



Indiana Department of Revenue  
**Cigarette Tax Bad Debt Credit Form**

Name of Licensee	Indiana Taxpayer Identification Number
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**To be eligible for a bad debt credit, a debt must meet the definition of "bad debt" provided for under IRC 166**

"Bad Debt" means the taxes attributable to any portion of a debt that is related to a sale of tobacco products subject to tax under Article 6-7-1-12 that is not otherwise deductible or excludable, that has become worthless or uncollectible in the time period between the date when taxes accrue to the state for the present return, and that is eligible to be claimed, or could be eligible to be claimed if the licensee kept accounts on an accrual basis, as a deduction pursuant to section 166 of the Internal Revenue Code. A bad debt shall not include any interest on the wholesale price of a tobacco product, uncollectible amounts on property that remains in the possession of the licensee until the full purchase price is paid, expenses incurred in attempting to collect any account receivable or any portion of the debt recovered, any accounts receivable that have been sold to a third party for collection, and repossessed property.

A Invoice Date	B Invoice Number	C Name and Address of the Company the Cigarettes were Shipped, Sold, or Transferred to	D Number of Cigarettes: Not packs, cartons, or cases	E Times Tax Rate \$0.04975	F Total Amount of Tax
<b>Total</b>					

Note: Multiple Pages Can Be Used

**Important:** Carry total from Column F of this form to Line 10 on Form CT-4A Indiana Cigarette Tax Stamp Order

**\*This form must be submitted and approved before credit can be claimed\***

A person claiming a bad debt deduction on this form must complete in full the information required above and must attach all of the following:

1. A copy of the original invoice that supports each of the bad debts listed above
2. Evidence that the cigarettes were delivered to the purchaser (e.g. a bill of lading signed by the purchaser).
3. Evidence that the purchaser of the cigarettes did not pay the licensee and that the licensee has used reasonable collection practices to collect the debt. (Proof of reasonable collection practices includes copies of delinquency letters, invoices showing past due amount, and/or copies of US Certified Mail cards showing the person signed for the letter/invoice and/or refused to accept the letter/invoice)
4. Explain why you decided the debt was worthless. For example, you could show that the borrower had declared bankruptcy, or that legal action to collect would probably not result in payment of this debt.

Failure to provide this information and documentation could result in this credit to be denied.

I certify under penalty of perjury that the information on this form and any attachments is true and complete to the best of my knowledge.

Authorized Signature	Title	Date
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Mail to:  
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P.O. Box 901  
Indianapolis, IN 46206-0901

Questions:  
Call (317) 615-2710  
Email incigtax@dor.in.gov