

General Statement

The utility receipts tax was enacted through the passage of HB 1001ss. The tax is imposed on the taxable gross receipts of an entity providing the retail sale of utility services. The tax is effective for taxable receipts beginning January 1, 2003.

NOTE: This return should only be filed by taxpayers that are subject to the utility receipts tax and **are not** calendar year taxpayers.

The tax is an income tax imposed at a rate of one and four-tenths percent (1.4%) on taxable gross receipts. All entities are subject to the tax if their taxable gross receipts exceed one thousand dollars (\$1,000).

Utility services are defined as providing electrical energy; natural gas used for heat, light, cooling or power; water; steam; sewage; or telecommunications.

All entities are subject to the tax if they exceed the one thousand dollar (\$1,000) limitation mentioned above. This includes "S" Corporations, partnerships, limited liability companies, and limited liability partnerships.

Taxable Receipts

Taxable receipts include the retail sale of utility services; judgments or settlements as compensation for lost retail sales; sales to a reseller if the utility is used in hotels, mobile home parks, or marinas; sales of water or gas to another for rebottling; installation, maintenance, repair, equipment, or leasing services provided and charges for the removal of the equipment; and all other receipts not segregated between retail and non-retail transactions.

Nontaxable Receipts

The following receipts are excluded from the computation of the utility receipts tax: sales to the U.S. Government; interstate sales; collections by a taxpayer of a tax, fee, or surcharge imposed by a governmental unit if the tax is imposed solely on the sales at retail of utility services, and the taxpayer collects the tax separately; wholesale sales to another generator or reseller of utilities; holding company receipts from electric member cooperatives; joint agency receipts from member municipal electric utilities; refundable deposits paid by a customer to the taxpayer; or an occasional sale of utility services by a taxpayer that is not regularly engaged in the trade or business of selling utility services.

Exempt Entities

Gross receipts received by the following entities are exempt from the utility receipt tax. Conservancy districts; regional water, sewage, or solid waste districts; a nonprofit corporation formed solely for the purpose of supplying water to the public, or a corporation formed for the purpose of providing a combination of water and sewer to the public; a county solid waste management district, or a joint solid waste management district; or a county onsite waste management district.

Estimated Payments

If a taxpayer's annual tax liability exceeds one thousand dollars (\$1,000), the taxpayer is required to file quarterly estimated payments, and remit twenty-five percent (25%) of the estimated annual tax due on each quarterly return.

If the taxpayer's quarterly tax payment exceeds ten thousand dollars (\$10,000), the taxpayer is required to pay the estimated tax liability by electronic funds transfer. If the payment is made by electronic funds transfer, the taxpayer is not required to file an estimated return. For the requirements to remit by Electronic Funds Transfer (EFT), contact the Indiana Department of Revenue, EFT Section, by calling (317) 615-2695.

Estimated payments are due on the 20th day of the fourth, sixth, ninth, and twelfth month of the taxpayer's taxable year.

Annual Returns

The annual return is due on the fifteenth day of the fourth month following the close of the taxpayer's taxable year.

Consolidated Return of an Affiliated Group

Corporations are considered to be affiliated if at least eighty percent (80%) of the voting stock of one corporation is owned by another corporation. Corporate members of an affiliated group that are incorporated in Indiana or authorized to do business in Indiana may file a consolidated utility receipts tax return. An election to file a consolidated return must be made at the time that the group files its first return.

If an election is made, the taxpayer must continue to file consolidated until the Department allows the taxpayer to change the manner in which it files its utility receipts tax return.

All affiliated groups filing consolidated income tax returns with the Department must attach Schedule 8-D, Consolidated Income Tax Schedule for Indiana Affiliated Group, which is available from the Department upon request. Select checkbox #3 in question M, below the address section, to indicate if this is a consolidated filing.

NOTE: For more detailed information concerning the utility receipts tax, refer to Commissioner's Directive #18.

Completing Form URT

Complete all pertinent information at the top of the return. If any information on the preprinted label is not correct, do not use the label. Any information not included on the label needs to be completed in full by the taxpayer.

Enter your principal business activity code number in the designated box under the federal identification number. Use the six-digit business activity code, derived from the North American Industry Classification System (NAICS), as reported on the federal income tax return. A listing of these codes may be found through the Department's Internet address:

www.in.gov/dor/resources

LINE BY LINE INSTRUCTIONS

Lines 1 through 6. Enter the total taxable receipts by category for the period from January 1, 2003 until the end of the fiscal year. Do not enter any negative figures.

Line 7. Add Lines 1 through 6.

Line 8. Enter the amount of taxpayer deduction. Each taxable year a taxpayer is entitled to deduct from the taxpayer's gross receipts an amount equal to \$1,000. This amount is prorated if the taxpayer's tax period is less than one year. An affiliated group that files a consolidated return is entitled to only one deduction.

For the initial short year, calculate this deduction by \$2.74 per day times the number of days in the taxpayer's reporting period, starting from January 1, 2003 to the end of its taxable fiscal period.

Line 9. Enter the bad debts from utility receipts of an accrual basis taxpayer in the same manner as the bad debt is calculated under IC 6-2.5-6-9.

Line 10. Enter the amount of depreciation deduction for an Indiana resource recovery system if a federal deduction has been claimed. The deduction is allowed if the resource recovery system processes solid or hazardous waste. The amount of deduction is prorated based on the total deduction allowed multiplied by the percentage attributed to 2003. Divide the number of days from January 1, 2003 to the end of the fiscal year by the total number of days in the taxpayer's federal taxable year times the total annual depreciation deduction for the resource recovery system.

Line 11. Deduct the receipts exempt from taxation under IC 6-8.1-15 and the Mobile Telecommunications Sourcing Act (4 U.S.C. 116 et seq.).

Line 12. Enter the amount included in gross receipts paid by the taxpayer during the period for the return of an empty container of the type customarily returned by the buyer of the contents for reuse as a container.

Line 13 Sale of bottled water or gas to the extent that the purchase of the water or gas was previously taxed and treated as a retail transaction under IC 6-2.3- 3-6.

Line 14. Total Deductions. Add Lines 8 through 13.

Line 15. Indiana taxable utility receipts. Subtract Line 14 from Line 7. Amount entered may not be less than zero (-0-).

Line 16. Utility receipts tax due. Multiply the amount on Line 15 by .014 (1.4%).

Line 17. List the estimated utility receipts tax payments (Form URT-Q) made from January 1, 2003 until the end of the initial taxable year.

Line 19. Enter the amount of payment made when the extension of time to file was requested.

Line 20. Total payments made. Add the amounts on Lines 17 through 19.

Line 21. Net tax due. Subtract Line 20 from Line 16. If Line 20 is greater than Line 16, proceed to Line 22 and Line 26.

Line 22. Penalty for underpayment of estimated tax. Complete and attach Schedule IT- 2220(FY). This schedule is available separately from the Department.

Line 23. Interest. If payment is made after the original due date, interest on the late payment is due. Contact the Department for the current interest rate.

Line 24. Penalty for late payment. If payment is made after the original due date, there is a penalty of ten percent (10%) of the net tax due (Line 21) or five dollars (\$5.00) whichever is greater.

Line 25. Total amount owed. Add Lines 21 through 24.

Line 26. Overpayment. Subtract Lines 16 and 22 from Line 20.

Line 27. Refund. Enter the portion of Line 26 that you wish refunded.

Line 28. Overpayment credit. Enter the amount on Line 26 that is to be applied to the following taxable year. NOTE: The total of Lines 27 and 28 cannot exceed the amount on Line 26. Complete all information at the bottom of the return and mail the return to:

**Indiana Department of Revenue
P.O. Box 7228
Indianapolis, IN 46207-7228**

If further assistance is needed, contact the Indiana Department of Revenue, Returns Processing Center, Corporate Income Tax Section, 100 N. Senate Avenue, Indianapolis, Indiana 46204-2253, or call (317) 615-2662.

For Other Indiana Department of Revenue Forms:

Internet Address - www.in.gov/dor/

Our homepage provides access to forms, information bulletins and directives, tax publications, e-mail, and various filing options.

Indiana TaxFax - (317) 233-2329

Call TaxFax using the telephone portion of your fax machine or computer to obtain the Department's catalog of available Indiana tax forms.

Tax Forms Order Line - (317) 615-2581