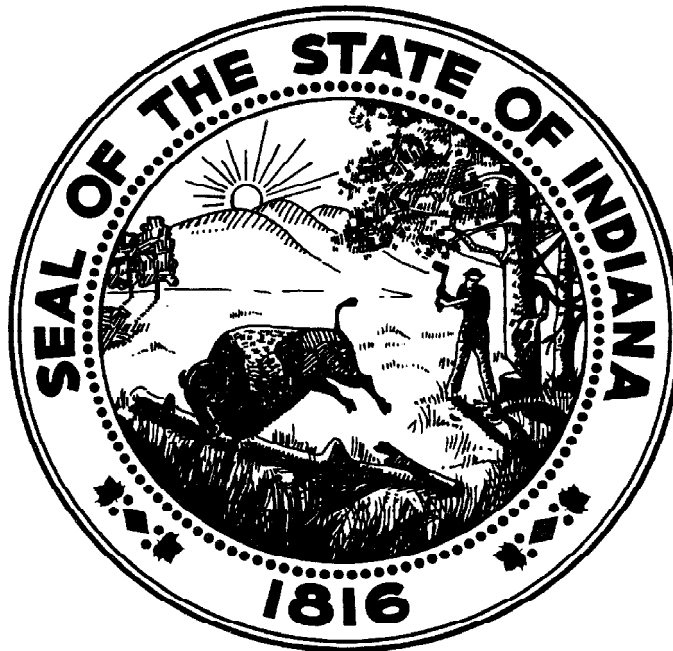


Indiana Department of Revenue
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STATE OF INDIANA

FINANCIAL INSTITUTION FRANCHISE TAX BOOKLET FORM FIT-20



TAX YEAR
1998

This booklet contains forms and instructions for preparing Indiana financial institution franchise tax returns. For additional information call (317) 232-2189 or write:

Corporate Income Tax, Compliance Division
Indiana Department of Revenue
Indiana Government Center N203
Indianapolis, IN 46204-2253

Indiana Department of Revenue

1998 Financial Institution Franchise Tax Booklet

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Tax forms may be requested by calling (317) 486-5103. If you want forms faxed to you, use the phone on your fax machine to call Indiana TaxFax at (317) 233-2FAX (2329). By calling this number and reviewing the list of available forms, you will have immediate access to most of our tax forms and information bulletins.

Many of the tax forms are also available on the Internet at the following address: <http://www.ai.org/dor/>

General Instructions

Copies of pages 1 through 4 of the corporation's federal income tax return must be attached to Form FIT-20 when filed.

This requirement is made under the authority of Indiana Code 6-5.5-6-5.

Who Must File Form FIT-20

I.C. 6-5.5-2-1 imposes an 8.5% franchise tax on the adjusted gross income of a corporation transacting the business of a financial institution including: a holding company, a regulated financial corporation, or a subsidiary of the above. Any taxpayer who is subject to tax under I.C. 6-5.5 is exempt from Indiana's gross, adjusted gross and supplemental net income taxes, as well as the former bank and savings & loan taxes under I.C. 6-5.

The franchise tax extends to both resident and nonresident financial institutions and to all other corporate entities when **80% or more of its gross income is derived from activities that constitute the business of a financial institution**. The business of a financial institution is defined as activities authorized by the federal reserve board; the making, acquiring, selling, or servicing loans or extensions of credit; or operating a credit card, debit card, or charge card business.

Due Date of Return

The annual return is due on or before the 15th day of the 4th month following the close of the corporation's tax year.

Resident Taxpayer Defined

A resident taxpayer is a taxpayer who is commercially domiciled in Indiana and transacts the business of a financial institution in this state. If a taxpayer is a resident taxpayer all income is automatically attributed to Indiana, and is subject to the franchise tax. There is no apportionment for out-of-state transactions.

Nonresident Taxpayer Defined

A nonresident taxpayer is a taxpayer who is not commercially domiciled in Indiana, but transacts the business of a financial institution in this state. Only a portion of a nonresident taxpayer's income is subject to the tax. The law employs a single factor receipts formula to determine the percentage of the nonresident taxpayer's income subject to the tax. The single factor receipts formula is derived by dividing the gross receipts attributable to transacting business in Indiana by the total receipts from transacting business in all taxing jurisdictions.

Nexus Rules

The law is based on the ability of a corporation under modern technology to transact the business of a financial institution in Indiana, regardless of the principal location of its offices and employees.

Transacting Business

A taxpayer is transacting business in Indiana for purposes of the franchise tax when it satisfies any of the following eight tests:

- (1) Maintains an office in Indiana;
- (2) Has an employee, representative, or independent contractor conducting business in Indiana;

- (3) Regularly sells products or services of any kind or nature to customers in Indiana that receive the product or service in Indiana;
- (4) Regularly solicits business from potential customers in Indiana;
- (5) Regularly performs services outside Indiana that are consumed within Indiana;
- (6) Regularly engages in transactions with customers in Indiana involving intangible property, including loans, that result in receipts flowing to the taxpayer from within Indiana;
- (7) Owns or leases tangible personal or real property located in Indiana; or
- (8) Regularly solicits and receives deposits from customers in Indiana.

"Regularly," for purposes of the above listed tests, is defined as assets attributable in Indiana equal to at least \$5,000,000.00 or twenty (20) or more Indiana customers.

Exempt Entities

Four specific types of organizations are exempted from the franchise tax. They include insurance companies, international banking facilities, 'S' corporations exempt from income tax under I.R.C. sec. 1363, and not-for-profit corporations, except for state chartered credit unions. Federal law prohibits state taxation of federally chartered credit unions.

Exempt Transactions

A taxpayer is not considered to be transacting business in Indiana if the ONLY activities of the taxpayer in Indiana are in connection with any of the following:

- (1) Maintaining or defending an action or suit;
- (2) Filing, modifying, renewing, extending, or transferring a mortgage, deed of trust, or security interest;
- (3) Acquiring, foreclosing, or otherwise conveying property in Indiana as a result of a default under the terms of a mortgage, deed of trust, or security interest relating to the property;
- (4) Selling tangible personal property, if taxation under this law is precluded because of federal law relating to interstate commerce;
- (5) Owning an interest in the following types of property even though activities are conducted in Indiana that are reasonably required to evaluate and complete the acquisition or disposition of the property, the servicing of the property, or the income from the property, or the acquisition or liquidation of collateral relating to the property:
 - (a) An interest in a real estate mortgage investment conduit, a real estate investment trust, or a regulated investment company.
 - (b) An interest in a loan backed security representing ownership or participation in a pool of promissory notes or certificates of interest providing for payments in relation to payments or reasonable projections of payments on the notes or certificates.
 - (c) An interest in a loan or other asset where the interest is attributed to a consumer loan, a commercial loan or a secured commercial loan, and the payment obligations were solicited and entered into by a person that is independent and not acting on behalf of the owner.
 - (d) An interest in the right to service or collect income from a loan or other asset where interest on the loan is attributed as a loan described above, and the payment obligations were solicited and entered into by a person that is independent and not acting on behalf of the owner.

- (e) An amount held in an escrow or trust account with respect to the property described above.
- (6) Acting
 - (a) As an executor of an estate;
 - (b) As a trustee of a benefit plan;
 - (c) As a trustee of an employee's pension, profit sharing, or other retirement plan;
 - (d) As a trustee of a testamentary or inter vivos trust or corporate indenture; or
 - (e) In any other fiduciary capacity, including holding title to real property in Indiana.

Method of Reporting

The law permits a taxpayer to report separately if it is a single entity. A combined return must be filed if there are two or more taxpayers in a unitary group. Members of a unitary group file collectively on one combined return. **No provision is made for filing consolidated returns.**

If the taxpayer is a member of a group, combined reporting is mandatory. However, if the taxpayer determines that its Indiana income is not accurately reflected by the filing of a combined return, the taxpayer may petition the Department for an alternative method. The petition is subject to approval by the Department. The petition must include the name and federal identification number for each member of the group petitioning for an alternative method. Each member must include its justification for an alternative method. The approved petition from the Department must be attached to the FIT-20. Petitions should be sent to Indiana Department of Revenue, Tax Policy Division, Indiana Government Center North, Room N248, Indianapolis, Indiana 46204.

Unitary Groups

The taxpayer designated as the reporting member of a unitary group shall file a combined return. Unity is presumed if there is unity of ownership, operation, or unity of use as evidenced by centralized purchasing, advertising, accounting, or other controlled interaction among entities that are members of the unitary group. Unity of ownership exists for a corporation if it is a member of a group of two or more business entities, and more than fifty percent (50%) of the voting stock is owned by a common owner or owners or by one or more of the member corporations of the group. See page 8, Instructions for Filing a Combined Return.

Partnerships

Partnerships and trusts as entities are not subject to the franchise tax. However, partnerships and trusts having corporate partners or corporate grantors and beneficiaries where the entity is conducting the business of a financial institution are required to file a *partnership return*, Form IT-65.

The following guidelines should be considered when preparing an informational return for a financial institution which is a partnership.

If the entity is a resident partnership and has nonresident corporate partners, the partnership is responsible to withhold and remit the nonresident corporation's tax liability on its apportioned income if the nonresident corporation is not otherwise a taxpayer for purposes of the tax. The apportioned income attributable to the partner is the same percentage as its distributive share. If the corporate partner is otherwise subject to the franchise tax, the

corporate partner is responsible for the tax in accordance with its percentage share of the partnership's adjusted gross income or apportioned income.

If a resident corporate partner is not otherwise subject to the tax, the corporate partner must pay the tax liability attributable to its partnership income. The income attributed to the corporate partner's share which has been subject to the franchise tax, would not be included in the income calculation for purposes of the Indiana gross or adjusted gross income taxes.

If a corporation is a financial institution that is also a partner in a partnership, and the partnership is transacting the business of a financial institution in Indiana, the partner is a taxpayer for purposes of the financial institution franchise tax.

Example: A bank in Maine is a partner with a bank in Indiana to make loans to Indiana borrowers. The only activity of the Maine bank is its involvement with the partnership. The partnership is required to withhold the Maine bank's share of the financial institution franchise tax.

United States Government Obligations

Although interest earned on United States obligations is not subject to income taxation, it is not preempted by federal law from being included in the tax base of a franchise tax. Therefore, interest from United States obligations is not to be subtracted from federal taxable income in determining the tax base of the franchise tax.

Extensions for Filing

The Department recognizes the Internal Revenue Service's application for automatic extension of time to file (Form 7004). Do not file a separate copy of Form 7004 with the Department to request an Indiana extension. Attach a copy of the federal extension form when the Indiana return is filed. Returns received within thirty (30) days after the last date indicated on the extension form will be considered timely filed. If a federal extension is not needed, a separate Indiana extension may be requested by writing to the Indiana Department of Revenue, Returns Processing Center, Data Control Business Tax, 100 N. Senate Avenue, Indianapolis, Indiana 46204-2253.

Penalty for late payment will not be imposed if at least 90% of the tax is paid by the original due date. The extension payment should be sent with Indiana Form FT-QP as an estimated payment. Use the pre-printed extension form included with your estimated coupon packet or the blank FT-EXT form at the end of the booklet. Any tax paid after the original due date must include interest. Contact the Department for the current rate of interest we charge.

Amended Returns

I.C. 6-5.5-6-6 requires a taxpayer to notify the Department within 120 days of alterations or modifications to its federal income tax return (federal adjustment, R.A.R., etc.) as finally determined, by amending Form FIT-20.

To amend a previously filed Form FIT-20, you must file a corrected copy of the original form with "Amended" marked clearly at the top of the form. To claim a refund of an overpayment, file the return within three years from the latter of the date of overpayment or the due date of the return.

Estimated Quarterly Payments

Quarterly payments of estimated franchise tax are required under IC 6-5.5-6-3. They are due on the last day of the month

following the close of the taxpayer's quarter. The payments must be made with estimated quarterly vouchers, Form FT-QP. **The Department will mail preprinted FT-QP vouchers to current FIT estimated account holders.** A copy of a blank estimated quarterly voucher, Form FT-ES, is located in the back of this publication.

If the annual tax liability is less than one thousand dollars (\$1,000), estimated payments are not required to be made. If the estimated quarterly tax liability exceeds ten thousand dollars (\$10,000), payments must be made by electronic funds transfer (EFT). Contact the EFT Section of the Indiana Department of Revenue for further information at (317) 232-5500.

Penalty for Underpayment of Estimated Taxes (I.C. 6-5.5-7-1)

Corporations required to estimate their franchise tax will be subject to a ten percent (10%) underpayment penalty if they fail to file estimated tax payments or fail to remit a sufficient amount. To avoid the penalty, the required quarterly estimate should include at least twenty percent (20%) of the final franchise tax liability for the current taxable year or twenty-five percent (25%) of the corporation's final franchise tax liability for the previous tax year. The penalty for the underpayment of estimated tax is assessed on the difference between the actual amount paid by the corporation for each quarter and twenty-five percent (25%) of the corporation's final tax liability for the current tax year. Refer to Schedule FIT-2220, Underpayment of Estimated Tax by Financial Institutions.

Identification Section of Return

Questions A through L of the FIT-20 must be completed in order for the return to be accepted by the Department. Please use the correct legal name of the corporation and present mailing address. It is important that the federal identification number shown in the box be correct and complete.

List the Indiana county for your primary business location within the state. Place "O.O.S." in the county box for addresses outside Indiana.

Enter your principal business activity code in the designated box on the return. Use numeric characters only.

Enter your assigned Indiana Taxpayer Identification (TID) number if you are registered as a collection agent for the State of Indiana for sales and/or withholding tax. This number should always be referenced on all returns and correspondence filed with the Department.

If you are a state chartered credit union or an investment company, check the box indicated and go to line 18 for instructions on completing the form.

Schedule A Line by Line Instructions

Line 1. Enter federal taxable income from Federal Form 1120 before the net operating loss deduction or the special federal deduction. **If the taxpayer is a state chartered credit union or an investment company registered under the Investment Company Act of 1940, go to line 18 of the instructions to calculate the taxable income.**

Line 2. Enter the qualifying dividend deduction.

Line 3. Subtotal: Subtract line 2 from line 1.

Addbacks: Lines 4 through 11 are add backs to federal taxable income that have been deducted at the federal level.

Line 4. Enter the amount deducted for bad debt (I.R.C. sec. 166). See also line 15 to report recovery of a debt that becomes worthless to the extent a deduction was allowed from gross income in a prior tax year under I.R.C. sec. 166(a).

Line 5. Enter the amount deducted for bad debt reserves of banks (I.R.C. sec. 585).

Line 6. Enter the amount deducted for bad debt reserves (I.R.C. sec. 593).

Line 7. Enter the amount deducted for charitable contributions (I.R.C. sec. 170).

Line 8. Enter the amount deducted on the federal return for all state and local income taxes paid.

Line 9. Enter all property taxes that were deducted. This includes property taxes imposed both on real and personal property whether levied at the state level or by a political subdivision of a state.

Line 10. Enter the amount deducted on federal Schedule D for net capital loss carry forwards deducted in this taxable year that were incurred prior to January 1, 1990.

Example: A calendar year taxpayer has a \$400,000 net capital loss carry forward for tax year 1989. In 1990, the taxpayer has capital gains of \$1,200,000 and current year capital losses of \$900,000. Current year capital losses are deducted first. Therefore, the taxpayer will be deducting \$300,000 in capital losses that have been carried forward from tax year 1989. The taxpayer will have netted his capital gains to zero for purposes of federal Schedule D. The taxpayer will be required to add back the \$300,000 that was applied against the 1990 gains and were carried forward from 1989 on line 10. There is still a \$100,000 balance of net capital loss carry forwards to be deducted at the federal level, and added back to Indiana franchise income in some future tax year.

Line 11. Enter the amount of interest on state and local obligations excluded under I.R.C. section 103, or under any other federal law, minus the associated expenses disallowed in the computation of taxable income under I.R.C. section 265.

Line 12. Total Addbacks: Add lines 4 through 11.

Line 13. Total Income: Add line 3 and line 12.

Deductions from Income:

Line 14. Subtract income derived from sources outside the United States as defined in the Internal Revenue Code.

Line 15. Subtract an amount equal to a debt or portion of a debt becoming worthless (I.R.C. sec. 166). *This will include a reduction in the amount for the recovery of a bad debt deducted from gross income in a prior taxable year (applicable to taxpayers not defined as a large bank under I.R.C. section 585 (c) (2) or Savings Association under I.R.C. section 593.)*

Line 16. Subtract an amount equal to any bad debt reserves included in federal income because of accounting method changes required by I.R.C. sec. 585(c)(3)(A), or I.R.C. section 593.

Line 17. Total Deductions: Add lines 14 through 16.

Line 18. Adjusted Gross Income: Subtract line 17 from line 13.

Resident taxpayers filing separately are required to attribute one hundred percent (100%) of their receipts to Indiana. There is no apportionment for out of state transactions; therefore, resident taxpayers should skip lines 20 through 22, and enter the adjusted gross income on line 23, Total Franchise Income.

State chartered credit unions should begin on line 18 by entering the "adjusted gross income." For resident state chartered credit unions "adjusted gross income" equals the total transfers to undivided earnings, minus dividends for that taxable year after statutory reserves are set aside under I.C. 28-7-1-24. In other words, "adjusted gross income" can be defined as net transfers to undivided earnings. No other deductions are permitted. The above definition also applies to a nonresident credit union.

In the case of an investment company, defined under I.C. 6-5.5-1-2(d), "adjusted gross income" means the company's federal taxable income. An investment company must also complete line 12 of Schedule E-U.

Line 19. Adjusted Gross Income: Enter the amount from line 18.

Line 20. Apportionment Percentage: (See instructions for Schedule E-U). **This line should only be used by nonresident taxpayers and unitary groups including nonresident members.** Enter figure from line 14 of Schedule E-U.

Line 21. Apportionment Income from Nonresident Taxpayers and Unitary Groups which include Nonresident Members: The taxpayer or unitary group should multiply the apportionment percentage entered on line 20 of this return, from Schedule E-U, by the adjusted gross income on line 19.

Line 22. For Department Use Only.

Line 23. Total Franchise Income: Enter the amount from line 18 or line 21.

Line 24. Indiana Net Operating Loss: Only those unused net operating losses incurred for taxable years beginning after December 31, 1989, may be deducted. The amount to report on this line is the Indiana portion of the net operating loss, and can not exceed the amount reported on line 23. Net operating losses can be carried forward for fifteen (15) years; however, there is no provision for loss carry backs. *You must complete and attach Schedule FIT-20 NOL to the return.* (See page 16 for instructions).

Line 25. Indiana Franchise Tax Income: Subtract line 24 from line 23.

Line 26. Indiana Franchise Tax Due: Multiply the amount on line 25 by 8.5% (.085). If line 25 is a loss amount, enter zero on this line.

Line 27. Resident Taxpayer Credit: A resident taxpayer or a resident member of a unitary group is entitled to a credit for taxes paid to other states. To claim credit for taxes paid to other states, the taxpayer must attach a separate schedule listing the state(s) and how much tax was paid to each state.

The credit (computed on an individual member basis) is the **lesser of:**

- (1) The amount of creditable tax paid by the resident taxpayer or member to the other state;
- (2) The amount of the taxpayer's adjusted gross income subject to taxation by the other taxing jurisdiction multiplied by Indiana's tax rate; or
- (3) The amount of adjusted gross income attributed to the other state using the Indiana rules for attributing gross receipts, multiplied by Indiana's tax rate (see instructions for Schedule FIT-NRTC on page 14).

"Creditable tax" means a direct net income, franchise, or other income tax. If the tax is not measured by income, creditable tax is any other combination of tax imposed on deposits, investment capital or shares, and net worth or capital.

Line 28. Nonresident Taxpayer Credit: To claim this credit, you must attach a copy of your domiciliary state's tax return. Nonresident taxpayers may be able to claim a credit for taxes paid to their domiciliary state. To be eligible to claim the credit, several conditions must be met: (1) the receipt of interest or other income from the loan is attributed to both the domiciliary state and also to Indiana, and (2) the principal amount of the loan is at least two million dollars (\$2,000,000).

To determine the amount of tax attributable to the loan transaction, divide the total receipts from qualified loans by total receipts attributable to Indiana. Multiply that quotient expressed as a percentage by the total amount of tax due to determine the amount of tax attributable to the loan. This is the amount of credit that may be available. The actual credit is equal to the lesser of the actual taxes paid to the domiciliary state for the loan transaction, or the amount due to Indiana on the loan transaction. If the taxpayer's domiciliary state grants a credit for taxes paid to other states, the credit available for purposes of Indiana's tax must be reduced by the amount of the credit granted by the taxpayer's domiciliary state. (See the instructions for completing Schedule FIT-NRTC on page 14.)

Resident/nonresident credits are determined for each taxpayer member of a unitary group on an individual basis, notwithstanding that adjusted gross income is reported on a combined basis for all members of a unitary group.

Line 29. Net Franchise Tax Due: Subtract the amount on line 27 and line 28 from the amount on line 26.

Line 30. Use Tax Due: Taxpayers are required to report and pay use tax as a part of their franchise tax return on purchases where sales tax was not charged. Purchases subject to use tax include (but are not limited to) subscriptions to magazines and periodicals, and property purchased exempt from tax by use of an exemption certificate, and later converted to a non exempt use by the business. To calculate the amount of purchases subject to the use tax, please see Schedule SUT and enter the amount on line 30.

Line 31. Subtotal Due: Add line 29 and line 30.

Line 32. Enterprise Zone Employment Expense Credit: This credit is calculated on Schedule EZ, and should be entered on line 32. For further information on enterprise zone tax benefits, refer to Income Tax Information Bulletin #66.

Line 33. Teacher Summer Employment Credit: This credit is available to taxpayers hiring math or science teachers during summer school vacation. The credit for each teacher hired is the lesser of \$2,500 or 50% of the compensation paid. The credit should be claimed on line 33. The Professional Standards Board will certify the qualified positions, and Schedule TSE must be attached to the return. Contact the Department of Education at (317) 232-6675 for more information on this credit.

Line 34. Enterprise Zone Loan Interest Credit: This credit should be calculated on Schedule LIC and entered on line 34. For further information about this credit, refer to Income Tax Information Bulletin #66.

Line 35. Neighborhood Assistance Credit: A preapproved neighborhood assistance credit form NC-20 must be attached and the credit is claimed on line 35. For further information, refer to Income Tax Information Bulletin #22.

Line 36. Industrial Recovery Tax Credit: The amount of credit should be entered on line 36. A copy of the approved certification entered by the enterprise zone board must be attached to the return. The credit is based upon the taxpayer's qualified investment in a vacant industrial facility within a designated industrial recovery site.

The credit may be used to offset the taxpayer's franchise tax liability, but any excess credit must be carried forward to the immediately following taxable year. A taxpayer is not entitled to a carry back or refund of any unused credit.

Effective March 31, 1996, a lessee of property in an industrial recovery site may be assigned tax credit(s) based upon the owner's or developer's qualified investment within the designated industrial recovery site. Additional information, the definitions, qualifications, and procedures for obtaining the credit may be requested from: The Indiana Department of Commerce, Enterprise Zone Board, One North Capitol, Suite 700, Indianapolis, IN 46204.

Line 37. Enter and specify the amount of other credits:

Individual Development Account Tax Credit - Effective for taxable years beginning after December 31, 1997, a tax credit is available equal to 50% of the contribution, if not less than \$1,000 and not more than \$50,000, which is made to a community development corporation participating in an Individual Account Development program. Applications for the credit are filed through the community development corporation using Form IDA-10/20. To request additional information regarding the definitions, procedures, and qualifications for obtaining this credit, contact: Indiana Department of Commerce, Community Development, One North Capitol, Suite 600, Indianapolis, Indiana, 46204, or call (317) 232-8911.

Military Base Recovery Tax Credit - Effective for taxable years beginning after December 31, 1997, a state tax liability credit is available for rehabilitation of real property located in military base facilities designated by the state Enterprise Zone Board. A claimant may also be a lessee of property in a military base recovery site and assigned part of the tax credit based upon the owner's or

developer's qualified investment within a military recovery site. To request additional information regarding the definitions, procedures, and qualifications for obtaining this credit, contact: Indiana Department of Commerce, Enterprise Zone Board, One North Capitol, Suite 700, Indianapolis, Indiana, 46204, or call (317) 232-8905.

Personal Computer Tax Credit - An income tax credit of \$100 per unit of qualified personal computer equipment (486 or 68030 processor, or better) donated to a not-for-profit Educational Service Center in conjunction with the Buddy-Up with Education Program may be claimed. Attach pre-approved Form PC-20 to the return. Form PC 10/20, Personal Computer Tax Credit Application, is available from the Department. For more information about this program call the Central Indiana Educational Service Center at (317) 387-7100.

Line 38. Total Credits: Add the amounts included on lines 32 through 37.

Line 39. Total Tax Due: Subtract the amount on line 38 from the amount on line 31.

Line 40. Total Estimated Tax Paid: Enter the total amount of estimated tax paid for the taxable year. Itemize each quarterly payment in the spaces provided. If the annual franchise tax liability is less than one thousand dollars (\$1,000), estimated payments are not required to be made.

Line 41. Extension Payment and Prior Year Overpayment: Enter any payment that was made with an extension of time to file request, and any prior year overpayment credit being applied. This provision only applies to prior year overpayment of the franchise tax, and does not apply to other taxes paid for taxable years beginning on or before December 31, 1989. Indiana will accept the federal extension date, plus an additional thirty (30) days. However, an extension of time to file is not an extension of time to pay. You must pay at least ninety percent (90%) of the current year liability by the original due date of the franchise tax return.

Line 42. Other Payments: Enter any other payments that are allowable and attach an explanation.

Line 43. Total Payments: Add lines 40 through line 42.

Line 44. Balance of Tax Due: Subtract the amount on line 43 from line 39.

Line 45. Penalty for Underpayment: Enter the penalty, if any, for underpayment of estimated tax as calculated on FIT-2220.

Line 46. Interest: If payment is made after the original due date, interest must be included with the payment. Interest is calculated from the original due date of the return until the date of payment. Contact the Department for the current rate of interest we are charging. **An extension of time to file does not grant an extension of time to pay any tax due; therefore, interest must be calculated.**

Line 47. Late Penalty: *Enter the computed penalty amount that applies:*

A. If a payment is made after the original due date, a penalty which is the greater of five dollars (\$5.00) or ten percent (10%) of

the remaining tax due must be entered. The penalty for late payment or late filing will not be imposed if *all three* of the following conditions are met:

- (1) A valid extension of time to file exists;
- (2) At least ninety percent (90%) of the tax was paid by the original due date; and,
- (3) The remaining tax is paid by the extended due date.

B. If the return showing no tax liability (on line 31) is filed late, the penalty for failure to file by the due date will be \$10 for each day the return is past due, up to a maximum of \$250.

Line 48. Total Due: If a payment is due, enter the total tax due plus any applicable penalty and interest on line 48. Make checks payable to the Indiana Department of Revenue for each Form FIT-20 filed.

Lines 49, 50 & 51. Total Overpayment: If the taxpayer has an overpayment determined by subtracting the amount on line 39 and line 45 from the amount on line 43, the corporation may elect to have a portion or all of its overpayment credited to next year's estimated tax account. The portion to be refunded should be entered on line 50. The portion to be applied to next year's account should be entered on line 51. The total of line 50 and line 51 must equal the amount on line 49.

If your overpayment is reduced due to an error on the return or an adjustment by the Department, the amount to be refunded will be corrected before any changes are made to the estimated account for next year.

Be sure to sign and print your name on the return. If a paid preparer completed the return for you, you may authorize the Department to discuss your tax return with the preparer by checking the Authorization box above the signature line.

Instructions for Filing a Combined Return: Attributing Receipts of a Taxpayer Filing a Combined Return

In calculating adjusted gross income, the taxpayer shall eliminate all income and deductions from transactions between entities that are included in the unitary filing.

A taxpayer filing a combined return for its unitary group shall determine the income for a taxable year attributable to Indiana by use of the following formula:

- (1) the aggregate adjusted gross income, from whatever source derived, of the resident taxpayer members of the unitary group and the nonresident members of the unitary group; multiplied by
- (2) the quotient of:
 - (a) all the receipts of the resident taxpayer members of the unitary group from whatever source derived plus the receipts of the nonresident taxpayer members of the unitary group attributable to transacting business in Indiana; divided by
 - (b) the receipts of all members of the unitary group from transacting business in all taxing jurisdictions.

Identify the members of the unitary group and determine whether those members are taxpayers under the Indiana Financial Institution Franchise Tax Act. To be a taxpayer under the Act, the member must be transacting the business of a financial institution in Indiana as defined in the Financial Institution Franchise Tax Act (I.C. 6-5.5).

A. State of Commercial Domicile: If the member's state of commercial domicile is Indiana, then all receipts are attributable to Indiana, and there is no apportionment for out of state receipts. However, if the unitary group has members whose state of commercial domicile is not Indiana, then the group will file Schedule E-U to apportion its receipts to Indiana.

B. Percent of Ownership by Parent: In order to qualify as a member of a unitary group more than fifty percent (50%) of the voting stock of each member of the group must be directly or indirectly owned by a common owner or common owners, or owned by one or more of the member corporations of the group, regardless where such business is conducted. The group is comprised of all unitary affiliates conducting the business of a financial institution, whether or not such business is conducted in Indiana.

C. Regular Financial Institutions: A regulated financial corporation, a holding company, or a subsidiary of a regulated financial corporation or holding company, as defined in I.C. 6-5.5-1-17, is required to file a combined return for all members of the unitary group.

D. Other Corporations: To be a member of the unitary group for purposes of the financial institution franchise tax, and to be a part of this combined filing, the corporation (other than subsidiaries of an entity described in part C above) must derive at least eighty percent (80%) of its gross receipts from the extension of credit, leasing that is the economic equivalent of the extension of credit, or charge card operations. If a member does not meet the eighty percent (80%) test, then it is not a member and cannot file as a member for purposes of the financial institution franchise tax.

E. Federal Identification Number: Identify each corporate member of the unitary group by listing their federal identification numbers.

F. Federal Business Activity Code: Indicate the applicable federal business activity code for each member of the group.

G. Quarterly Payments of Estimated Tax: Indicate for each member if quarterly estimated payments of the financial institution franchise tax were made by the member under its own federal identification number. If estimates were paid, indicate whether payments were made to a Form IT-6 or Form FT-QP estimated account.



Indiana Department of Revenue

1998 Financial Institution Franchise Tax Return

Form FIT-20

For Calendar Year Ending December 31, 1998

(Do not write above)

SF44623 (Rev. 9/98)

or Fiscal Year Beginning _____, 1998 and Ending _____, 19____

Name of Corporation		Federal Identification Number
Number and Street		Principal Business Activity and Code
County	City	Indiana Taxpayer Identification Number
State	Zip Code	Corporation Telephone Number ()

Check box if this is a state chartered credit union or an investment company registered under the Investment Company Act of 1940. ☐

- A. Date of incorporation _____ in the State of _____
- B. State of Commercial Domicile _____
- C. Year of initial Indiana return _____
- D. Location of accounting records if different from above address: _____
- E. Accounting method: ☐ Cash ☐ Accrual
- F. Did the corporation make estimated tax payments using a different Federal Identification Number? ☐ Yes ☐ No
List any other Federal Identification Numbers on Schedule H.
- G. Is 80% or more of your gross income derived from making, acquiring, selling, or servicing loans or extensions of credit? ☐ Yes ☐ No *If you answer no, do not file this return; file Form IT-20.*
- H. Check: ☐ Initial Return ☐ Final Return ☐ In Bankruptcy
- I. Is this return filed on a combined basis under the unitary concept?..... ☐ Yes ☐ No
- J. Is this a separate return by a member of a unitary group? (See instructions page 4)..... ☐ Yes ☐ No
- K. Is an extension of time to file attached?.... ☐ Yes ☐ No
- L. Are you a member of a partnership?..... ☐ Yes ☐ No
If you answer yes, see instructions page 4.

Schedule A

1. Federal taxable income (before net operating loss deduction and special federal deduction).....	1	
2. Qualifying dividend deduction	2	
3. Subtotal (Subtract line 2 from line 1)	3	
Addback: Enter an amount equal to the deduction taken for:		
4. Bad debts (I.R.C. sec. 166) (see instructions).....	4	
5. Bad debt reserves for banks (I.R.C. sec. 585).....	5	
6. Bad debt reserves (I.R.C. sec. 593).....	6	
7. Charitable contributions (I.R.C. sec. 170).....	7	
8. All state income and local taxes.....	8	
9. All real estate and personal property taxes.....	9	
10. Net capital losses (deducted on the federal return and incurred in taxable years beginning before January 1, 1990).....	10	
11. Amount of interest excluded for state and local obligations (I.R.C. sec 103) minus the associated expenses (I.R.C. sec. 265).....	11	
12. Total Addbacks: (Add lines 4 through 11).....	12	
13. Total Indiana Gross Income (Add line 3 and line 12).....	13	
Deductions:		
14. Subtract income that is derived from sources outside the United States and was included in federal taxable income.....	14	
15. Subtract an amount equal to a debt or portion of a debt that becomes worthless - net of all recoveries (I.R.C. sec 166).....	15	
16. Subtract an amount equal to any bad debt reserves that are included in federal income because of accounting method changes (I.R.C. sec 585(c)(3)(a) or sec 593).....	16	
17. Total Deductions: (Add lines 14 through 16).....	17	
18. Adjusted Gross Income: (Subtract line 17 from line 13).....	18	

FIT-20

19. Adjusted gross income (Amount from line 18).....	19	
20. Apportionment Percentage for a nonresident taxpayer and unitary groups which include nonresident members (Box number 96 of Schedule E-U).....	20	%
21. Apportioned income attributable to Indiana.....	21	
22. Department use only. Do not write in this space.	22	
23. Total Franchise Income: Amount from line 18 or line 21.....	23	
24. Indiana Net Operating Loss from FIT-20 NOL.....	24	
25. Indiana Franchise Tax Income (Subtract line 24 from line 23).....	25	
26. Financial Institution Franchise Tax (Multiply line 25 by .085).....	26	
27. Less: Resident Taxpayer Credit (See instructions).....	27	
28. Less: Nonresident Taxpayer Credit (Attach FIT-NRTC).....	28	
29. Net Franchise Tax Due (Subtract lines 27 and 28 from line 26).....	29	
30. Sales/Use Tax Due (See instructions).....	30	
31. Subtotal Due (Add lines 29 and 30).....	31	
Credits (Attach schedules):		
32. Enterprise Zone Employment Expense Credit (EZ 2).....	32	
33. Teacher Summer Employment Credit (TSE).....	33	
34. Enterprise Zone Loan Interest Credit (LIC).....	34	
35. Neighborhood Assistance Credit (NC-20).....	35	
36. Industrial Recovery Tax Credit.....	36	
37. Other.....	37	
38. Total Credits: (Add lines 32 through 37).....	38	
39. Net Tax Due: (Subtract line 38 from line 31).....	39	
40. Total estimated franchise tax paid (Itemize below)		
1. _____ 2. _____ 3. _____ 4. _____	40	
41. Extension payment _____ and prior year overpayment credit _____ Enter combined total.....	41	
42. Other payments (Attach supporting documentation).....	42	
43. Total Payments (Add lines 40 through 42).....	43	
44. Balance of Tax Due (Subtract line 43 from line 39. If line 43 exceeds line 39 - Enter 0).....	44	
45. Penalty for the Underpayment of Tax from Schedule FIT-2220 (Page 12).....	45	
46. If payment is made after the original due date, add interest (See instructions).....	46	
47. Late penalty: If paying late enter 10% of line 44; see instructions. If line 31 is zero, enter \$10 per day filed past due date.....	47	
48. Total Due (Add lines 44 through 47).....	48	
49. Total Overpayment (Subtract lines 39 and 45 from line 43).....	49	
50. Refund (Enter portion of line 49).....	50	
51. Overpayment Credit (Amount of line 49 to be applied to next year's estimated tax account).....	51	

Make check payable and mail to:

INDIANA DEPARTMENT OF REVENUE
100 N. SENATE AVENUE
INDIANAPOLIS, IN 46204-2253

Do not write below

52	
53	
54	

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.

I authorize the Department to discuss my return with my tax preparer. ☐ Yes ☐ No

Signature of Officer

Date

Print or Type Name

Title



Paid Preparer's Information

Preparer's Name

Preparer's FID or SSN Number

☐ Federal I.D. Number
☐ Social Security Number

Street Address

Daytime Telephone Number

City

State

Zip+4

Preparer's Signature



Indiana Department of Revenue
Apportionment of Receipts to Indiana
Apportioning receipts of nonresident taxpayers or
unitary groups with nonresident members
(See instructions on page 13)

Taxpayer Name	Federal Identification Number
---------------	-------------------------------

The following information must be completed by nonresident taxpayers that are not members of unitary groups and/or unitary groups which include nonresident members. Resident taxpayers who are members of unitary groups must attribute all receipts to Indiana.

	Nonresident Members		Resident Members	
	A Total Receipts Attributed to Indiana	B Total Receipts Everywhere	C Total Receipts Attributed to Indiana	D Total Receipts Everywhere
1. Lease or rental of real or tangible personal property.....	70	83		
2. Interest income and other receipts from assets in the nature of loans or installment sales contracts secured by real or tangible personal property.....	71	84		
3. Interest income and other receipts from unsecured consumer loans	72	85		
4. Interest income and other receipts from commercial loans and installment obligations not secured by real or tangible personal property	73	86		
5. Fee income and other receipts from letters of credit, acceptance of drafts, and other devices for guaranteeing loans or letters of credit	74	87		
6. Interest income, merchant discounts, and other receipts including service charges from credit cards and travel and entertainment credit cards, and credit card holder's fees	75	88		
7. Receipts from the sale of a tangible or intangible asset must be attributed to the same state in which the income from the tangible or intangible asset was attributed.....	76	89		
8. Receipts from the performance of fiduciary and other services, based on where the benefits are consumed.....	77	90		
9. Receipts from the issuance of traveler's checks, money orders or United States Savings Bonds	78	91		
10. Receipts from investments in municipal securities of all states, their political subdivisions, and instrumentalities.....	79	92		
11. Interest income and other receipts from participation loans.....	80	93		
12. Gross payments collected on investment contracts issued by an investment company.....	81	94		
13. Total Receipts: (Add lines 1 through 12 in columns A, B, C and D).....	82	95		
14. Divide the sum of line 13 columns A and C by the sum of line 13 columns B and D. Express the amount as a percentage (i.e. 67.89%). Enter the percentage here and on line 20 of the FIT-20	96			

Schedule H - Other Corporations that made Estimated Payments

SF 44626

List below the federal identification number for any corporations that made estimated tax payments during the year, and are included in this filing if it is for a unitary group. Attach additional sheets if necessary.

Name of Corporation	Federal Identification Number	Total Payments

Schedule SUT**Sales and Use Tax Computation**

SF 44627

This schedule is to be completed if you had purchases subject to use tax because sales tax was not paid at the time of purchase.

Type of Purchase	Total Purchases
1. Mail order merchandising firms	1.
2. Books, equipment and various supplies	2.
3. Magazines and other subscriptions	3.
4. Exempt purchases ultimately used for non-exempt purposes.....	4.
5. Taxable purchases made in other states where no sales tax was charged.....	5.
6. Grand Total of Purchases subject to Use Tax	6.
7. Total Use Tax Due - Multiply grand total by 5% (.05). Enter here and on line 30 of Form FIT-20.....	7.

**Schedule FIT-2220
Revised 1998****Underpayment of Estimated
Tax by Financial Institutions**

SF 44628

Name

Federal Identification Number

Calculate Minimum Quarterly Payment

1. Net tax due (line 39 of Form FIT-20)	1.
2. Use tax due (line 30 of Form FIT-20)	2.
3. Subtract line 2 from line 1: Net Franchise Tax Due	3.
4. Multiply line 3 by 80% (.80)	4.
5. Enter 25% (.25) of line 4 (Enter here and on line 8)	5.

Calculate Quarterly Underpayment Penalty

	(a) 1st Quarter	(b) 2nd Quarter	(c) 3rd Quarter	(d) 4th Quarter
6. Enter due date of quarterly estimate				
7. Enter the amount paid for each quarter				
8. Enter the lesser of the amount from line 5 above, or 25% of the previous year franchise tax liability				
9. Subtract line 8 from line 7. Overpayments will be a positive figure. Underpayments will be a negative figure				
10. Enter overpayment, if any, from line 11 of the preceding column in excess of any prior underpayments				
11. Add net amount on line 10 to entry on line 9 and enter total (If result is a negative, this is your underpayment)				
12. Compute 10% penalty on the underpayment amount on line 11 (Enter as positive numbers)				
13. Add line 12, columns A through D and enter total here and on line 45 of Form FIT20				

Instructions for Schedule E-U Apportionment of Receipts to Indiana

The following information must be completed by all non-resident taxpayers and taxpayers filing Combined Unitary returns including resident and nonresident members. Investment companies must complete line 12.

The Financial Institutions Tax is measured by federal adjusted gross income with modifications to arrive at the tax base. If the corporation is operating both inside and outside of Indiana, income is apportioned based on a one factor formula. The one factor that is used is Receipts.

Nonresident taxpayers and unitary groups which include nonresident members should file using an apportionment percentage, based on Indiana receipts and total receipts. Indiana receipts are divided by total receipts to arrive at a fraction expressed as a percentage. Total income is then multiplied by this percentage to arrive at Indiana franchise income.

The Following Types of Receipts are Attributable to Indiana

- (1) Receipts from the lease or rental of real or tangible personal property if the property is located in Indiana.
- (2) Interest income and other receipts from assets in the nature of loans or installment sales that are primarily secured by or deal with real or tangible personal property, and the property is located in Indiana.
- (3) Interest income and other receipts from consumer loans not secured by real or tangible personal property if the loan is made to a resident of Indiana.
- (4) Interest income and other receipts from commercial loans not secured by real or tangible personal property must be attributed to

Indiana if the proceeds of the loan are to be applied in Indiana. If it cannot be determined where the loan proceeds will be applied, the income and receipts are attributed to the state where the borrower applied for the loan.

- (5) Fee income and other receipts from letters of credit, acceptance of drafts, and other devices for guaranteeing loans must be attributed in the same manner as commercial loans are attributed.
- (6) Interest income, merchant discounts, and other receipts including service charges from financial institution credit card and travel and entertainment card receivables will be attributed to the state where the card charges are regularly billed.
- (7) Receipts from the sale of a tangible or intangible asset must be attributed to the same state where the income from the tangible or intangible asset was attributed.
- (8) Receipts from the performance of fiduciary and other services must be attributed to the state where the benefits of the services are consumed.
- (9) Receipts from the issuance of traveler's checks, money orders or United States savings bonds must be attributed to the state where the item was purchased.
- (10) Receipts from investments of a financial institution in securities of this state and its political subdivisions, agencies, and instrumentalities must be attributed to Indiana.
- (11) Interest income and receipts from a participation loan must be attributed in the same manner as the loan is attributed. A participation loan is a loan in which more than one lender is a creditor to a common borrower.
- (12) The aggregate of gross payments collected by an investment company from the business upon investment contracts issued by the company and held by Indiana residents is attributed to Indiana.

Instructions for Schedule FIT-NRTC

The following schedule is to be used for nonresident taxpayers claiming the nonresident taxpayer credit for taxes paid to their state of commercial domicile and attributable to Indiana.

A taxpayer filing on a unitary basis must compute this credit on an individual taxpayer basis.

The principal amount of the loan must exceed two million dollars (\$2,000,000.00) to qualify for this credit.

PART I - Identification Section: In this section, identify the borrower, the principal amount of the loan, and the receipts less principal attributed to the loan during the tax year. Attach additional sheets if necessary.

PART II - Calculation Section: In this section you will calculate the amount of eligible credit. The credit is equal to the lesser of the actual taxes paid to the domiciliary state for the loan transaction, or the amount due Indiana for the loan transaction.

Line 1. Enter the total from PART I (Receipts attributable to the loan transaction).

Line 2. Enter the total receipts attributable to nonresident.

Line 3. Divide the amount on line 1 by the amount on line 2. This is the apportionment percentage used to attribute receipts from qualified loans to the amount of tax due.

Line 4. Enter the amount of Indiana financial institution franchise tax due from a pro forma schedule. Schedule must be attached.

Line 5. Multiply the percentage on line 3 by the amount on line 4. This is the amount of credit available to be applied against the taxpayer's domiciliary state for the qualified loans.

Line 6. Enter the amount of tax paid to the domiciliary state for the qualified loans, less any credit that the domiciliary state grants for taxes paid to other states.

Line 7. Enter the lesser of the amount on line 5 or line 6. Enter this amount on line 28 of the FIT-20.

Attach a copy of your domiciliary state's tax return to Form FIT-20.

Schedule FIT-NRTCRevised (9/98)
SF 44625**Nonresident Tax Credit**
(See instructions on page 14)

Taxpayer Name

Federal Identification Number

Part I: Identification Section

Name of Borrower	Principal Amount of Loan	Receipts Attributed to Loan
Totals	\$	\$

Part II: Calculation Section

1. Enter the total receipts from Part I.....	1	
2. Enter the total receipts attributable to nonresident.....	2	
3. Divide line 1 by line 2. Express as a percentage (i.e. .5086 = 50.86%).....	3	%
4. Enter the amount of tax attributable to nonresident (from a pro forma schedule).....	4	
5. Multiply the percentage from line 3 by the amount on line 4.....	5	
6. Enter the amount of taxes paid to your state of commercial domicile for the qualified loans listed in Part I.....	6	
7. Enter the lesser of the amounts from lines 5 and 6. Enter this amount on line 28 of the Form FIT-20.....	7	

Instructions to Schedule FIT-20NOL Net Operating Loss Deduction

The Financial Institution Franchise Tax took effect for taxable years beginning after December 31, 1989. There is no provision to allow a carry forward of net operating losses incurred under the adjusted gross income tax. A net operating loss can be carried forward for fifteen (15) tax years following the loss year, if the loss was incurred for taxable years beginning after December 31, 1989. There is no provision for a net operating loss carry back.

Who Should File Schedule FIT-20NOL

All taxpayers must complete and attach this schedule to the Financial Institution Franchise Tax Return if they are claiming a net operating loss deduction. The net operating loss that will be recognized for Financial Institution Franchise Tax purposes will be the net operating loss apportioned to Indiana for the taxable year of the loss.

If the taxpayer is filing a combined return, any net operating loss attributable to Indiana in the combined return shall be prorated between each member of the unitary group by the quotient of:

- (A) the receipts of that taxpayer member attributable to Indiana; divided by:
- (B) the receipts of all members of the unitary group attributable to Indiana.

Line By Line Instructions

Information Boxes: Complete the information boxes with the corporation name and the federal identification number.

Tax Year: These are the years listed across the top of the schedule. The first year that a loss can be carried forward under the act is for taxable years beginning after December 31, 1989. In other words, no taxable year beginning before January 1, 1990 is eligible to be used as a loss carryforward.

Line 1 - Enter the adjusted gross income or loss from line 19 of the FIT-20.

Line 2 - If this schedule is being used by a nonresident taxpayer, enter the apportionment percentage for the tax year.

Line 3 - Enter the amount of Indiana business income or loss. Use the amount on line 1 if this is a resident taxpayer. If it is a nonresident taxpayer, multiply the amount on line 1 by the apportionment percentage on line 2.

Loss Year Carry Forwards Applied Against Adjusted Gross Income:

In the column next to the appropriate loss year, enter the total Indiana loss coinciding with line 3 of this schedule for the corresponding loss year. When taking the NOL deduction for a particular loss year, enter the amount of deduction in the same column of the year the loss is being taken against adjusted gross income.

When calculating the adjusted gross income after the NOL deduction, subtract the total deductions taken from the adjusted gross income, and enter the amount on the line titled "Adjusted Gross Income after NOL Deduction". The amount cannot be less than zero.

You are not required to file a separate loss schedule for each year there is a loss. Only file the schedule when you are taking the loss deduction. You may copy a previous tax year's schedule and include the information that applies for any subsequent taxable years.

Indiana Department of Revenue SCHEDULE FIT-20 NOL - Net Operating Loss Deduction									
SF 44624									
Corporation Name Sample					Federal Identification Number				
Tax Year									
	1990	1991	1992	1993	1994	1995	1996	1997	
1. AGI or (Loss)	(100,000)	(75,000)	140,000	120,000	(150,000)	160,000	(200,000)	(100,000)	
2. Apportionment %	80%	80%	80%	80%	70%	70%	70%	70%	
3. Indiana AGI or (Loss)	(80,000)	(60,000)	112,000	96,000	(105,000)	112,000	(140,000)	(70,000)	
Loss Year	Total Indiana Loss from Tax Year								
1990	80,000		80,000						
1991	60,000		32,000	28,000					
1992									
1993									
1994	105,000					105,000			
1995									
1996									
Adjusted Gross Income After NOL Deduction			0	68,000		7,000			
Tax Year									
	1998	1999	2000	2001	2002	2003	2004	2005	
1. AGI or (Loss)	200,000								
2. Apportionment %	75%								
3. Indiana AGI or Loss	150,000								
Loss Year	Total Indiana Loss from Tax Year								
1990									
1991									
1992									
1993									
1994									
1995									
1996	140,000	140,000							
1997	70,000	10,000							
1998									
1999									
2000									
2001									
2002									
2003									
2004									
Adjusted Gross Income After NOL Deduction	0								

Corporation Name		Tax Year										Federal Identification Number
		1990	1991	1992	1993	1994	1995	1996	1997			

1. AGI or (Loss)		1990	1991	1992	1993	1994	1995	1996	1997			
2. Apportionment %												
3. Indiana AGI or (Loss)												
Loss Year	Total Indiana Loss from Tax Year											
1990												
1991												
1992												
1993												
1994												
1995												
1996												
Adjusted Gross Income After NOL Deduction												

1. AGI or (Loss)		1998	1999	2000	2001	2002	2003	2004	2005			
2. Apportionment %												
3. Indiana AGI or (Loss)												
Loss Year	Total Indiana Loss from Tax Year											
1990												
1991												
1992												
1993												
1994												
1995												
1996												
1997												
1998												
1999												
2000												
2001												
2002												
2003												
2004												
Adjusted Gross Income After NOL Deduction												

Instructions for Form FT-ES

Quarterly payments of estimated franchise tax are due on or before the last day of the month for the quarter ending on the last day of the preceding month. Form FT-QP must be used when making these quarterly payments. (Do not use Form IT-6.) Please note the voucher number on the form when making the payment for that quarter. The payment will be applied to the quarter during which it is received.

If the annual tax liability is less than one thousand dollars (\$1,000.00), estimated payments are not required to be made. If the quarterly payment exceeds ten thousand dollars (\$10,000.00), payments must be made by electronic funds transfer. Contact the EFT Section at (317) 232-5500 for further information.

Use pre-printed Form FT-QP estimated payment vouchers mailed to you at the beginning of your tax year. If paying by using the EFT method, the filing of FT-QP forms is not necessary. If you do not have pre-printed forms and need coupon vouchers, completely fill out the appropriate FT-ES voucher for the tax period on the form provided at the end of this booklet. Enter total franchise tax due for the quarter.

If the quarterly payment is being submitted later than one (1) month following the close of the quarter, penalty and interest will be billed.

Any penalty and interest paid as a result of a late payment assessment **cannot** be claimed as a credit on the annual return.

Taxpayers that file an annual return and pay the full amount of tax due by the end of the month following the close of the taxable year are not required to file Form FT-QP for the fourth quarter of that taxable year.

Claims for refund are processed on an annual basis only. If errors are discovered on a quarterly filing, these errors should either be adjusted on the next quarterly return or on the annual return. Adjustments of quarterly returns must be made during the taxable year of such quarterly returns and a complete explanation should accompany that return.

Each return must be signed by an authorized officer.

Special Reminders

1. Financial Institutions filing on a fiscal year basis must enter their tax year beginning and ending dates.
2. Net operating loss deductions must be supported by the completed Schedule FIT-20NOL attached to the return.
3. The FIT-2220, Underpayment of Estimated Tax by Financial Institutions, must be completed to reflect the applicable penalty. See page 12.
4. Questions A through L on the front of the return must be answered.

5. A copy of the first four pages of the corporation's federal tax return must be attached to the Form FIT-20 when filed.
6. If an extension of time to file exists, the corporation must prepay at least 90% of the tax reasonably expected to be due by the original due date. Failure to do so will result in a 10% penalty on the amount paid after the original due date. Interest will be due on any payment made after the original due date.
7. If applicable, check the box indicating you are either a state chartered credit union or an investment company.

If you have any questions refer to Commissioner's Directive #14, or contact the Corporate Income Tax Section at (317) 232-2189.

**Form FT-ES**

SF

(Rev. 9/98))

Indiana Department of Revenue**Financial Institution Franchise Tax Return - Estimated Quarterly Payment**

(Due last day of month following end of quarter)

Name _____

(Do Not Write Above)

Address _____

Federal Identification Number

Voucher Number
(Enter 1,2,3, or 4)Calendar or Fiscal Year Ending
(Enter MM-YYYY)Due Date
(Enter MM-DD-YYYY)

No.

Signature of Officer

Title

Date

Daytime Phone #

Financial Institution Franchise Tax Due for the Quarter

Enter Total Tax Below:

Pay this amount. Do not send cash.

Make check payable to the **Indiana Department of Revenue.**

Indiana Taxpayer Identification Number _____

INDIANA DEPARTMENT OF REVENUE
100 NORTH SENATE AVENUE
INDIANAPOLIS IN 46204-2253**Instructions for Form FT-EXT**

The extension return, Form FT-EXT, is to be used when a payment is due and additional time is necessary for filing the annual Indiana financial institution franchise tax return. A penalty for late payment will not be imposed if at least 90% of the tax is paid by the original due date and the remaining balance, plus interest, is paid in full by the extended due date.

**Form FT-EXT**

SF

(Rev. 9/98))

Indiana Department of Revenue**Financial Institution Tax Return - Extension Payment**

(Due 15th day of the 4th month following close of your tax year.)

Name _____

(Do Not Write Above)

Address _____

Federal Identification Number

Extension
PaymentCalendar or Fiscal Year Ending
(Enter MM-YYYY)Due Date
(Enter MM-DD-YYYY)

Signature of Officer

Title

Date

Daytime Phone #

Enter Financial Institution Tax Return Extension
Payment Below:

Pay this amount. Do not send cash.

Indiana Taxpayer Identification Number _____

INDIANA DEPARTMENT OF REVENUE
100 NORTH SENATE AVENUE
INDIANAPOLIS IN 46204-2253Make check payable to the **Indiana Department of Revenue.**