

Schedule IN-EL

State Form 57123
(R / 8-22)

Indiana Department of Revenue
**Tax Computation Form for
Electing Partnerships**

Entity's Tax Year 2022 or Other Year Beginning 2022 and Ending

Check box if computation is by agreement

Name of Entity	Federal Employer Identification Number
----------------	--

See instructions. Enclose with Form IT-65. Use additional sheets if necessary.

	Entity Code	State of residency	Enter Pro Rata AGI	Composite Adjusted Gross and County Income Tax			Total Tax
	A	B	C	D	E	F	G
	Enter entity code (see instructions)	Enter the 2-character state of residency for each entity listed	Adjusted gross income attributed to partner and not previously listed on Schedule IN K-1	State Tax. Multiply C by appropriate tax rate	Amount in C subject to county tax	County tax. Multiply E by county tax rate (leave blank if less than zero)	Enter total of D plus F
Individual/Entity Name							
1.							
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							
11.							
12.							
13. Subtotal Column D and Column F; add together and enter total in Column G							
14. Carryover totals from Columns D, F, and G from additional sheets							
15. Add any credits disallowed or subtract any additional credits allowed and not included above							
16. Add together 13G + 14G + 15G and enter total in Column G. Enter this amount on line 6c of Form IT-65.....							Total Tax



Instructions for Completing Schedule IN-EL Tax Computation Form for Electing Partnerships

If you are a partnership that has made a valid election to be taxed at the partnership level for adjustments arising from a department audit or an amended return. Complete this information and provide a copy of this schedule whenever you are filing an amended return reporting adjustments subject to partnership-level tax. Do not provide this schedule with an original return.

Prior to completing this schedule, complete an amended IT-65 and report any changes on the amended IT-65. Include additional sheets with the same columns if you have more than 12 partners.

Computation by Agreement

By default, a partnership is required to compute tax at the partnership-level tax based on the category of the partner. See Information Bulletin #72A for further information regarding the default tax computation. If the partnership and the department has entered into an agreement to compute tax in a manner other than the manner provided by statute, check this box. The partnership must have a written agreement signed by the department in order to compute tax in an alternative manner. A copy of the agreement to compute tax must be provided to the department upon request.

Column A

Enter the two-digit entity code associated with the partner for whom tax is being remitted. Each of these codes should be reported using the code applicable to the taxpayer for the partnership's taxable year being amended rather than the year in which the amendment is filed.

- CO - Enter this code if the partner is a C corporation subject to adjusted gross income tax and the corporation is not unitary with the partnership. In the case of a nonprofit corporation, use this code to report any amounts that are unrelated business income to the nonprofit corporation. For a nonprofit corporation, the amounts subject to tax are presumed to be unrelated business income unless the partnership has knowledge that the income would in fact be exempt to the nonprofit.
- CU - Enter this code if the partner is a corporation that is unitary with the partnership. The standards for a unitary corporate-partnership relationship are determined under 45 IAC 3.1-1-153. This code is to be used both by corporations subject to adjusted gross income tax and corporations subject to financial institutions tax. Do not use this code for S corporations.
- FI - Enter this code if the partner is a C corporation subject to financial institutions tax and the corporation is not unitary with the partnership. In the case of a nonprofit corporation, use this code to report any amounts that are unrelated business income to the nonprofit corporation. For a nonprofit corporation, the amounts subject to tax are presumed to be unrelated business income unless the partnership has knowledge that the income would in fact be exempt to the nonprofit.
- NP - Enter this code if the corporation is a nonprofit corporation AND the income from the partnership would be exempt to the nonprofit corporation.
- NR - Enter this code if the partner is a nonresident individual.
- NT - Enter this code if the partner is a nonresident estate or trust.
- RE - Enter this code if the partner is a resident individual.
- RT - Enter this code if the partner is a resident estate or trust.
- MI - Enter this code for any other type of entity not described above or for which the partnership cannot determine the entity type.
- PA - Enter this code if the partner is an entity taxed as a partnership for federal tax purposes, including limited partnerships, limited liability companies, limited liability partnerships, and similar entities.
- SC - Enter this code if the partner is an S corporation.

Special Note. If an electing partnership has a trust as a partner and that trust is a grantor trust, use the classification of the grantor. In addition, if the partnership or the department determines that a partner is an estate or a trust subject to federal income taxation, the partnership cannot elect to be taxed at the partnership level absent an agreement with the department on a methodology to compute tax.

Column B

Enter the state of residence for the partner. If the partner is a resident of a foreign country, enter "FC."

Column C

Include the net income attributable to the partner and subject to tax at the partnership level. Do not include income that was previously flowed through to the partner's K-1.

Example. Partner's share of a partnership's federal adjusted gross income on the partnership's original return was \$50,000, with a bonus depreciation addback of \$10,000, for a net income of \$60,000 reported on Schedule IN-K-1 for a taxable year. After a DOR audit of the partnership, Partner's share of the partnership's income was increased to \$80,000, with a reduction of the bonus depreciation addback to \$7,000, for a net income of \$87,000. The partnership makes an election to be subject to tax at the partnership level beginning with the department audit. For Partner, the partnership would include \$27,000 in Column C (\$87,000 revised income minus \$60,000 reported on Schedule IN K-1).

Column D

Multiply Column C by the appropriate tax rate for the taxable year. If the computation of tax is by agreement, list the tax by the rate for the partner as provided by the agreement. If no agreement to compute the tax is not in place:

- CO - Use the corporate tax rate based on the partnership's taxable year. See Form IT-20 for applicable rates.
- CU - Zero percent. Include the partner's income on an amended Schedule Composite-COR if the partner is a nonresident partner. Provide these partners with an amended Schedule IN K-1 and any other information necessary to amend their respective returns.
- FI - Use the financial institutions tax rate based on the partnership's taxable year. See Form FIT-20 for applicable rates.
- NP - Zero percent.
- NR/NT/RE/RT - Use the individual rate in effect on the last day of the partnership's taxable year.
- MI/PA/SC - Use the highest rate possible under Indiana law (including county income tax rates) for the taxable year.

See Information Bulletin #72A for the highest rate under Indiana law and generally for further information regarding rate computation.

Column E

Include the net income attributable to the partner subject to tax at the partnership level to the extent the income would be subject to county tax for the partner. These should only be used for partners with Code NR or RE. Do not include income that was previously flowed through to the partner's K-1. For nonresident partners, include an amount here only if the partner was subject to composite tax at the county level on the partner's K-1.

Column F

If a partner has income listed in Column E, multiply the amount by the county income tax for that partner. See Information Bulletin #72A for further information regarding the county income tax rate to use.

Column G

Add Column D and Column F. Subtract credits attributable to the partner only if the computation by agreement box is checked. If the partnership has credits disallowed (or added credits permitted) and the credits are not taken into account above for the respective partners, enter the amount disallowed as a positive number on line 15G and enter the amount permitted beyond previously allowed as a negative number on Line 15G. If multiple credits are allowed or disallowed, enter the total net amount on Line 15G. Enter the amount on Line 16G of this schedule on Line 6c of Form IT-65.