

Form URT-1

State Form 51102 (R15 / 12-18)

Indiana Department of Revenue 2018 Indiana Utility Receipts Tax Return

Calendar Year Ending December 31, 2018 or Other Tax Year

Check box if amended. Beginning 2018 and Ending Check box if name changed.

Name, Federal Identification Number, Street Address, Enter 2-Digit County Code, Principal Business Activity Code, City, State, ZIP Code, Telephone Number

K Check accounting method used: Cash Accrual L Do you have on file a valid extension of time to file your return... M Check all boxes that apply to entity: Initial Return Final Return Consolidated Return In Bankruptcy

Taxable Receipts for Indiana (list utility receipts received during your taxable year)

Round all entries

Table with 3 columns: Line number, Description, Amount. Lines 1-7: Taxable Receipts. Lines 8-15: Deductions. Lines 16-29: Tax and Credits.

Certification of Signatures and Authorization Section

Under penalties of perjury, I declare I have examined this return, including all accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete.

Paid Preparer's Email Address

Personal Representative's Name (Print or Type)

Personal Representative's Email Address

Signature of Corporate Officer Date

Print or Type Name of Corporate Officer Title

Signature of Paid Preparer Date

Print or Type Name of Paid Preparer

Paid Preparer: Firm's Name (or yours if self-employed)

PTIN

Telephone Number

Address

City

State

ZIP Code + 4

Please mail your return to: Indiana Department of Revenue, P.O. Box 7228, Indianapolis, IN 46207-7228.



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Instructions for Indiana Utility Receipts Tax Form URT-1

Annual Public Hearing

In accordance with the Indiana Taxpayer Bill of Rights, the Department will conduct a public hearing in Indianapolis in June. Event details will be listed at www.in.gov/dor/4877.htm. Please come and share feedback or comments about how the Department can better administer Indiana tax laws. If not able to attend, please submit feedback or comments in writing to: Indiana Department of Revenue, Commissioner's Office, MS# 101, 100 N. Senate Avenue, Indianapolis, IN 46204. Our homepage provides access to forms, information bulletins and directives, tax publications, email, and various filing options. Visit www.in.gov/dor/.

General Statement

The tax is imposed on the taxable gross receipts of an entity providing the retail sale of utility services for the taxable year.

The tax is an income tax imposed at a rate of 1.4% on the taxable gross receipts described below. All entities are subject to the tax if taxable gross receipts exceed \$1,000. Utility services are defined as providing:

- Electrical energy;
- Natural gas (other than propane or liquefied petroleum gas) used for heat, light, cooling, or power;
- Water;
- Steam;
- Sewage; or
- Telecommunications.

All entities are subject to the tax if they exceed the \$1,000 limitation mentioned previously. This includes S corporations, partnerships, limited liability companies, and limited liability partnerships.

Taxable Receipts

Taxable receipts include the following:

- 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 nonretail transactions.

Whether or not the utility provider is a resident, the gross receipts subject to the Utility Receipts tax include those from furnishing utility services to an end user in Indiana for consumption. Receipts from services delivered to the end user using the property of another person are taxable receipts.

Nontaxable Receipts

The following receipts are excluded from the computation of the utility receipts tax:

- 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 if 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;
- An occasional sale of utility services by a taxpayer that is not regularly engaged in the trade or business of selling utility services;
- Gross receipts received by a taxpayer from an electricity supplier as payment of severance damages or other compensation resulting from a change in assigned service area boundaries are also exempt.

The following receipts are exempt from the computation of the utility receipts tax:

- Sales to the U.S. government;
- Interstate sales to the extent the state is prohibited from taxing the gross receipts by the Constitution of the United States;
- Gross receipts from the sale of utility services between members of a controlled group of corporations or an affiliated group are exempt if the seller is the producer of the utility service and the purchaser is the end user, and the seller and purchaser exist at the same location or adjacent locations.

Exempt Entities

Gross receipts from providing utility services received by the following entities are exempt from the utility receipt tax:

- Conservancy districts;
- Regional water, sewage, or solid waste districts;
- Nonprofit corporations formed solely for the purpose of supplying water to the public;
- Nonprofit corporations formed for the purpose of providing a combination of water and sewer to the public;
- County solid waste management districts;
- Joint solid waste management districts;
- County onsite waste management districts; and
- Political subdivisions for sewer and sewer service;
- Commercial hotels, mobile home parks, marinas or similar owners or operators providing utilities to a user of its facility.

Taxable Year Estimated Payments

If a taxpayer's annual tax liability exceeds \$2,500, the taxpayer is required to file quarterly estimated payments and remit 25% of the estimated annual tax due on each quarterly return.

If the taxpayer's annual liability exceeds \$20,000, the taxpayer is required to pay the estimated tax liability by electronic funds transfer (EFT). If the payment is made by EFT, the taxpayer is not required to file an estimated return. If there are questions about making EFT payments, call (317) 232-5500.

Annual Returns

Form URT-1 should be filed annually if subject to the utility receipts tax. The return is due on the 15th day of the 4th month following the close of the taxpayer's taxable year. Check the box at the top of the form if filing an amended return.

Extension of Time to File Payment

The extension payment form URT-Q is used to make a payment when additional time is necessary for filing the annual utility receipts tax return. A penalty for late payment will not be imposed if at least 90% of the tax due is paid by the original due date and the remaining balance, plus interest, is paid in full by the extended due date. A copy of the federal extension of time to file the annual income tax form must be enclosed with the URT-1 return.

The Department recognizes the IRS's application for automatic extension of time to file (Form 7004) or an electronic extension of time for filing the annual federal income tax return. If an extension applies, check box L on the front of the return. A separate copy of Form 7004 does not need to be filed with the Department to request an Indiana extension. If an extension payment for Indiana is not due, do not submit a copy of the federal extension separately, but enclose it with the annual utility receipts tax return when filing.

Returns received within 30 days after the last date indicated on an enclosed federal extension will be considered as received on time. If a federal extension is not needed, request an Indiana extension of time to file by writing to:

**Indiana Department of Revenue
Corporate Income Tax
Tax Administration
P.O. Box 7206
Indianapolis, IN 46207-7206**

Consolidated Return of an Affiliated Group

Corporations are considered to be affiliated if at least 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 enclose Schedule 8-D, Schedule of Indiana Affiliated Group Members, which is available online at www.in.gov/dor/6283.htm.

Select the third check box in question M, below the address section, to indicate whether this is a consolidated filing.

Note: For more detailed information concerning the utility receipts tax, see Commissioner's Directive #18, available at www.in.gov/dor/3617.htm.

Completing Form URT-1

Complete all pertinent information at the top of the return.

Please use the correct legal name of the corporation and its current mailing address. *For foreign addresses, please note the following:*

- Enter the name of the city, town, or village in the box labeled City;
- Enter the name of the state or province in the box labeled State; and
- Enter the postal code and the 2-digit country code in the box labeled ZIP Code.

For a name change, check the box at the top of the return and enclose with the return copies of amended Articles of Incorporation or an Amended Certificate of Authority filed with the Indiana Secretary of State.

The federal identification number shown in the box must be correct.

Enter the principal business activity code, from the North American Industry Classification System (NAICS), in the designated block of the return. Use the six-digit activity code reported on the federal corporation income tax return.

List the Indiana county of the primary business location within the state. Enter "00" in the county box for addresses outside Indiana. Check all boxes on the front of the return that apply to the entity. If an extension of time to file applies, check box L.

Line-by-Line Instructions

Note: Please round all entries to the nearest whole dollar amount. Also, please do not use a comma in dollar amounts of four digits or more. For example, instead of entering "3,455" enter "3455."

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

Line 7. Add lines 1 through 6.

Line 8. Enter the amount of taxpayer deductions. Each taxable year a taxpayer is entitled to deduct from gross receipts an amount equal to \$1,000. This amount is prorated if the taxpayer's

tax period is shorter than one year. An affiliated group that files a consolidated return is entitled to only one deduction.

Line 9. Enter the bad debts from utility receipts of an accrual basis taxpayer in the same manner that 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 the tax year if the taxpayer is filing a short-year URT-1 return.

Note: The deduction is prohibited if the taxpayer has been convicted of any criminal violations under IC 13.

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. Enter sales 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. Add lines 8 through 13.

Line 15. Subtract line 14 from line 7. The amount entered may not be less than zero.

Line 16. Multiply the amount on line 15 by 1.4%.

Line 17. If not required to file Form IT-20, IT-20S, IT-20NP, IT-65, FIT-20, or ST-103, report any sales or use tax on this line. Use the worksheet on page 8.

Line 18. List the estimated utility receipts tax payments (Form URT-Q) made for the taxable year.

Line 19. If applicable, enter the amount of utility receipts tax overpayment carried over from a prior taxable period. Also enter the amount of payment made resulting from an extension of time to file the return for the taxable year. Combine the amounts, and enter the total on line 19.

Line 20. Claim other allowable tax liability credits by entering the name of the credit program. Enter the three-digit credit ID code number, and on line 20, enter the amount of the approved credit. A nonrefundable tax liability credit is generally limited to the tax due on line 16. If the claim exceeds the amount of tax liability, adjust by recalculating the credit to the amount that can be applied.

A claim for credit must be filed in coordination with the amount of credit applied, if any, against other taxes such as the annual AGI tax. A detailed explanation or supporting schedule must be enclosed with the return when claiming any credit on line 20. See Information Bulletin #59 (www.in.gov/dor/3650.htm) for more information about Indiana tax credits.

The following credit is available for reducing utility receipts tax.

Coal Gasification Technology Investment

Tax Credit

806

A credit is available for a qualified investment in an integrated coal gasification power plant or a fluidized bed combustion technology that serves Indiana gas and electric utility consumers. This can include an investment in a facility located in Indiana that converts coal into synthesis gas that can be used as a substitute for natural gas.

File an application for certification with the Indiana Economic Development Corporation (IEDC). If the credit is assigned, it must be approved by the utility regulatory commission and taken in 10 annual installments. The amount of credit for a coal gasification power plant is 10% of the first \$500 million invested and 5% of any amount over that. The amount of credit for a fluidized bed combustion technology is 7% of the first \$500 million invested and 3% of any amount over that.

For more information, contact the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN 46204. Visit the IEDC website at www.iedc.in.gov or see Information Bulletin #99 available at www.in.gov/dor/3650.htm.

Enter **806** on line 20a on Form URT-1 if claiming this credit. Enclose a copy of the utility regulatory commission's determination and the certificate of compliance issued by the IEDC with the return, otherwise the credit will be denied

Line 21. Add the amounts on lines 18, 19, and 20.

Line 22. Enter the difference if the sum of lines 16 and 17 is greater than line 21. If not, proceed to line 23 and line 27.

Line 23. Complete and enclose Schedule URT-2220 to determine if the underpayment of estimated tax penalty or an exception to the penalty applies. Check the box if using the exact quarterly payment method of calculation.

Note: The Indiana Department of Revenue recognizes the 20th day of the 4th, 6th, 9th, and 12th months in the taxable year as the quarterly due dates. If using the exact quarterly payment method, enclose a sheet showing how the exact payment was calculated for each quarter.

Note: If the annual liability exceeds \$2,500, file quarterly estimated payments to remit 25% of the estimated annual tax liability.

Line 24. If payment is made after the original due date, pay interest on the late payment. To view a chart of the current interest rates, see Departmental Notice #3 available at www.in.gov/dor/3618.htm. The rate is updated on or before November 1 to take effect on January 1 for the coming year.

Line 25. If payment is made after the original due date, pay a penalty of 10% of the net tax due (line 22) or \$5, whichever is greater.

Line 26. Add lines 22 through 25.

Line 27. If line 20 is greater than the sum of lines 16, 17, and 23, enter the difference.

Line 28. Enter the portion of line 27 that is desired as a refund.

Line 29. Enter the amount on line 27 that is to be applied to the following taxable year. **Note:** The total of lines 28 and 29 cannot exceed the amount on line 27.

Certification of Signatures and Authorization Section

Sign, date, and print the entity name on the return. If a paid preparer completes the return, authorize the Department to discuss the tax return with the preparer by checking the authorization box above the line for the name of the personal representative.

Personal Representative Information

Typically, the Department contacts the entity if there are any questions or concerns about the tax return. If the Department can discuss the tax return with someone else (e.g., the person who prepared it or a designated person), complete this area.

First, check the “Yes” box that follows the sentence “I authorize the Department to discuss my tax return with my personal representative.”

Next, enter:

- The name of the individual designated as entity’s personal representative; and
- The individual’s email address.

If this area is completed, the Department is authorized to contact the personal representative, instead of the entity, about this tax return. After the return is filed, the Department will communicate primarily with the designated personal representative.

Note: The authorization for the Department to be in contact with a personal representative can be revoked at any time. To do so, submit a signed statement to the Department. The statement must include a name, Federal Identification Number of the entity, and the year of the tax return. Mail the statement to Indiana Department of Revenue, P.O. Box 7206, Indianapolis, IN 46207-7206.

Officer Information

An officer of the entity must sign and date the tax return and enter the officer’s name and title. Please provide a daytime

telephone number the Department can call if there are any questions about the tax return. Also, provide an email address if contact via email is desired.

Paid Preparer Information

Fill out this area if a paid preparer completed this tax return. The paid preparer must sign and date the return. In addition, please enter the following:

- The paid preparer’s email address;
- The name of the firm the paid preparer is employed by;
- The paid preparer’s PTIN (personal tax identification number). This must be the paid preparer’s PTIN; do not enter an FID or Social Security number;
- The paid preparer’s complete address.

Note: Complete this area even if the paid preparer is the same individual designated as the personal representative.

Mailing Address

Please mail the completed return to (regardless if tax is owed):

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

Additional Information

Utility Services Use Tax

Since July 1, 2006, an excise tax known as the utility services use tax has been imposed on the retail consumption of utility services in Indiana at the rate of 1.4% where the utility receipts tax is not paid by the utility providing the service.

An entity might be liable for this tax if utility services are purchased from outside Indiana (or anywhere if for resale) and the entity becomes the end user in Indiana of any part of the purchase. The person who consumes the utility service in Indiana is liable for the utility services use tax based on the price of the purchase. Unless the seller of the utility service is registered with the Department to collect the utility services use tax on the entity’s behalf, the entity required to remit this tax on Form USU-103. For more information, see Commissioner’s Directive #32, available online at www.in.gov/dor/3617.htm.

Sales/Use Tax Worksheet

List all purchases made during 2018 from out-of-state companies.

Column A Description of personal property purchased from out-of-state retailer	Column B Date of Purchase(s)	Column C Purchase Price
Magazine subscriptions:		
Mail order purchases:		
Internet purchases:		
Other purchases:		
1. Total purchase price of property subject to the sales/use tax	1	
2. Sales/use tax: Multiply line 1 by .07 (7%)	2	
3. Sales tax previously paid on the above items (up to 7% per item)	3	
4. Total amount due: Subtract line 3 from line 2. Carry to Form URT-1, line 17. If the amount is negative, enter zero and put no entry on line 17 of the URT-1	4	

Use tax is imposed at the rate of 7% upon the use, storage, or consumption of tangible personal property in Indiana that was purchased or rented in a retail transaction, wherever located, and sales tax was not paid. Examples of taxable items include magazine subscriptions, office supplies, electronic components, computer software, and rental equipment. Any property purchased free of tax by use of an exemption certificate or from out-of-state and converted to a nonexempt use by the business will be subject to the use tax. Complete the Sales/Use Tax Worksheet to compute any sales/use tax liability. For more information regarding use tax, call (317) 232-0129.

For further assistance, contact the Indiana Department of Revenue, P.O. Box 7228, Indianapolis, IN 46207-7228, or call (317) 232-0129. For other Indiana Department of Revenue Forms, visit our website at www.in.gov/dor/. Our homepage provides access to forms, information bulletins and directives, tax publications, email, and various filing options.

Tax Forms Order Line - (317) 615-2581

