

Indiana

What's New

Returns Included	e-File Approved*	e-File Activated
IT-20	12/05/2023	01/10/2024
IT-20S	02/05/2024	02/10/2024
IT-40	11/21/2023	01/10/2024
IT-40PNR	11/21/2023	01/10/2024
IT-40RNR	11/21/2023	01/10/2024
IT-41	02/21/2024	02/25/2024
IT-65	02/05/2024	02/10/2024

*NOTE: Certain return types may not be available for e-file as of the EF approval date. e-File will be activated when the state taxing authority is ready to receive all forms within the applicable package.

New Form

Schedule PTET, Pass-Through Entity Tax Return, has been added for tax year 2023.

Obsolete Form

Schedule EL, Tax Computation Form for Electing Partnerships, has been retired for tax year 2023.

Add-Backs and Modifications

- **Wagering tax add-backs**— The portion of wagering taxes required to be added back as a tax based on or measured by income is being phased out. The percentage of taxes required to be added back for 2023 is 37.5%.
- **Add-back code 151** — Added for certain modifications required to be applied against an NOL arising from a federal excess business loss
- **Add-back code 152** — Added for certain modifications required to be applied against a nonprofit's NOL when the nonprofit is required to report losses separately for each trade or business
- **Add-back code 153** — Added for certain modifications required to be applied against an NOL when the taxpayer also has excess inclusion income
- **Schedule IT-20NOL, Corporate Income Tax Indiana Net Operating Loss Deduction** — Revised to align with NOL reporting changes
- **Add-back code 154** — Added for specified research and experimental expenses required to be amortized for federal income tax purposes

- **Credit for Indiana Pass-Through Entity Tax (PTET) Paid** — A refundable credit added for entity owners for taxpayers who are partners in a partnership or shareholders of an S corporation that has elected to pay PTET
 - The amount of credit is equal to the portion of the tax paid by the entity that is attributable to the partner's or shareholder's share of income taxable in Indiana.
 - Eligible individuals may claim the credit by including Schedule IN K-1 or IT-41 Schedule K-1, reflecting the credit, and listing the credit on IT-40 Schedule 5 or IT-40PNR Schedule F.
- **Earned Income Tax Credit**
 - The IN EITC is recoupled with the federal EITC effective January 1, 2023.
 - Indiana EITC is 10% of federal EITC.
 - Taxpayers can claim up to three qualified children on Schedule IN-EIC.
- **Indiana's College Choice 529 Education Savings Plan Credit**
 - Contributions made after December 31 but before the tax filing deadline may still be claimed on the taxpayer's 2023 Indiana return or applicable prior-year return.
 - The maximum credit amount has been increased to \$1,500 for Single and Married Filing Jointly taxpayers (\$750 for Married Filing Separately taxpayers).

Deductions

- **Career Scholarship Account Deduction (code 642)** — Provides an income tax deduction for Career Scholarship Account (CSA) program grants received and used toward qualified expenses
- **Small Business Insurance Premium Deduction (code 639)** — Allows the portion of small employer health insurance premiums that is disallowed for federal purposes as a result of claiming the credit under IRC section 45R to be deducted
- **Specified Research or Experimental Expenditures Deduction (code 641)** — Permits a current-year deduction for specified research and experimental expenses otherwise required to be amortized for federal tax purposes

Miscellaneous

- The individual income tax rate has been decreased to 3.15% for tax year 2023.
- The Income Tax Exemption for Military Pay (code 621) exempts all military pay for members of a reserve component of the armed forces of the United States or the National Guard from IN income tax for taxable years beginning in 2023 and thereafter.
- If a taxpayer is claiming a child as a dependent for the first taxable year in which the additional dependent child exemption is allowed, the taxpayer can claim an amount of \$3,000 (instead of \$1,500) for one tax year.
- The 2022 Additional Automatic Taxpayer Refund cannot be claimed as of tax year 2023.


- **Pass-Through Entity Tax (PTET) for Tax Year 2023 and Forward**

- In 2023, P.L. 1-2023 was enacted to create a new Pass-Through Entity Tax (PTET) for partnerships and S corporations. The tax is imposed at the election of the partnership or S corporation.
- The ability to report PTET has been added to the following forms:
 - Form IT-20S, Indiana S Corporation Income Tax Return
 - Form IT-41, Fiduciary Income Tax Return
 - Form IT-65, Indiana Partnership Return
 - Schedule 1 (IT-41), Other Taxes
 - Schedule Composite, Entity's Composite Indiana Adjusted Gross Income Tax Return
 - Schedule Composite-COR, Composite Indiana Adjusted Gross Income Tax Return for Corporate Entities
 - Schedule IN K-1 (IT-20S/IT-65), Shareholder's/Partner's Share of Indiana Adjusted Gross Income, Deductions, Modifications, and Credits
 - Schedule IN K-1 (IT-41), Beneficiary's Share of Indiana Adjusted Gross Income, Deductions, Modifications, and Credits
- Schedule PTET, Pass-Through Entity Tax Return, has been added to report PTET and the amount of PTET passed through to partners and shareholders.

Tax Law Changes

- Line 1 of Form IT-40 assumes conformity with the Internal Revenue Code of 1986, as amended and in effect on January 1, 2023. If the 2023 Indiana General Assembly does not conform to the most current changes to the Internal Revenue Code, the taxpayer may have to amend their 2023 tax return later to reflect any differences between Indiana and federal law. Refer to [Indiana's Department of Revenue website](#) for the latest updates.
- The definition of adjusted gross income (AGI) has been updated to correspond to the federal definition of adjusted gross income contained in the Internal Revenue Code. Any reference to the IRC and subsequent regulations means the Internal Revenue Code of 1986, as amended and in effect on January 1, 2023. For a complete summary of new legislation regarding taxation, see the [Indiana DOR Legislative Synopsis](#).

Supported Forms

The following Indiana forms are supported in Drake Tax 2023. Forms denoted with  can be e-signed.

Form	Description	IND	CRP	SCRIP	PTR	FID
	Post Filing Coupon	✓	✓	✓	✓	
102	Farmer's Tangible Personal Property Assessment Return	✓	✓	✓	✓	✓
103-LONG	Business Tangible Personal Property Assessment Return	✓	✓	✓	✓	✓
103-O	Information Return of Owned Personal Property	✓	✓	✓	✓	✓
103-SHORT	Business Tangible Personal Property Return	✓	✓	✓	✓	✓
104	Business Tangible Personal Property Return	✓	✓	✓	✓	✓
E-6	Request for Indiana Corporate Estimated Quarterly Income Tax Returns		✓	✓		
GA-110L	Claim for Refund	✓	✓	✓	✓	
IN1099-MISC	Miscellaneous Income	✓				
IN-MSID	Motorsports Investment District Income - Team	✓				
IN-OPT	Electronic Filing Opt-Out Declaration	✓				
IT-20	Corporate Adjusted Gross Income Tax Return		✓			
IT-20S	S Corporation Income Tax Return			✓		
IT-40	Full-Year Resident Individual Income Tax Return	✓				
IT-40ES	Estimated Income Tax	✓				
IT-40PNR	Part-Year or Full-Year Nonresident Individual Income Tax Return	✓				
IT-40RNR	Reciprocal Nonresident Indiana Individual Income Tax Return	✓				
IT-41	Fiduciary Income Tax Return					✓
IT-41ES	Fiduciary Payment Voucher Estimated Tax, Extension, or Composite Payment					✓
IT-6	Corporate Estimate Voucher		✓			
IT-65	Partnership Return				✓	
IT-6WTH	Composite Withholding Tax Voucher			✓	✓	
IT-8453OL 	Declaration of Electronic Filing (Online)	✓				
IT-8879 	Declaration of Electronic Filing	✓				
IT-8879C 	Declaration of Electronic Filing		✓	✓	✓	✓
IT-9	Application for Extension of Time to File	✓				
IT-966	Notice of Corporate Dissolution Liquidation or Withdrawal		✓	✓		
POA-1	Power of Attorney	✓	✓	✓	✓	✓
SC-40	Unified Tax Credit for the Elderly	✓				
Schedule 1 (103-N)	Information Return of Not Owned Personal Property				✓	
Schedule 1 (IT-40)	Add-Backs	✓				
Schedule 1 (IT-41)	Other Income					✓
Schedule 2 (IT-40)	Deductions	✓				
Schedule 3 (IT-40)	Exemptions	✓				
Schedule 4 (IT-40)	Other Taxes	✓				
Schedule 5/IN-DONATE (IT-40)	Credits/Donations	✓				
Schedule 6 (IT-40)	Offset Credits	✓				
Schedule 7 (IT-40)	Additional Required Information	✓				
Schedule 8-D	Schedule of Indiana Affiliated Group Members		✓	✓		

Form	Description	IND	CRP	SCRIP	PTR	FID
Schedule A (IT-20S RECAP)	Explanation of Cost of Goods Sold			✓		
Schedule A (IT-40PNR)	Income or Loss/Adjustments to Income	✓				
Schedule A (IT-65 RECAP)	Explanation of Cost of Goods Sold				✓	
Schedule B (IT-20S RECAP)	Explanation of Other Income			✓		
Schedule B (IT-40PNR)	Add-Backs	✓				
Schedule B (IT-65 RECAP)	Explanation of Other Income				✓	
Schedule C (IT-20S RECAP)	Explanation of Taxes and Licenses			✓		
Schedule C (IT-40PNR)	Deductions	✓				
Schedule C (IT-65 RECAP)	Explanation of Taxes and Licenses				✓	
Schedule CC-40	College Credit	✓	✓	✓		✓
Schedule Composite	Entity's Composite Indiana Adjusted Gross Income Tax Return			✓	✓	✓
Schedule Composite-COR	Composite Indiana Adjusted Gross Income Tax Return for Corporate Entities				✓	✓
Schedule CT-40 (IT-40)	County Tax Schedule for Full-Year Indiana Residents	✓				
Schedule CT-40PNR (IT-40PNR)	County Tax Schedule for Part-Year and Full-Year Indiana Nonresidents	✓				
Schedule D (IT-20S RECAP)	Explanation of Other Deductions			✓		
Schedule D (IT-40PNR)	Exemptions	✓				
Schedule D (IT-65 RECAP)	Explanation of Other Deductions				✓	
Schedule E (IT-20/20S/20NP/IT-65)	Apportionment of Income for Indiana		✓	✓	✓	
Schedule E/IN-PRO (IT-40PNR)	Other Taxes	✓				
Schedule E-7	Apportionment for Interstate Transportation		✓	✓	✓	
Schedule EZ 1, 2, 3	Employment Expense Tax Credit/Enterprise Zone Credit		✓	✓		
Schedule F (IT-20)	Allocation of Nonbusiness Income and Indiana Non-Unitary Partnership Income		✓			
Schedule F/IN-DONATE (IT-40PNR)	Credits/Donations	✓				
Schedule G (IT-40PNR)	Offset Credits	✓				
Schedule H (IT-40PNR)	Residency Information/Additional Required Information	✓				
Schedule IN K-1 (IT-20S/IT-65)	Shareholder's/Partner's Share of Indiana Adjusted Gross Income, Deductions, Modifications, and Credits			✓	✓	

Form	Description	IND	CRP	SCRIP	PTR	FID
Schedule IN K-1 (IT-41)	Beneficiary's Share of Indiana Adjusted Gross Income, Deductions, Modifications, and Credits					✓
Schedule IN-2058SP	Nonresident Military Spouse Earned Income Deduction	✓				
Schedule IN-40PA	Post-Liability Allocation Schedule	✓				
Schedule IN-40SA	Injured Spouse Allocation	✓				
Schedule IN-529 (IT-40/IT-40PNR)	CollegeChoice 529 Education Savings Plan Credit	✓				
Schedule IN-COMPA	Withholding and Composite Filing Opt-Out Affidavit			✓	✓	✓
Schedule IN-CR	Credit Recapture	✓				
Schedule IN-DEP (IT-40/IT-40PNR)	Dependent Information and Additional Dependent Child Information	✓				
Schedule IN-DEP-A (IT-40/IT-40PNR)	Adopted Dependent Information	✓				
Schedule IN-EDGE	Economic Development for a Growing Economy Credit	✓	✓	✓	✓	
Schedule IN-EDGE-R	Economic Development for a Growing Economy Retention Credit	✓	✓	✓	✓	
Schedule IN-EIC (IT-40/IT-40PNR)	Earned Income Credit	✓				
Schedule IN-H	Household Employment Taxes	✓				
Schedule IN-OCC	Other Certified Credits	✓	✓	✓	✓	
Schedule IN-W (IT-40/IT-40PNR/IT-40RNR)	Withholding Statements	✓				
Schedule IT-20 RECAP	Reconciliation of Federal Taxable Income		✓			
Schedule IT-20FSD	Foreign Source Dividend Deduction Schedule		✓			
Schedule IT-20NOL	Corporate Income Tax Indiana Net Operating Loss Deduction		✓			
Schedule IT-20PIC	Disclosure of Intangible Expense and Directly Related Interest Expense		✓			
Schedule IT-20REC	Research Expense Tax Credit (#822)			✓	✓	
Schedule IT-20S RECAP	Recapture of Federal Tax Return Information			✓		
Schedule IT-2210	Underpayment of Estimated Tax by Individuals	✓				
Schedule IT-2210A	Annualized Income Schedule for the Underpayment of Estimated Tax by Individuals	✓				
Schedule IT-2220	Penalty for Underpayment of Corporate Income Tax		✓			
Schedule IT-2440	Disability Retirement Deduction	✓				
Schedule IT-40NOL	Individual Income Tax Net Operating Loss Computation	✓				
Schedule IT-40PNRA	Apportioned Income for Nonresident Individuals	✓				
Schedule IT-65 RECAP	Recapture of Federal Tax Return Information				✓	
Schedule PTET	Pass-Through Entity Tax Return			✓	✓	