the lesser of 50% of the employer's qualified expenditure(s) or \$100,000, and the cap is \$2.5 million per fiscal year.

### **Employment of Individuals with Disability Tax Credit**

Non-refundable tax credit for employers who employ individuals with a disability who were referred through a vocational rehabilitation services program for individuals with a disability and was initially hired by the taxpayer after Dec. 31, 2023.

For a benefit corporation that employs no more than 50 individuals, most of whom must be eligible, the credit is: 30% in the first year; 40% in the second; 50% in the third and later years.

For employers who do not meet the definition of a benefit corporation and employ 500 or fewer employees, the credit is: 20% in the first year; 30% in the second; 40% in the third and later years.

### **Health Reimbursement Arrangement Credit**

Non-refundable credit for employers who adopt health reimbursement arrangements instead of traditional employer health insurance plans.

A qualified taxpayer with less than 50 employees may claim credit for up to \$400 per covered employee in the first year. The credit decreases to \$200 per covered employee in the second year. The cap is \$10 million per fiscal year.

## Historic Rehabilitation Tax Credit

Non-refundable tax credit for the rehabilitation of qualified historic structures where the total amount of qualified rehabilitation expenditures is \$5,000 or more. IEDC administers and awards this credit.

# Deductions

## Individual Only

### 30 Days or Less Nonresident Employee Wage Deduction

Effective Jan. 1, 2024, compensation received by an individual who: (1) is not a resident of Indiana; and (2) receives compensation for employment duties performed in Indiana for 30 days or less during the calendar year is exempt from the adjusted gross income tax.

Taxpayers who met eligibility requirements but had their state and county taxes withheld may report the amount as a deduction on their tax returns.

Exemption is not applicable to professional athletes, professional sports team members, race team members, professional entertainers, public figures and if Indiana resident at any time during the year.

### Active Military Pay

Beginning 2024, the deduction for active-duty military compensation is now 100% of compensation. (The previous amount was \$5,000.)

### Health Care Sharing Ministry Deduction

An individual who is an Indiana resident and a member of a health care sharing ministry is entitled to an adjusted gross income tax deduction.

The deduction is equal to the total amount of qualified health care sharing membership costs paid by the qualified individual during the taxable year.

## Individual & Corporate

### Net Operating Loss Modifications

A new schedule, Schedule NOL-MOD, is available for 2024. This schedule allows for current-year reporting of certain federal modifications to net operating losses, reporting of certain losses not directly reported on a return, and reduction of losses resulting from certain debt discharges.

## Other

### Truck Stop Owner License

Agency bill repealed law. DOR no longer issues truck stop owner licenses.