

Indiana Department of Revenue
Apportionment for Interstate Transportation



For Tax Year Beginning and Ending

Name of Corporation or Organization

Federal Employer Identification Number

This apportionment schedule is to be used by entities involved in interstate transportation for tax years beginning after Dec. 31, 2006, in lieu of Schedule E. (Entries on lines 3 and 10 must be rounded to two decimal places, i.e. 98.76%.)

1. Revenue miles in Indiana	1	<input type="text"/>	.00
2. Revenue miles everywhere	2	<input type="text"/>	.00
3. Indiana percentage of revenue miles (line 1 ÷ by line 2)	3	<input type="text"/>	%
4. Transportation revenue everywhere	4	<input type="text"/>	.00
5. Nontransportation revenue everywhere	5	<input type="text"/>	.00
6. Total revenue everywhere (line 4 + line 5)	6	<input type="text"/>	.00
7. Transportation revenue from Indiana (line 3 x line 4)	7	<input type="text"/>	.00
8. Nontransportation revenue in Indiana	8	<input type="text"/>	.00
9. Total Indiana revenue value (line 7 + line 8)	9	<input type="text"/>	.00
10. INDIANA APPORTIONMENT PERCENTAGE (line 9 ÷ by line 6; insert as percent, not decimal)	10	<input type="text"/>	%



Indiana Department of Revenue
Schedule E-7 - Apportionment Schedule for Interstate Transportation

Income Tax Liability of Entities Involved in Interstate Transportation

Schedule E-7 is to be used by entities who are engaged in the transportation of persons and property for hire. All entities involved in public transportation who operate or whose property is operated in or through Indiana are subject to Indiana income tax. This schedule is to be used by airlines, railroads, truck lines, bus lines, interurban lines, pipeline systems, and inland water carriers for purposes of apportioning Indiana adjusted gross income.

Adjusted Gross Income

The Indiana adjusted gross income tax applies to all entities who derive income from the provision of public transportation services operated in or whose property is operated through Indiana. A transportation company carrying persons or goods in or through Indiana is subject to Indiana adjusted gross income tax.

All multistate taxpayers are required under Indiana Code 6-3-2-2(b) to use an apportionment formula to determine the amount of business income taxable in Indiana.

Instructions for Completing Schedule E-7

Line 1. Enter the total revenue miles traveled in Indiana. The total revenue dollars from transportation, both intrastate and interstate, are to be assigned to the states through which the property, freight, or passengers move based on mileage. Pipeline companies may substitute barrel miles, cubic foot miles, or other appropriate measures for revenue miles. In practice, revenue miles usually equal road miles.

For airlines, use the ratio of departures of aircraft in Indiana by cost & value to the total value of departures of aircraft by cost & value from all jurisdictions. (MTC approach).

If you have receipts from the transportation of passengers (including mail and express handled in passenger service) and from the transportation of freight, mail, and express, determine the miles attributable to Indiana from passengers and freight, mail, and express separately.

For railroads, truck lines, bus lines, and interurban lines, if the service both originates and terminates in Indiana, all the receipts from that service shall be considered from Indiana.

Line 2. Enter the total revenue miles traveled everywhere. For purposes of apportionment, the term *everywhere* does not include sales of a foreign corporation located outside the United States and its territories.

Line 3. Divide the revenue miles in Indiana (line 1) by the revenue miles everywhere (line 2) to determine the percentage of transportation activity within Indiana.

Line 4. Enter the total amount of income derived from transportation activity everywhere.

Line 5. Enter the total income from nontransportation sources, such as income from interest, dividends, sale of capital assets, etc. Service fees (boxing and tagging items and so on), sales income (packing boxes, insurance, and so on), and all other nonmobile-type income must be included.

Line 6. Enter the total of line 4 and line 5.

Line 7. Multiply line 4 by line 3 to determine the amount of transportation revenue from Indiana.

Line 8. Enter the amount of income derived from nontransportation activity in Indiana.

Line 9. Enter the total of line 7 and line 8.

Line 10. Divide line 9 by line 6 to determine the Indiana apportionment percentage.

Carry the resulting average Indiana apportionment percentage to the appropriate line on the annual Indiana income tax return.

