

• Military Family Relief Fund 201

The Indiana Department of Veterans Affairs’ Military Family Relief Fund provides emergency grants to be used by military and veteran families. The funds can be utilized for needs such as food, housing, utilities, medical services, transportation, and other essential family support expenses which have become difficult to afford. The Military Family Relief Fund has helped more than 2000 families since its inception in 2007.

Enter both the name of the fund and the amount you wish to donate under line 1, and enter 201 as the designated 3-digit code number. Also, see the **Limitation** below.

If you do not have an overpayment, but want to support the Military Family Relief Fund, you may make a contribution by writing a check made payable to the *Military Family Relief Fund* and send it to the Indiana Department of Veterans Affairs, 302 W. Washington Street, Suite E-120, Indianapolis, IN 46204.

• Public K – 12 Education Fund 202

You may donate all or a portion of your overpayment to help fund public education for kindergarten through grade 12 in Indiana. Enter both the name of the fund and the amount you wish to donate under line 1, and enter 202 as the designated 3-digit code number. Also, see the **Limitation** below.

Limitation

The combination of the amounts you wish to donate to these funds **cannot exceed** the overpayment shown on Form IT-40, line 16.

- If the total of the donations designated on this schedule is more than your available overpayment, the donation(s) will be reduced on a pro rata basis. For example, Sam wants to donate \$20 to each fund, for a total of \$60. His actual overpayment is \$51. The donations to the three funds will be evenly reduced to \$17 each.
- If you entered a donation to one or more of these funds, and wish to apply some of your overpayment to next years estimated tax account, the overpayment will be applied first to the selected fund(s) and then to the estimated tax account. Any remaining overpayment will be refunded to you. For example, Aaron donated \$100 to the Indiana Nongame Wildlife Fund, and is applying \$50 to next year’s estimated tax account. His actual overpayment is only \$110. The full \$100 will be applied to the selected fund; the remaining \$10 will be applied to next years estimated tax account.

Schedule 6: Offset Credits

The following credits cannot be refunded; their purpose is to help reduce your state and/or county tax amounts due. See the limitation areas after the instructions for line 3 and line 7.

Line 1 – Credit for Local Taxes Paid Outside of Indiana

If you figured county tax on Form IT-40, line 9, **and** had to pay a local income tax outside Indiana, you may be able to take a credit. This credit applies only if the tax you paid outside Indiana was to another city, county, town, or other local governmental entity, and they did not refund the tax, or give you a credit for Indiana county tax.

The credit can be used to reduce your county tax liability. Carefully read instructions for Line B below.

Complete lines A, B and C to figure your credit.

| | | |
|----|--|---------|
| A. | Enter the amount of tax paid to the non-Indiana locality | A _____ |
| B. | Multiply the amount of income taxed by the non-Indiana locality by the rate from Schedule CT-40, line 2. Enter result here | B _____ |
| C. | Enter the amount of Indiana county income tax shown on Form IT-40, line 9 | C _____ |

The amount of the credit is the lesser of the amounts on A, B or C.

Note. See the **Combined Limitation** on page 39.

Important. You **must** enclose either a copy of your W-2s or other withholding statements showing the non-Indiana locality amount withheld or a copy of the non-Indiana locality tax return.

Remember, you can use this credit only if you have **both:**

- A county tax amount on Form IT-40, line 9, and
- A local income tax that you had to pay outside Indiana.

Line 2 – Community Revitalization Enhancement District Credit

A state **and** local income tax liability credit is available for a qualified investment made within a community revitalization enhancement district. The expenditure must be made under a plan adopted by an advisory commission on industrial development and approved by the Indiana Economic Development Corporation before it is made. The credit is equal to 25 percent of the qualified investment made by the taxpayer during the taxable year.

This credit is available to pass-through entities, such as members of partnerships and S corporations.

The credit is nonrefundable and cannot be carried back. You may carry forward any excess credit to the next tax year.

The allowable credit is the lesser of the available credit or the county tax due on line 9 of Form IT-40. Also, claim any unused amount (within certain limitations) on Schedule 6 under line 6 (see instructions for this credit on page 42).

Contact the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN, 46204 for additional information.

Schedule 6: Offset credits continued

See the **Restriction for Certain Tax Credits - Limited to One per Project** below for additional limitations. Also, see the **Combined Limitation** below.

Line 3 – Other Local Credits

Currently, there are no other local credits available to be reported in this space.

Restriction for Certain Tax Credits - Limited to One per Project

A taxpayer may not be granted more than one credit for the same project. The credits that are subject to this limitation are the alternative fuel vehicle manufacturer credit, community revitalization enhancement district credit, enterprise zone investment cost credit, Hoosier business investment credit, industrial recovery credit, and the venture capital investment credit.

For more information see Commissioner’s Directive #29 at www.in.gov/dor/3617.htm.

Apply this restriction first when figuring your credits. Then apply the **Combined Limitation** below.

Combined Limitation: There is one final limitation if you claim more than one credit on lines 1 through 3 of Schedule 6. These credits, when combined, cannot be greater than the county tax shown on Form IT-40 line 9; if they are, adjust the amounts before you enter them. See the following *Order of Application* and example for guidance.

Order of Application

First, use the credits which cannot be carried over and applied against your county tax in another year. This means apply any credit for local taxes paid outside Indiana first, then apply any community revitalization enhancement district credit.

How to Adjust the Amount of Credit to be Entered (Example)

Example. Megan is eligible to claim a \$100 credit for local taxes paid outside Indiana plus a \$200 community revitalization enhancement district credit (CREED), for a \$300 total amount in offset credits. Her county tax due (IT-40, line 9) is \$160. Since her combined credits are more than her county tax due, she should reduce the last entry (the \$200 CREED credit) by the \$140 difference to \$60. She will enter the full \$200 credit for local taxes paid outside Indiana on Schedule 6, line 1, and the \$60 limited CREED credit on line 3a. Note: Megan may use the \$140 remaining CREED credit to offset any state adjusted gross income tax due on this year’s tax return (IT-40, line 8).

Line 4 - College Credit

If you donated money or property to an Indiana college or university, you may be able to take a credit of up to \$100 on a single return or \$200 on a joint return. To claim this credit you must complete and enclose Schedule CC-40. For additional information see Schedule CC-40 at www.in.gov/dor/5506.htm and Income Tax Information Bulletin #14 at www.in.gov/dor/3650.htm.

Important. You must maintain documentation of your contributions. The department can require you to provide this information at a later date.

Note. Tuition paid to a college or university is **not** a contribution, and does not qualify for this credit.

See the **Combined Limitation** on page 46.

Line 5 - Credit for Taxes Paid to Other States

If you received income from another state while you were an Indiana resident, you must report that income on your Indiana income tax return. You may be able to take a credit for taxes paid to another state. If you had income from another state, and had to pay taxes to that state, read the following instructions carefully.

If you were an Indiana resident during the tax year and had income from any of the states listed in Group A below, you should first find out what the other state’s rules are concerning the taxation of your income.

Group A

No Agreement (Credit taken on resident return)

| | | |
|-------------|---|----------------|
| Alabama | Maine | New York |
| Arkansas | Maryland | North Carolina |
| Colorado | Massachusetts | North Dakota |
| Connecticut | Minnesota | Oklahoma |
| Delaware | Mississippi | Rhode Island |
| Georgia | Missouri | South Carolina |
| Hawaii | Montana | Tennessee* |
| Idaho | Nebraska | Utah |
| Illinois | New Hampshire* | Vermont |
| Iowa | New Jersey | Virginia |
| Kansas | New Mexico | West Virginia |
| Louisiana | Any foreign countries or U.S. possessions | |

*Capital gain, interest, and dividends only.

Group A Worksheet

- A. Enter the amount of tax paid to the other state. (This does not mean the tax withheld from your wages, but the actual tax figured on the other state’s return) A _____
- B. Multiply the amount of income from the other state (that is subject to Indiana tax) by 3.3% (.033)..... B _____
- C. Enter the amount of Indiana state income tax shown on Form IT-40 line 8 C _____

The *lesser* of the amounts on A, B or C is your allowable credit for taxes paid to other states.

You must enclose a copy of the income tax return (not just the W-2 forms) you filed with the other state to claim this credit. If the other state's return is not enclosed, the credit will not be allowed. Likewise, if you have a foreign tax credit, complete the Group A Worksheet and enclose federal Form 1116. If Form 1116 was not required, enclose Forms 1099-INT and/or 1099-DIV (or a substitute statement) to verify the foreign tax and amount of income being taxed.

Example. Ryan reported \$10,000 Illinois-source wage income on the Illinois nonresident individual income tax return, and paid \$300 tax to Illinois on that income. His Indiana state tax liability from line 8 of Form IT-40 is \$870.

He will enter the following information on the *Group A Worksheet*.

- A. \$300 (tax paid to Illinois)
- B. \$340 (\$10,000 x .033, tax due to Indiana)
- C. \$870 (Form IT-40 line 8)

Ryan's credit is \$300, which is the lesser of A, B and C.

Exception: Gambling winnings from other states. If you're not required to file another state's income tax return to report gambling winnings from that state, enclose the W-2G issued by that state. Use the amount of state tax withheld by that state on Line A of the Group A Worksheet.

Group B Reciprocal Agreement (Wages, Salaries, Tips, and Commissions Only)

| | | |
|--------------|-----------|------|
| Kentucky | Michigan | Ohio |
| Pennsylvania | Wisconsin | |

If you were an Indiana resident during the tax year and had income from one of the states listed in Group B, you are covered by a reciprocal agreement. However, this agreement only applies to income from wages, salaries, tips and commissions. If you had other types of income from these states (such as business income, farm income, etc.), use the Group A Worksheet to figure your credit.

Normally, employers in these states will withhold Indiana state tax from your wages because of the reciprocal agreement. However, if the state tax they withheld is not for Indiana, you must file a claim for refund with that state. You still have to include this income on your Indiana return and pay the Indiana tax. You'll get some or all of the other state's taxes back by filing a refund claim with them.

Note. Winnings from Indiana **riverboats** and **lotteries** are not eligible for the reciprocal agreement.

Caution: You may have to make estimated tax payments to Indiana. If the reciprocal state employer does not withhold Indiana withholding on your wage income, or doesn't withhold enough, see page 9 for information on how to figure and pay estimated tax.

If you were a full-year resident of one of the reciprocal states and your income from Indiana was from wages, salaries, tips and commissions, you should file Form IT-40RNR, Reciprocal Nonresident Income Tax Return. If you were a resident of one of the reciprocal states and had other types of income from Indiana, or were a part-year Indiana resident, you will need to file Form IT-40PNR.

Group C Reverse Credit (Credit taken on nonresident return)

Arizona California Oregon Washington D.C.

If you were an Indiana resident during the tax year and had income from one of the states in Group C, you must pay Indiana tax on all your income. You will also need to file a nonresident return with the other state and claim a credit on their tax return for the Indiana tax paid.

Group D No State Income Tax (No credit allowed)

Alaska Florida Nevada
South Dakota Texas Washington
Wyoming

If you were an Indiana resident during the tax year and had income from one of the states in Group D, you are not allowed to claim this credit. These states do not have an income tax. You must file an Indiana resident return and pay Indiana tax on all your income.

See the **Combined Limitation** on page 46.

Line 6 – Other Credits

Each of the following credits has been assigned a three-digit code number. When claiming the credit on Schedule 6 under line 6, enter the name of the credit, the three-digit code number and the amount claimed.

Adoption Credit 859

You may be eligible to claim an adoption credit on your state tax return if you claimed an adoption credit on your federal tax return. The amount of the credit may be as much as 10 percent of the federal credit allowed per child, or \$1,000 per child, whichever is less. Complete Worksheet B on the next page to figure your credit.

Federal adoption carryforward credits.

A carryforward credit claimed on federal Form 8839 may be allowed if any of it is from tax year 2015 (carryforward credits from years prior to 2015 are not allowed when figuring the Indiana adoption credit).

Federal Adoption Credit Carryforward Calculation

Use Worksheet A to figure each child's pro rata share of any 2015 carryforward credit shown on line 14 of the 2015 Adoption Credit Carryforward Worksheet (from the 2015 instructions for federal Form 8839). Enter that amount in the appropriate column on line 6 of Worksheet B.

If you have no 2015 federal adoption credit to carry forward, skip Worksheet A and complete Worksheet B.

Federal Adoption Credit Carryforward

| Worksheet A | Child 1 | Child 2 | Child 3 |
|---|----------------|----------------|----------------|
| 1. Enter amount from 2015 Form 8839, line 11 | \$ | \$ | \$ |
| 2. Enter the amount from 2015 Form 8839, line 12 | \$ | \$ | \$ |
| 3. Divide line 1 by line 2; round answer to four decimal places | | | |
| 4. Enter the amount of 2015 carryforward credit used in 2016 (line 5 minus line 15 of the 2016 <i>Adoption Credit Carryforward Worksheet</i> from the Form 8839 instructions) | \$ | \$ | \$ |
| 5. Multiply line 3 by line 4; round to nearest whole dollar. Enter this amount in the appropriate column on line 6 of Worksheet B below | \$ | \$ | \$ |

Indiana Adoption Credit Calculation

Complete Worksheet B to figure your Indiana adoption credit. Add more columns to the worksheet below if claiming this credit for more than three children.

You will need to have your 2016 federal Form 8839 on hand.

Indiana Adoption Credit Calculation

| Worksheet B | Child 1 | Child 2 | Child 3 | |
|---|----------------------------|----------------|----------------|----|
| 1. Enter amount from Form 8839, Line 11, per child | \$ | \$ | \$ | |
| 2. Enter the amount from Form 8839, line 12, in each column of this worksheet where there is an amount on line 1 | \$ | \$ | \$ | |
| 3. Enter the amount from Form 8839, line 15, reduced by the amount on Form 8839, line 13, in each column where there is an amount on line 1 (if equal to or more than amount on line 2, leave blank; skip line 4, enter the amount from line 1 on line 5). If less than zero, leave blank | \$ | \$ | \$ | |
| 4. Divide line 1 by line 2; round answer to four decimal places | | | | |
| 5. Multiply line 3 by line 4; round to nearest whole dollar | \$ | \$ | \$ | |
| 6. Enter pro rata share of any 2015 adoption carryforward credit from Worksheet A, line 5 | \$ | \$ | \$ | |
| 7. Add lines 5 and 6 | \$ | \$ | \$ | |
| 8. Limitation | \$ 10,000 | \$ 10,000 | \$ 10,000 | |
| 9. Enter the smaller of line 7 or Line 8 | \$ | \$ | \$ | |
| 10. Multiply line 9 by 10% (.10); round to nearest whole dollar | \$ | \$ | \$ | |
| 11. Add all amounts from each column on line 10 | This is your credit | | | \$ |

See Income Tax Information Bulletin #111 at www.in.gov/dor/3650.htm for more information about this credit.

Maintain with your records a copy of the federal Form 8839, federal Adoption Credit Carryforward Worksheets (if applicable), and Form 1040 as the department can require you to provide this information at a later date.

Enter code 859 under line 6 if claiming this credit. Also, see the **Combined Limitation** on page 46.

Airport Development Zone Employment Expense Credit 800

This credit has been repealed. However, any previously approved yet unused credit is available to be claimed. Enter code 800 under line 6 if claiming this credit. See the **Combined Limitation** on page 46.

Airport Development Zone Investment Cost Credit 801

This credit has been repealed. However, any previously approved yet unused credit is available to be claimed. Enter code 801 under line 6 if claiming this credit. See the **Combined Limitation** on page 46.

Airport Development Zone Loan Interest Credit 802

This credit has been repealed. However, any previously approved yet unused credit is available to be claimed. Enter code 802 under line 6 if claiming this credit. See the **Combined Limitation** on page 46.

Alternative Fuel Vehicle Manufacturer Credit 845

A credit is available for qualified investments made within Indiana that foster job creation, reduce dependency on foreign oil and reduce pollution.

A person who proposes a project to manufacture or assemble alternative fuel vehicles may apply to the Indiana Economic Development Corporation before the qualified investment is made. A certificate of verification from the IEDC must be enclosed when claiming the credit.

For additional information, contact the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN 46204, call (317) 232-8800, or visit their website at <http://iedc.in.gov>. Also, get Income Tax Information Bulletin #103 at www.in.gov/dor/3650.htm.

Note. See the **Restriction for Certain Tax Credits - Limited to One per Project** and the **Combined Limitation** on page 46 for additional limitations.

Enter code 845 under line 6 if claiming this credit.

Blended Biodiesel Credit 803

This credit has been repealed. However, any previously approved yet unused credit is available to be claimed. Enter code 803 under line 6 if claiming this credit. See the **Combined Limitation** on page 49 for additional limitations.

Indiana's CollegeChoice 529 Education Savings Plan Credit 837

You may be eligible for a credit for contributions made to Indiana's CollegeChoice 529 education savings plan. While there are many 529 college savings plans available both in Indiana and nation-wide, only contributions made to this specific *CollegeChoice 529 Education Savings Plan* are eligible for this credit.

For more information about this credit, see Income Tax Information Bulletin #98 at www.in.gov/dor/3650.htm. This plan is administered through the Indiana Education Savings Authority. More information can be obtained online at www.in.gov/tos/ies and at www.collegechoiceplan.com. See Schedule IN-529 at www.in.gov/dor/5506.htm to figure your credit. This schedule must be enclosed when claiming the credit.

Enter code 837 under line 6 if claiming this credit. See the **Combined Limitation** on page 46.

Coal Gasification Technology Investment Credit 806

A credit may be available for a qualified investment in an integrated coal gasification power plant or a fluidized bed combustion technology. This credit is available to pass-through entities, such as members of partnerships and S corporations.

You must file an application for certification with the Indiana Economic Development Corporation (IEDC). For more information, contact the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN, 46204, or visit their website at <http://iedc.in.gov>. Also, see Income Tax Information Bulletin #99 at www.in.gov/dor/3650.htm.

Enclose the certificate of compliance issued by IEDC to support this credit. See the **Combined Limitation** on page 46.

Enter 806 under line 6 if claiming this credit.

Community Revitalization Enhancement District Credit 808

See the Schedule 6 line 3 instructions for details about this credit. This credit is available to offset **both** your state and local tax liabilities, and any unused remainder is available to be carried forward. Pass-through entities are eligible for this credit.

If you did not use all of the available community revitalization enhancement district credit on Schedule 6, line 3, the remaining credit should be claimed on this line.

For more information, contact the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN, 46204, or visit their website at <http://iedc.in.gov>.

Note. See the **Restriction for Certain Tax Credits - Limited to One per Project** and the **Combined Limitation** on page 46 for additional limitations.

Enter code 808 under line 6 if claiming this credit.

About Enterprise Zone Credits

Certain areas within Indiana have been designated as enterprise zones. Enterprise zones are established to encourage investment and job growth in distressed urban areas. Use this website to look up contact information for a particular enterprise zone: www.aiez.org/directory.html.

Sole proprietors who operate and/or invest in a business located in a zone and pass-through entities are eligible to claim the enterprise zone employment expense credit and/or the enterprise zone loan interest credit. Contact the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN, 46204, or visit their website at <http://iedc.in.gov/> for more information about these credits.

Enterprise Zone Employment Expense Credit 812

This credit is based on qualified investments made within Indiana. It is the lesser of 10 percent of qualifying wages, or \$1,500 per qualified employee, up to the amount of tax liability on income derived from the enterprise zone.

For more information see Income Tax Information Bulletin #66 at www.in.gov/dor/3650.htm and Indiana Schedule EZ, Parts 1, 2 and 3 at www.in.gov/dor/3515.htm. Also, contact the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN, 46204, call (317) 232-8827, or visit their website at <http://iedc.in.gov>.

Note. Schedule EZ must be enclosed if claiming this credit.

Enter code 812 under line 6 if claiming this credit. Also, see the **Combined Limitation** on page 46.

Enterprise Zone Investment Cost Credit 813

This credit is based on qualified investments made within Indiana. It can be up to a maximum of 30 percent of the investment, depending on the number of employees, the type of business and the amount of investment in an enterprise zone.

For more information about this credit, see Income Tax Information Bulletin #66 at www.in.gov/dor/3650.htm and contact the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN, 46204, or visit their website at: <http://iedc.in.gov>.

Note. See the **Restriction for Certain Tax Credits - Limited to One per Project** and the **Combined Limitation** on page 46 for additional limitations.

Enter code 813 under line 6 if claiming this credit.

Enterprise Zone Loan Interest Credit 814

This credit can be for up to 5 percent of the interest received from all qualified loans made during a tax year for use in an Indiana enterprise zone.

For more information, and how to calculate this credit, see Income Tax Information Bulletin #66 at www.in.gov/dor/3650.htm and Indiana Schedule LIC at www.in.gov/dor/3515.htm.

Note. Schedule LIC must be enclosed if claiming this credit. Contact the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN, 46204, call (317) 232-8827, or visit their website at <http://iedc.in.gov> for additional information.

Enter code 814 under line 6 if claiming this credit. Also, see the **Combined Limitation** on page 46.

Ethanol Production Credit 815

This credit has been repealed. However, any previously approved yet unused credit is available to be claimed. Enter code 815 under line 6 if claiming this credit. See the **Combined Limitation** on page 46 for additional limitations.

Headquarters Relocation Credit 818

A business with annual worldwide revenue of \$100 million, and at least 75 employees, which relocates its corporate headquarters to Indiana may be eligible for a credit. The credit may be as much as 50 percent of the cost incurred in relocating the headquarters.

For more information, including limitations and the application process, see Income Tax Information Bulletin #97 at www.in.gov/dor/3650.htm.

Enter code 818 under line 6 if claiming this credit. Also, see the **Combined Limitation** on page 46.

Historic Building Rehabilitation Credit 819

An historic building rehabilitation credit is available for the rehabilitation or preservation of an historic building that is listed on the Indiana Register of Historic Sites and Structures, is at least 50 years old, and is income-producing.

Those eligible to claim this credit include an individual, corporation, S corporation, partnership, limited liability company, limited liability partnership, nonprofit organization and/or joint venture. All work must meet the Secretary of the Interior's Standards for Rehabilitation of Historic Properties.

For more information about this credit, see Income Tax Information Bulletin #87 at www.in.gov/dor/3650.htm. Also, you may contact the Office of Community and Rural Affairs at One North Capitol, Suite 600 Indianapolis, IN 46204-2027, or call 317.233.3762.

Important. This credit has been repealed. No new credit may be claimed after June 30, 2016. However, any unused credit will be available to be claimed.

Enter code 819 under line 6 if claiming this credit and enclose the certification from the Division of Historic Preservation and Archaeology to your return. Also, see the **Combined Limitation** on page 46.

Hoosier Business Investment Credit 820

This credit is for qualified investments, which include the purchase of new telecommunications, production, manufacturing, fabrication, processing, refining or finishing equipment. Pass-through entities are eligible for this credit.

This credit is administered by the Indiana Economic Development Corporation (IEDC), One North Capitol, Suite 700, Indianapolis, IN, 46204. Visit the IEDC website at <http://iedc.in.gov> or call (317) 232-8800 for additional information.

Also, see Income Tax Information Bulletin #95 at www.in.gov/dor/3650.htm.

Note. See the **Restriction for Certain Tax Credits - Limited to One Per Project** and the **Combined Limitation** on page 46 for additional limitations.

The approved credit must be reported on Schedule IN-OCC, found at www.in.gov/dor/5506.htm. Make sure to enclose this schedule with your tax filing. If you are claiming this credit as a pass-through entity, make sure to keep Schedule IN K-1 with your records as the department can require you to provide this information.

Hoosier Business Investment Credit - Logistics 860

This credit is for qualified expenditures for certain logistics investments. Pass-through entities are eligible for this credit.

This credit is administered by the Indiana Economic Development Corporation (IEDC), One North Capitol, Suite 700, Indianapolis, IN, 46204. Visit the IEDC website at <http://iedc.in.gov> or call (317) 234-4046, and get Income Tax Information Bulletin #95 at www.in.gov/dor/3650.htm for additional information.

Note. See the **Restriction for Certain Tax Credits - Limited to One Per Project** and the **Combined Limitation** on page 46 for additional limitations.

The approved credit must be reported on Schedule IN-OCC, found at www.in.gov/dor/5506.htm. Make sure to enclose this schedule with your tax filing. If you are claiming this credit as a pass-through entity, make sure to keep Schedule IN K-1 with your records as the department can require you to provide this information.

Indiana's Research Expense Credit 822

Indiana has a research expense credit that is similar to the federal credit for research and experimental expenses paid in carrying on your trade or business in Indiana. S corporations and partnerships may pass through the credit to their shareholders and partners. Enclose your schedule IN K-1 to support your claim.

A completed Form IT-20REC must be kept with your records as the department can require you to provide this information. Get Form IT-20REC at www.in.gov/dor/4570.htm.

Enter code 822 under line 6 if claiming this credit. Also, see the **Combined Limitation** on page 46.

Individual Development Account Credit 823

A credit is available for qualified contributions made to a community development corporation participating in an Individual Development Account (IDA) program.

The organization must have an approved program number from the Indiana Housing and Community Development Authority before a contribution qualifies for pre-approval. Applications for the credit are filed through the community development corporation by using Form IDA-10/20. An approved Form IDA-20 must be enclosed with your return if claiming this credit.

S corporations and partnerships may take this credit and pass through the unused portion to their shareholders and partners.

To request additional information about the definitions, procedures and qualifications for obtaining this credit, contact: Indiana Housing and Community Development Authority, 30 S. Meridian St., Suite 1000, Indianapolis, IN 46204, telephone number (317) 232-7777.

Keep the approval certification from IEDC or letter of assignment with your records as the department can require you to provide this information.

Enter code 823 under line 6 if claiming this credit. Also, see the **Combined Limitation** on page 46.

Industrial Recovery Credit 824

This credit is based on a taxpayer's qualified investment in a vacant industrial facility located in a designated industrial recovery site. If the Indiana Economic Development Corporation approves the application and the plan for rehabilitation, you are entitled to a credit based on the "qualified investment." The minimum age for a facility to be eligible for this credit has been reduced from 20 years to 15 years. This credit is available to pass-through entities, such as members of partnerships and S corporations.

For additional information regarding procedures for obtaining this credit, contact the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN 46204, call (317) 232-8800, or visit their website at <http://iedc.in.gov>.

Note. See the **Restriction for Certain Tax Credits - Limited to One per Project and the Combined Limitation** on page 46 for additional limitations.

Enter code 824 under line 6 if claiming this credit.

Military Base Investment Cost Credit 826

This credit has been repealed. However, any previously approved yet unused credit is available to be claimed. Enter code 826 under line 6 if claiming this credit. See the **Combined Limitation** on page 46 for additional limitations.

Military Base Recovery Credit 827

This credit has been repealed. However, any previously approved yet unused credit is available to be claimed. Enter code 827 under line 6 if claiming this credit. You must enclose approval certification from IEDC or a letter of assignment with your return. See the **Combined Limitation** on page 46 for additional limitations.

Natural Gas Commercial Vehicle Credit 858

A credit is available for the purchase of certain vehicles powered with natural gas (CNG or LNG). It applies only to vehicles weighing more than 33,000 pounds and purchased from an Indiana dealer. This credit is available to pass-through entities, such as members of partnerships and S corporations.

To be eligible for the credit a dealer or purchaser must complete the Commercial Natural Gas Vehicle Credit form (Form NGV-C), found at www.in.gov/dor/5051.htm, and file it with the department. For more information about this credit, get Income Tax Information Bulletin #109.

The approved credit must be reported on Schedule IN-OCC, found at www.in.gov/dor/5506.htm. Make sure to enclose this schedule with your tax filing. If you are claiming this credit as a pass-through entity, make sure to keep Schedule IN K-1 with your records as the department can require you to provide this information.

Note. See the **Combined Limitation** on page 46 for additional limitations.

Neighborhood Assistance Credit 828

If you made a contribution or engaged in activities to upgrade areas in Indiana, you may be able to claim a credit for this assistance. Contact the Indiana Housing & Community Development Authority, Neighborhood Assistance Program, 30 S. Meridian, Suite 1000, Indianapolis, IN 46204, telephone number (317) 232-7777 (800-872-0371 outside Indianapolis), for more information. Pass-through entities are eligible for the credit.

Important. Do not report fees paid to your neighborhood association on this line. They are not eligible for this credit.

Enter code 828 under line 6 if claiming this credit. Also, see the **Combined Limitation** on page 46.

New Employer Credit 850

This credit has been repealed. However, any previously approved yet unused credit is available to be claimed. Enter code 850 under line 6 if claiming this credit. See the **Combined Limitation** on page 46 for additional limitations.

Public School Educator Expense Credit 861

If you are an eligible educator working for an Indiana school corporation, you may be entitled to a credit for qualified expenses paid for certain classroom supplies. The credit can be as much as \$100 (\$200 if married filing joint and both spouses meet the requirements, but not more than \$100 each).

You are an **eligible educator** if, during the taxable year, you are employed as a Kindergarten -12 Indiana public school:

- Teacher
- Librarian
- Counselor
- Principal
- Superintendent

Public school means a school maintained by an Indiana school corporation, and includes charter schools. Private schools, parochial schools and homeschools are not public schools.

Qualified expenses are amounts you paid or incurred during the tax year for certain classroom supplies, which include books, supplies, computer equipment (including related software and services), other equipment, and supplementary materials that you use in the classroom. For courses in health and physical education, expenses for supplies are qualified expenses only if related to athletics.

Important. Qualified expenses **do not** include certain expenses for professional development courses related to the curriculum, or to the students, that the educator teaches.

Reimbursements. You must reduce your expenses for the qualified supplies by any reimbursements you received that were not included in box 1 of your Form W-2.

Example 1. Jonah spent \$40 for qualified supplies; he was reimbursed for \$30 out of petty cash, none of which was included on his W-2. He will claim the \$10 difference as a credit.

Figure the credit. The amount of the credit is the lesser of:

1. The total amount paid for qualified supplies, less any reimbursements for those qualified supplies not included on line 1 of your W-2, or
2. \$100.

Example 2. Quincy is an 8th grade teacher at an Indiana public school. During the year he spent \$314 for qualified supplies. He is eligible to claim a \$100 credit.

Example 3. Chris and Pat are employed as teachers at an Indiana public high school. They are filing a joint tax return. During the year Chris spent \$74 for qualified supplies; Chris's credit is \$74. Pat spent \$214 for qualified supplies; Pat's credit is \$100 (limited to the lesser of the amount Pat spent or \$100). They will claim a \$174 combined credit.

Important. Make sure to keep a copy of the expense receipts used to figure this credit as the department can require you to provide this information at a later date.

Note. Claiming an educator expense deduction on your federal tax return in no way prohibits you from being eligible to claim this credit on your state tax return.

Enter code 861 under line 6 if claiming this credit. See the **Combined Limitation** in the next column.

Residential Historic Rehabilitation Credit 831

A credit is available for the repair and rehabilitation of residential property that is listed on the Indiana Register of Historic Sites and Structures, is at least 50 years old, and will be used as your primary residence. All work must meet the Secretary of the Interior's Standards for Rehabilitation of Historic Properties.

For more information about this credit, see Income Tax Information Bulletin #87A at www.in.gov/dor/3650.htm. Also, contact the Office of Community and Rural Affairs at One North Capitol, Suite 600 Indianapolis, IN 46204-2027, call 317.233.3762, or visit Residential Historic Rehabilitation Credit at www.in.gov/ocra/2284.htm.

Enter code 831 under line 6 if claiming this credit. Also, see the **Combined Limitation** in the next column.

Riverboat Building Credit 832

This credit has been repealed. However, any previously approved yet unused credit is available to be claimed. Enter code 832 under line 6 if claiming this credit. See the **Combined Limitation** in the next column for additional limitations.

School Scholarship Credit 849

A credit is available for donations to certain scholarship-granting organizations (SGOs). The amount of credit is equal to 50 percent of the amount of the contribution. While there are no limits to how much a donor can contribute to a qualified SGO, the entire tax credit program cannot award more than \$9.5 million in credits per state fiscal year (July 1 – June 30).

To qualify for the credit, you must make a contribution to a scholarship granting organization that is certified by the Department of Education. Visit the Indiana Department of Education's website at www.doe.in.gov/choice/school-scholarships for additional information.

The approved credit must be reported on Schedule IN-OCC, found at www.in.gov/dor/5506.htm. Make sure to enclose this schedule with your tax filing. Also, see the **Combined Limitation** below.

Twenty-First Century Scholars Program Credit 834

A credit is allowed for contributions made to the Twenty-First Century Scholars Program Support Fund. The credit is equal to 50 percent of the contributions made during the tax year up to a maximum limit of \$100 for a single return and \$200 for a joint return. To claim this credit, you must complete and enclose Schedule TCSP-40. Get a Schedule TCSP-40 at www.in.gov/dor/5506.htm.

Detailed information about the scholarship program, registration and administration may be obtained by calling the office of the Twenty-First Century Scholars Program at (888) 528-4719.

Note. This credit is not the same as the College Credit.

Enter code 834 under line 6 if claiming this credit. Also, see the **Combined Limitation** below.

Venture Capital Investment Credit 835

A taxpayer that provides qualified investment capital to a qualified Indiana business may be eligible for this credit.

Certification for this credit must be obtained from the Indiana Economic Development Corporation Development Finance Office, VCI Credit Program, One North Capitol, Suite 700, Indianapolis, IN 46204, telephone number (317) 232-8800, or visit <http://iedc.in.gov>.

Note. See the **Restriction for Certain Tax Credits - Limited to One per Project** and the **Combined Limitation** below for additional limitations.

Enter code 835 under line 6 if claiming this credit.

Restriction for Certain Tax Credits - Limited to One Per Project

A taxpayer may not be granted more than one credit for the same project. The credits that are included are the alternative fuel vehicle manufacturer credit, community revitalization enhancement district credit, enterprise zone investment cost credit, Hoosier business investment credit, industrial recovery credit, and the venture capital investment credit. Apply this restriction first when figuring your credits. Then apply the **Combined Limitation** below.

Combined Limitation

There is one final limitation if you have more than one credit to be entered on lines 4 through 7 of Schedule 6. These credits, when combined, cannot be greater than the state adjusted gross income tax shown on Form IT-40 line 8; if they are, adjust the amounts before you enter them. This includes any credits reported on Schedule IN-OCC, and carried to line 7 of Schedule 6.

How to Adjust the Amount of Credit to Enter (Examples)

Example. Tanya is eligible to claim both a \$200 College Credit and a \$300 Credit for Taxes Paid to Other States, for a \$500 total amount of offset credits. Her state adjusted gross income tax due (IT-40, line 8) is \$360. Since her combined credits are \$140 more than her state tax due, she should reduce the last entry (the \$300 Credit for Taxes Paid to Other States) by the \$140 difference to \$160. She will enter the full \$200 College Credit on Schedule 6, line 4, and the \$160 limited Credit for Taxes Paid to Other States on line 5.

Example. Matthew has a \$500 Indiana College Choice 529 Savings Plan Credit and a \$600 Industrial Recovery Credit. His state adjusted gross income tax due (IT-40, line 8) is \$700. He will report the full \$500 Indiana College Choice 529 Savings Plan Credit on Schedule 6, line 6a, and enter \$200 of the Industrial Recovery Credit on line 6b. He will carry the \$400 remaining unused Industrial Recovery Credit over to next year's tax return.

Schedule 7: Additional Required Information

Line 1 – Federal Filing Information

You must place an "X" in the "yes" or "no" box to answer the question: "Are you filing a federal income tax return for 2016?"

Line 2 – Out-Of-State Income Information

If you and/or your spouse worked in Illinois, Kentucky, Michigan, Ohio, Pennsylvania and/or Wisconsin during 2016, complete this area. Enter the salary, wage, tip and/or other compensation income from those states in the appropriate boxes and the 2-digit code number for the appropriate state in the boxes. Find the 2-digit code number on the chart below.

| State | Use Code # | State | Use Code # |
|----------|------------|--------------|------------|
| Illinois | 94 | Ohio | 97 |
| Kentucky | 95 | Pennsylvania | 98 |
| Michigan | 96 | Wisconsin | 99 |

Note. This entry is for information purposes only, and will not change your refund or the amount you may owe.

Line 3 – Extension of Time to File Information

Place an "X" in the box on line 3a if you have a federal extension of time to file (you filed federal Form 4868, Form 2350, or made an on-line extension payment). Place an "X" in the box on line 3b if you have an Indiana extension of time to file (you filed Form IT-9 or made an online extension payment).

Line 4 – Farmers and Fishermen

Farmers and fishermen have special filing considerations. If at least two-thirds (2/3) of your gross income is from farming or fishing, mark the box provided on Schedule 7, line 4. This will make sure that a penalty for the underpayment of estimated tax is not assessed provided you have followed through by:

- Paying all your estimated tax on or by Jan. 17, 2017, and filing your Form IT-40 by April 18, 2017, or
- Filing your Form IT-40 by March 1, 2017, and paying all the tax due at that time. You are not required to make an estimated tax payment if you use this option.

Important. If you have checked the box, you must enclose the completed Schedule IT-2210 to support your claim.

Line 5 – Date of Death

If the taxpayer and/or spouse died during 2016, and this return is being filed with his/her name on it, make sure to enter the month and day of death in the appropriate box. For example, a date of death of Jan. 9, 2016, would be entered as 01/09/2016. See instructions on page 7 for more information.

Note. If the taxpayer and/or spouse died before 2016, or after Dec. 31, 2016, but before filing his or her tax return, do not enter his/her date of death in this box.

Line 6 – Telephone Number and Email Address Information

If this is a joint return, both you and your spouse must sign and date the tax return. Please enter your daytime telephone number so we can call you if we have any questions about your tax return. Also, enter your email address if you would like us to be able to contact you by email.

Personal Representative Information

Typically, the department will contact you (and your spouse, if filing jointly) if there are any questions or concerns about your tax return. If you wish to allow the department to discuss your tax return with someone else (e.g. the person who prepared it, a relative or friend, etc.), you will need to complete this area.

First, you must check the "Yes" box, which follows the sentence, "I authorize the department to discuss my tax return with my personal representative."

Next, enter the name of the individual you are designating as your personal representative, that person's telephone number, and that person's complete address.

If you complete this area, you are authorizing the department to be in contact with someone other than you concerning information about this tax return.

Note. If you are due a refund, it will be paid to you (and your spouse, if filing jointly) even if you designate a personal representative.