

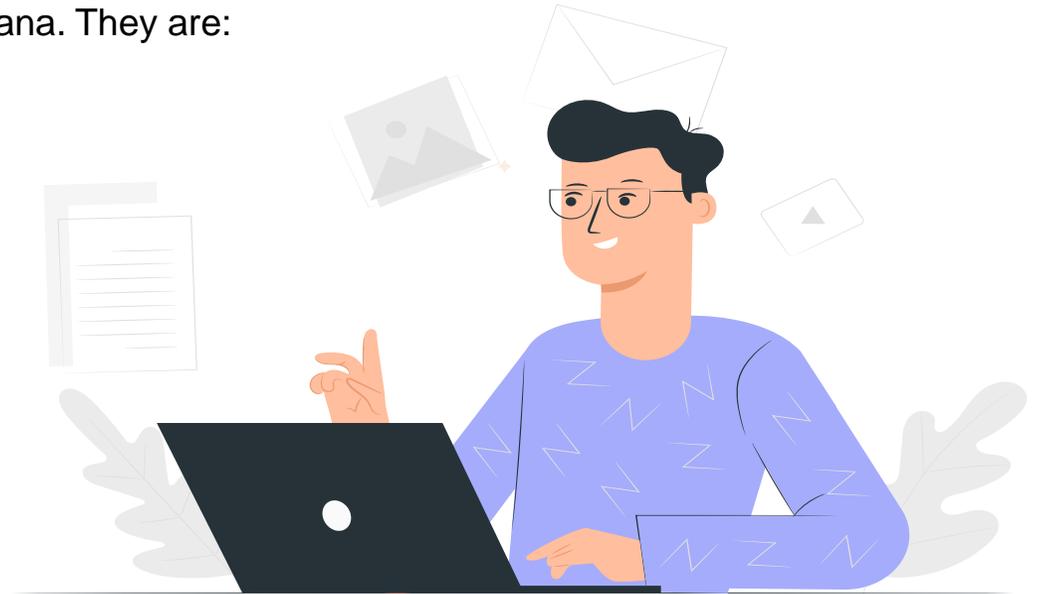


TAXATION IN INDIANA

Corporate Income Tax (1/2)

A corporation doing business in Indiana is subject to Corporate Income Tax. The corporate income tax rate in Indiana is a flat rate of **4.9%** on taxable income. There are two types of corporate income tax returns in Indiana. They are:

Entity	Forms	Due Date
C corporation	IT-20	15 th May
S corporation	IT-20S	15 th May



The Department of Revenue (DOR) accepts both the federal extension of time application (Form 7004) and the federal electronic extension. If a taxpayer has already been approved for either the federal extension of time application (Form 7004) or the federal electronic extension, there is no need to contact the DOR before filing the annual return. Timely filing is considered for returns postmarked within one month after the last date indicated on the federal extension.

In cases where a corporation doesn't require a federal extension of time but needs one for filing a state return, an extension request and prepayment of 90% can be submitted through INTIME, DOR's e-services portal at intime.dor.in.gov. Alternatively, a letter requesting an extension can be submitted before the annual return's due date.

Corporate Income Tax (2/2)

Interest and Penalty

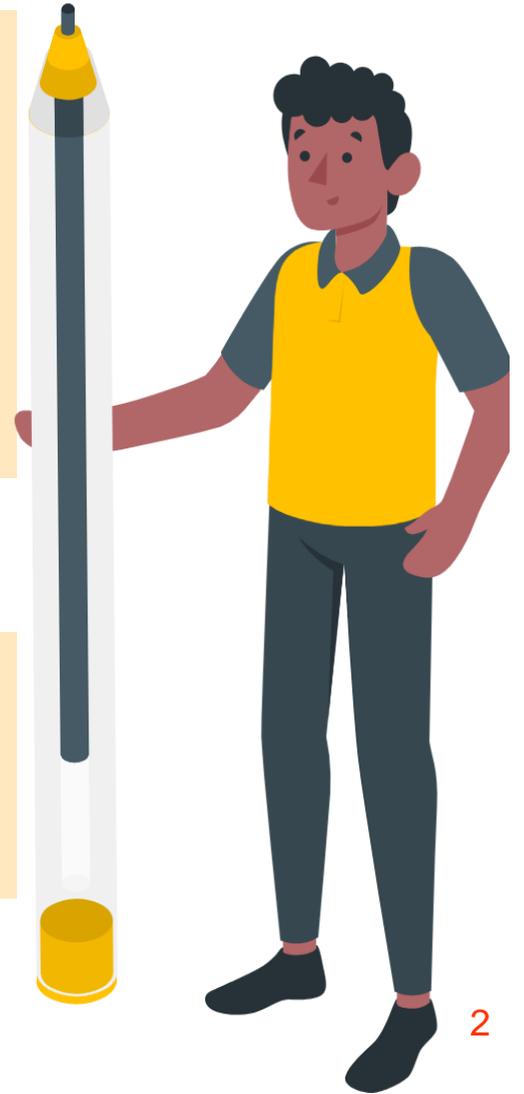
Late Filing Penalty: the penalty for failure to file by the due date is USD 10 per day that the return is past due, up to a maximum of USD 250.

Late Payment Penalty: If the return with payment is filed after the original due date, a penalty must be entered. The penalty is greater of USD 5 or 10% of the balance of tax due.

Interest Rate: The interest rate for late payment of corporate income tax in Indiana is calculated using the adjusted prime rate published by the U.S. Treasury Department that is **2%**. The interest is calculated from the original due date of the tax return until the date the tax is paid in full.

Estimated Tax Payments

C corporations in Indiana may be required to make estimated tax payments if they anticipate owing more than USD 2,500 in tax for the tax year. Estimated tax payments are generally due in installments throughout the tax year, with due dates falling on the 20th day of the fourth, sixth, ninth, and twelfth months of the tax year. Form IT-6 is used to calculate the estimated tax payments.



Pass through entity Tax (1/2)



In Indiana, S corporations, partnerships including LLP, and LLCs are considered pass-through entities for tax purposes. This means that these entities do not pay state income tax at the entity level. Instead, the income, deductions, and credits flow through to the individual shareholders, partners, or members, who report and pay tax on their personal income tax returns. The tax rate of individual income tax is **3.23%**.

Filing Requirements

Indiana residents who are shareholders of an S corporation or partners/members of a partnership, LLC, or LLP must include their share of the income on their Indiana income tax return **Form IT-40** if they have income from Indiana sources or they are required to file a federal income tax return. Form IT-40PNR must be filed for Part-Year and Full-Year Nonresidents

Due Date

The due date for filing the Indiana income tax return is generally on or before **April 18th** of the following year. Fiscal year tax returns are due by the 15th day of the fourth month after the close of the fiscal year. However, if the due date falls on a weekend or holiday, the due date may be adjusted.

Pass through entity Tax (2/2)

A

Extension to file

Indiana allows individuals to request an extension of time to file their tax returns. The extension is typically for a period of six months beyond the original due date thereby extending the filing date to November 15th. **Form IT-9** should be filed for extension of time to file.

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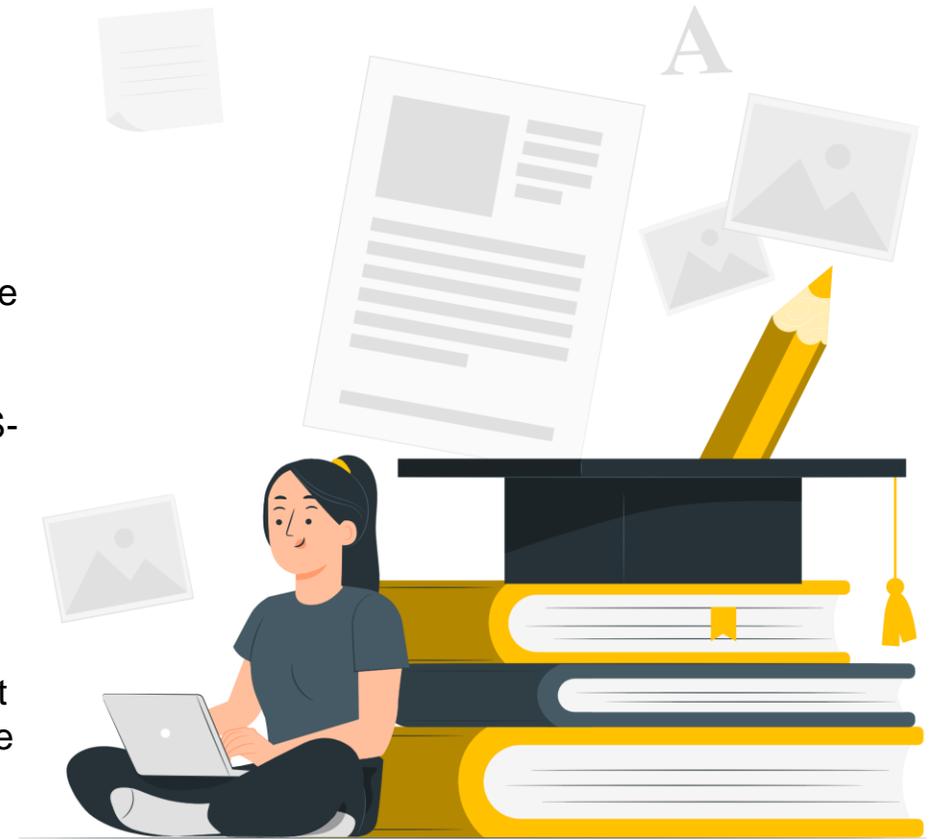
Estimated Tax Payment

Individual shareholders of S corporations or partners/members of partnerships, LLCs, or LLPs may be required to make estimated tax payments if they anticipate owing more than USD 1,000 in tax for the tax year. Estimated tax payments are typically due in installments throughout the tax year, with due dates falling on April 18, June 15, September 15 and January 16 of the following year. Form ES-40 is used to calculate the estimated tax payments.

C

Penalty and Interest

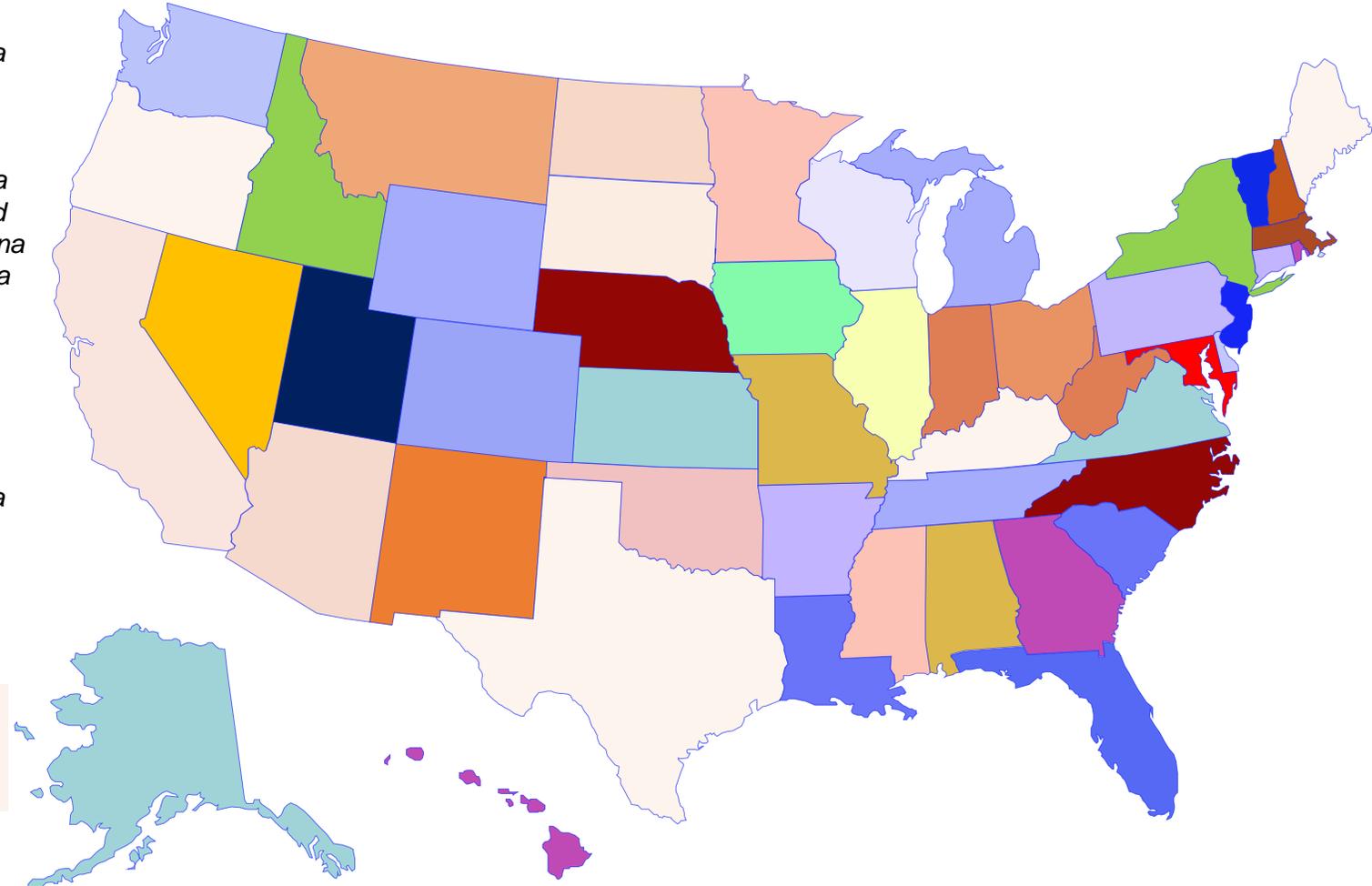
The penalty for late filing of Form IT-40 is generally 10% of the tax due for each month or part of a month or USD 5 whichever is greater. Entities will owe interest (even if it has an extension of time to file) if the entities tax return is filed after the April 18 due date and it has an amount due. The interest rate charged is 2%.



Upcoming Series

Please find below the list of completed alerts from the series. In case you have missed the previous alerts, click on the hyperlink for the completed alerts to refer the same.

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| 2. New Jersey | 19. Kentucky | 36. Ohio |
| 3. California | 20. Louisiana | 37. Oklahoma |
| 4. Alabama | 21. Maine | 38. Oregon |
| 5. Alaska | 22. Maryland | 39. Pennsylvania |
| 6. Arizona | 23. Massachusetts | 40. Rhode Island |
| 7. Arkansas | 24. Michigan | 41. South Carolina |
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