

INDIANA DEPARTMENT OF REVENUE  
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INDIANAPOLIS, IN 46204-2253

[www.in.gov/dor](http://www.in.gov/dor)

Tax Administration (317) 233-4015

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STATE OF INDIANA

STATE OF INDIANA  
Financial Institution Tax Booklet  
**2009 Form FIT-20**

Indiana Department of Revenue  
**2009 Financial Institution Tax Booklet**

This booklet contains forms and instructions for preparing Indiana financial institution returns for tax year 2009 and for fiscal years beginning in 2009 and ending in 2010.

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**For Other Indiana Department of Revenue Forms:  
Internet Address - [www.in.gov/dor](http://www.in.gov/dor)**

Our home page provides access to forms, information bulletins and directives, tax publications, e-mail, and various filing options.

**Tax Forms Order Line - (317) 615-2581**

## Annual Public Hearing

In accordance with the Indiana Taxpayer Bill of Rights, the Indiana Department of Revenue will conduct an annual public hearing on Tuesday, June 8, 2010. Please come and share your ideas on how the Department can better administer Indiana tax laws. The hearing will be held from 9 a.m. to 11 a.m. in the Indiana Government Center South, Conference Center, Room 1, 402 W. Washington St., Indianapolis, Indiana. If you are unable to attend, please submit your concerns in writing to: Indiana Department of Revenue, Commissioner's Office, 100 N. Senate Ave., Indianapolis, IN 46204.

## General Filing Requirements for FIT-20 Forms and Schedules

Copies of pages 1 through 4 of the corporation's federal income tax return must be enclosed with Form FIT-20 along with Schedule M-3 and the extension of time to file form. This requirement is made under the authority of Indiana Code (IC) 6-5.5-6-5.

## References to the Internal Revenue Code

Public Law (PL) 182-2009(ss), SEC. 12 updates references to the Internal Revenue Code (IRC) in certain Indiana tax statutes. For tax year 2009, any reference to the Internal Revenue Code and subsequent regulations means the Internal Revenue Code of 1986, as amended and in effect on Feb. 17, 2009.

For a complete summary of new legislation regarding taxation, please see 2009 Summary of State Legislation Affecting the Department of Revenue at [www.in.gov/dor/3656.htm](http://www.in.gov/dor/3656.htm)

## Who Must File Form FIT-20

IC 6-5.5-2-1 imposes an 8.5 percent financial institution tax on the adjusted gross income of any corporation transacting the business of a financial institution, including a holding company, a regulated financial corporation, a subsidiary of a holding company or regulated financial corporation, or any other corporation carrying on the business of a financial institution. Any taxpayer who is subject to tax under IC 6-5.5 is exempt from Indiana's adjusted gross income tax.

A resident taxpayer is a taxpayer who is commercially domiciled in Indiana and transacts the business of a financial institution in Indiana.

A nonresident taxpayer is a taxpayer who is not commercially domiciled in Indiana but transacts the business of a financial institution in this state.

The financial institution tax extends to both resident and nonresident financial institutions and to all other corporate entities when **80 percent 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 of loans or extensions of credit; acting as an agent, a broker, or an advisor in connection with leasing real and personal property that is the economic equivalent of an extension of credits; or operating a credit card, debit card, or charge card business.

**File the general Indiana corporate adjusted gross income tax return, Form IT-20, if for the taxable year you do not meet the 80 percent threshold of gross income derived from activities that constitute the business of a financial institution.** This form is available from the Department's Web site at [www.in.gov/dor/4179.htm](http://www.in.gov/dor/4179.htm)

## Due Date of Return

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

## Utility Services Use Tax

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

You may be liable for this tax if you purchase utility services from outside Indiana (or anywhere if for resale) and become the end user in Indiana of any part of the purchase. The person who consumes the utility service 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 your behalf, you are required to remit this tax on Form USU-103. For more information, refer to Commissioner's Directive #32, available at [www.in.gov/dor/3617.htm](http://www.in.gov/dor/3617.htm)

## Apportionment of Adjusted Gross Income

Resident financial institutions are treated the same as nonresident financial institutions for the purposes of the financial institution tax by providing that the tax is imposed on the apportioned Indiana income of financial institutions.

The law employs a single-factor receipts formula to determine the percentage of the taxpayer's income subject to the tax. The single-factor 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.

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, a representative, or an independent contractor conducting business in Indiana;
- (3) Regularly sells products or services of any kind or nature to customers in Indiana who 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, but not property described in IC 6-5.5-3-8(5), and resulting 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 previously listed tests, is defined as assets attributable in Indiana equal to at least \$5 million or 20 or more Indiana customers.

## Exempt Entities

Four specific types of organizations are exempted from the franchise tax: insurance companies, international banking facilities, S corporations exempt from income tax under IRC Section 1363, and nonprofit corporations (with the exception of 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 a 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, commercial loan, or secured commercial loan and where the payment obligations were solicited and entered into by a person who 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 who 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 previously.
- (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

A taxpayer is allowed to file a separate return only in those instances where the taxpayer is not a member of a unitary group. Members of a unitary group must 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 can petition the Department by indicating on its annual return that the return is a separate return made by a member of a unitary group. Such petition is subject to approval by the Department. The petition must include the name and federal identification number of each member of the group petitioning for an alternative method. Each member must include its justification for the alternative method.

Petitions can also be sent to:

Indiana Department of Revenue  
Tax Policy Division  
100 N. Senate Ave.  
Room N248  
Indianapolis, IN 46204

## Members of a Unitary Group

The combined return shall include the adjusted gross income of all members of the unitary group that are transacting business wholly or partially within Indiana. The statute provides exclusion for the income of corporations or other entities organized in foreign countries, except a federal or state branch of a foreign bank or its subsidiary that transacts business in Indiana.

“Unitary business” means business activities or operations that are of mutual benefit, dependent upon or contributory to one another, individually or as a group, in transacting the business of a financial institution. The term can be applied within a single entity or between multiple entities and without regard to whether each entity is a corporation, partnership, or trust. Unity is presumed if there is unity of ownership, operation, or use as evidenced by centralized purchasing, advertising, accounting, or other controlled interaction among entities that are members of the unitary group as defined in IC 6-5.5-1-18(a).

Unity of ownership exists for a corporation if it is a member of a group of two or more business entities, 50 percent of whose voting stock is owned by a common owner or owners or by one or more of the member corporations of the group.

The taxpayer designated as the reporting member of a unitary group shall file a combined return that includes all operations of the unitary business. **List members included in the combined return by completing FIT-20 Schedule H on page 4 of the return.** See page 16, 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 that is a partnership:

- (1) If the entity is a partnership and has nonresident corporate partners, the partnership is required 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.

- (2) 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 that has been subject to the franchise tax would not be included in the income calculation for purposes of the Indiana adjusted gross income tax.
- (3) 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 in the partnership. The partnership is required to withhold the Maine bank's share of the financial institution tax.

## United States Government Obligations

Although interest earned on U.S. 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 U.S. obligations is not to be subtracted from federal taxable income in determining the tax base of the franchise tax.

## Extensions for Filing

The Department accepts the federal extension of time application (Form 7004) or the federal electronic extension. If you have one, you do not need to contact the Department prior to filing your annual return. Returns postmarked within 30 days after the last date indicated on the federal extension will be considered timely filed. If you do not need a federal extension of time but need one for filing your state return, submit a letter requesting such an extension to the Department prior to the due date of your annual return.

To request an Indiana extension of time to file, contact the **Indiana Department of Revenue, Data Control Business Tax, Returns Processing Center, 100 N. Senate Ave., Indianapolis, IN 46204-2253.**

If you have a valid extension of time or a federal electronic extension to file, you must **check box V-1** on the front of the return. If applicable, enclose a copy of the federal extension of time when filing your state return.

An extension of time granted under IC 6-8.1-6-1 waives the late payment penalty for the extension period on the balance of tax due provided 90 percent of the current year's total tax liability is paid on or prior to the original due date. Form FT-QP should be used to make an extension payment for your taxable year. This payment will be processed as a "fifth" estimated payment. Use the preprinted extension form included with your previous estimated coupon packet or the blank FT-EXT form at the end of the booklet.

**Note:** Any tax paid after the original due date must include interest. Interest on the balance of tax due must be included with the return when it is filed. Interest is computed from the original due date until

the date of payment. In October of each year, the Department establishes the interest rate for the next calendar year. See Departmental Notice #3 at [www.in.gov/dor/3618.htm](http://www.in.gov/dor/3618.htm) for interest rates.

## Amended Returns

IC 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, RAR, etc.) as finally determined, by amended Form FIT-20.

To amend a previously filed Form FIT-20, you must file a corrected copy of the original form. Check box A1 at the top of the form if you are filing an amended return. 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.

IC 6-8.1-9-1 entitles a taxpayer to claim a refund because of a reduction in tax liability resulting from a federal modification. The claim for refund should be filed within six months from the date of modification by the Internal Revenue Service. If an agreement to extend the statute of limitations for an assessment is entered into between the taxpayer and the Department, the period for filing a claim for refund is likewise extended.

## Estimated Quarterly Payments

Quarterly payments of estimated financial institution tax are required under IC 6-5.5-6-3. The quarterly due dates for estimated quarterly payments of a calendar year filer are April 20, June 20, September 20, and December 20 of the taxable year.

If a taxpayer uses a taxable year that does not end on December 31, the due dates for filing the estimated quarterly financial institution tax return and paying the tax are on or before the 20th day of the fourth, sixth, ninth, and twelfth months of the taxpayer's taxable year. The payments must be made with the financial institution estimated quarterly vouchers, Form FT-QP. **The Department mails preprinted FT-QP vouchers to current FIT estimated account holders.** A copy of a blank estimated quarterly voucher, Form FT-ES, is located at the back of this publication.

If the annual tax liability is less than \$2,500, estimated payments are not required to be made.

## Electronic Funds Transfer Requirements

A taxpayer's quarterly estimated tax must be remitted by electronic funds transfer (EFT) if the amount of financial institution tax exceeds an average liability of \$5,000 per quarter (or \$20,000 annually). If the Department is unable to obtain payment on the EFT, a penalty of 10 percent of either the unpaid tax or the EFT, whichever is less, will be assessed. Because there is no minimum amount of payment, the Department encourages all taxpayers not required to remit by EFT to participate voluntarily in our EFT program.

**Note:** Taxpayers remitting by EFT should not file quarterly FT-QP coupons. The amounts are reconciled when filing the annual income tax return.

If the Department notifies a corporation of the requirement to remit by EFT, the corporation must do the following:

- (1) Complete and submit the EFT Authorization Agreement (Form EFT-1); and

- (2) Begin remitting tax payments via EFT by the date/tax period specified by the Department.

Failure to comply will result in a 10 percent penalty on each quarterly estimated tax payment not sent by EFT. Indiana Code does not require the extension of time to file payment or final payment due with the annual tax return to be made by EFT. Be sure to claim any EFT payment as an extension or estimated payment credit. Do not file a return indicating an amount due if you have paid, or will pay, any remaining balance by EFT. If a corporation determines that it meets the requirements to remit by EFT or has any questions, it should contact the EFT Section at (317) 232-5500.

## Penalty for Underpayment of Estimated Taxes (IC 6-5.5-7-1)

Corporations estimating their financial institution tax liability are subject to a 10 percent 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 20 percent of the final financial institution tax liability for the current taxable year or 25 percent of the corporation's final financial institution 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 20 percent of the final liability for the current year or 25 percent of the corporation's final tax liability for the previous tax year, whichever is less. Refer to Schedule FIT-2220, Underpayment of Estimated Tax by Financial Institutions, on return page 4 of Form FIT-20.

## Instructions for Completing Form FIT-20

### Filing Period and Identification

File a 2009 Form FIT-20 return for a taxable year ending Dec. 31, 2009, a short tax year beginning in 2009 and ending in 2009, or a fiscal tax year beginning in 2009 and ending in 2010. For a short or fiscal tax year, fill in the beginning month and day and the ending date of the taxable year at the top of the form.

Please use the correct legal name of the corporation and its present mailing address. For a name change, check box B-1 at the top of the return. 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 (FID) shown in the box must be correct.

List the Indiana county of your primary business location within the state. Enter "O.O.S." (out- of-state) in the county box for addresses outside Indiana.

Enter your principal business activity code, derived from the North American Industry Classification System (NAICS), in the designated block of the return. Use the six-digit activity code as reported on the federal corporation return. A link to a list of these codes is available through the Department's Web site: [www.in.gov/dor/3742.htm](http://www.in.gov/dor/3742.htm)

**Questions L through W** of the FIT-20 must be completed for the return to be accepted by the Department. Check or complete all boxes that apply for your return.

Check box **S-1** if you are filing an initial return for the state of Indiana.

Is this filing your final return for the state of Indiana? Check box **S-2** only if the corporation is dissolved, is liquidated, or withdrew from the state. Also, you must timely file Form BC-100 to close out any sales and withholding accounts.

Go to [www.in.gov/dor/3508.htm](http://www.in.gov/dor/3508.htm) to complete this form online.

Check this box **S-3** if the corporation is in bankruptcy.

Check box **S-4** if you are filing as a real estate investment conduit (REMIC). **Note:** The return for a REMIC is due on the 15th day of the fifth month following the close of the taxpayer's tax year.

Check box **V-1** if an extension of time to file your return is in effect. If applicable, enclose a copy of federal Form 7004 when filing your state return.

### Schedule A - Line Instructions

Caution: If you are a state-chartered credit union or an investment company, check box K. Begin on line 19 to complete the return. Read the instructions for line 19 before completing the form.

**Line 1.** Enter your federal taxable income from Federal Form 1120 before the net operating loss deduction or the special federal deduction.

**Note:** If filing as a state-chartered credit union or an investment company registered under the Investment Company Act of 1940, go to line 19 to enter your adjusted gross income as defined under IC 6-5.5-1-2(b) and (c).

**Line 2.** Enter the qualifying dividend deduction.

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

**Add backs:** Lines 4 through 10 deducted at the federal level.

**Line 4.** Enter the amount deducted for bad debt (IRC Sec. 166). See also line 16 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 IRC Sec. 166(a).

**Line 5.** Enter the amount deducted for bad debt reserves of banks (IRC Sec. 585).

**Line 6.** Enter the amount deducted for bad debt reserves (IRC Sec. 593).

**Line 7.** Enter the amount deducted for charitable contributions (IRC Sec. 170).

**Line 8.** Enter the amount deducted on the federal return for all state and local taxes based on or measured by income (IRC Sec. 63).

**Line 9.** Enter an amount equal to the capital loss carryover (from federal Schedule D: line 4, minus line 14 loss amount) to the extent used in offsetting capital gains allowed under IRC Section 1212. See instructions to line 23 for subtracting the amount deductible for Indiana net capital losses.

**Line 10.** Enter the amount of interest on state and local obligations excluded under IRC Section 103, or under any other federal law, minus the associated expenses disallowed in the computation of taxable income under IRC Section 265.

### **Lines 11 A, B, C, and D. Other Income Modifications**

Enclose a complete explanation for your adjustments.

**Line 11A.** Enter an amount equal to the amount claimed as a deduction for domestic production activities under IRC Section 199 for federal income tax purposes.

**Line 11B.** Add or subtract an amount attributable to bonus depreciation in excess of any regular depreciation that would be allowed had not an election under IRC Section 168(k) been made as applied to property in the year that it was placed into service. Taxpayers who own property for which additional first-year special depreciation for qualified property, including 50 percent bonus depreciation, was allowed in the current taxable year or in an earlier taxable year, must add or subtract an amount necessary to make their adjusted gross income equal to the amount computed without applying any bonus depreciation. The subsequent depreciation allowance is to be calculated on the state's stepped-up basis until the property is disposed. If line 11B amount is negative, enter in <brackets>.

The additional depreciation may be excluded in subsequent years from the amounts to be added back on line 11B, or 11C when excess IRC Section 179 deduction or bonus depreciation was elected.

See Commissioner's Directive #19, [www.in.gov/dor/3617.htm](http://www.in.gov/dor/3617.htm), for information on the allowance of depreciation for state tax purposes.

**Line 11C.** Enter your share of the IRC Section 179 adjustment claimed for federal tax purposes that exceeds the amount recognized for state tax purposes. Add or subtract the amount necessary to make the adjusted gross income of the taxpayer that placed any IRC Section 179 property in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made for the year in which the property was placed in service to take deductions, as defined in IRC Section 179 in a total amount exceeding \$25,000.

**Line 11D.** Deduct the amount of income from qualified utility and plant patents included in federal taxable income. **Note:** Enter this amount in <brackets>. For tax years beginning after Dec. 31, 2007, this income is exempt from Indiana AGI. Get Income Tax Information Bulletin #104 at [www.in.gov/dor/3650.htm](http://www.in.gov/dor/3650.htm) for more information.

Indiana adopted the former expensing limit provided by The Jobs Creation and Workers Assistance Act of 2002 and has since specified an expensing cap of \$25,000. The additional depreciation may be excluded in subsequent years from the amounts to be added back on line 6 when excess IRC Section 179 deduction or bonus depreciation was elected.

If line 11C's amount is negative, enter it in <brackets>.

### **Lines 12A, B, C, and D. Total Addbacks**

**Enter any addbacks and deductions on lines 12A through 12D. Enter the name of the addback/deduction, its 3-digit code, and its amount. Enter negative amounts in <brackets>. Attach additional sheets if necessary.**

### **The following addbacks and deductions should be entered on lines 12A through 12D:**

- Add back the deduction for deferral of business indebtedness discharge and reacquisition. Enter an amount equal to the amount claimed as a deferral of income arising from business indebtedness discharged in connection with the reacquisition after Dec. 31, 2008, and before Jan. 1, 2011, of an applicable debt instrument (as provided in Section 108(i) of the IRC), for federal income tax purposes. **(3-digit code: 107)**
- Add back the deduction for qualified restaurant property. Enter an amount equal to the amount claimed as a deduction for federal income tax purposes for qualified restaurant property. The property must have been placed in service during the taxable year and have been classified as 15-year property under Section 168(e)(3)(E)(v) of the IRC. **(3-digit code: 108)**
- Add back the deduction for qualified retail improvement property. Enter an amount equal to the amount claimed as a deduction for federal income tax purposes for qualified retail improvement property. The property must have been placed in service during the taxable year and have been classified as 15-year property under Section 168(e)(3)(E)(ix) of the IRC. **(3-digit code: 109)**
- Add back the deduction for qualified disaster assistance property. Add or subtract an amount equal to the amount claimed as a deduction for the special allowance for qualified disaster assistance property under Section 168(n) of the IRC for federal income tax purposes. **(3-digit code: 110)**
- Add back the deduction for qualified refinery property. Enter an amount equal to the amount claimed as a deduction for expense costs for qualified refinery property under Section 179C of the IRC for federal income tax purposes. **(3-digit code: 111)**
- Add back the deduction for qualified film or television production. Enter an amount equal to the amount claimed as a deduction for expense costs for qualified film or television production under Section 181 of the IRC for federal income tax purposes. **(3-digit code: 112)**
- Add back the deduction for qualified preferred stock. Enter an amount equal to the amount claimed as a deduction for a loss from the sale or exchange of preferred stock that was treated as an ordinary loss under Section 301 of the Emergency Economic Stabilization Act of 2008 in the current taxable year or in an earlier taxable year. **(3-digit code: 113)**

The stock must be preferred stock in one of the following:

- o The Federal National Mortgage Association, established under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); or
- o The Federal Home Loan Mortgage Corporation, established under the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.);

**Line 13. Total Addbacks:** Add lines 4 through line 12D.

**Line 14. Subtotal Income:** Add line 3 and line 13.

## **Deductions from Income**

**Line 15.** Subtract income derived from sources outside the United States as defined in the Internal Revenue Code and included in federal taxable income.

**Line 16.** Subtract an amount equal to a debt or portion of a debt becoming worthless (IRC 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 IRC Section 585 (c) (2) or Savings Association under IRC Section 593).

**Line 17.** Subtract an amount equal to any bad debt reserves included in federal income because of accounting method changes required by IRC Sec. 585(c)(3)(A) or IRC Section 593.

**Line 18. Total Deductions:** Add lines 15 through 17.

**Line 19. Total Income Prior to Apportionment:** Subtract line 18 from line 14.

State-chartered credit unions must begin on line 19 by entering their “adjusted gross income.” For 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 IC 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 doing business in Indiana.

Investment companies, defined under IC 6-5.5-1-2(d), must begin on line 19 by reporting federal taxable income computed according to the Internal Revenue Code as in effect on Jan. 1, 2003, before any net operating loss deduction. An investment company must also complete line 12 of FIT-20 Schedule E-U.

**Line 20. Total Income Prior to Apportionment:** Enter the amount carried from line 19.

**Line 21. Apportionment Percentage:** (See instructions for Schedule E-U.) This line should be used by all taxpayers and unitary groups. Enter the amount from line 15 of Schedule E-U.

**Line 22. Apportioned Adjusted Gross Income for Indiana:** Multiply line 20, total income subject to apportionment, by line 21, apportionment percentage from Schedule E-U.

**Line 23. Indiana Net Capital Loss Adjustment:** Enter Indiana net capital loss carryover, as computed on your enclosed worksheet. See the sample worksheet on page 9. Line 23 is limited to the amount on line 22. Also, line 9 must be completed to add back an amount equal to the federal net capital loss deduction.

**Note:** Excess capital losses may be carried forward for five years following the loss year; however, there is no provision for the carryback of a capital loss incurred under the Financial Institution Tax Act.



## Net Capital Loss Adjustment for FIT-20 Line 23 - Sample Worksheet

Enclose with your return your worksheet that shows the following calculations. Use this format to determine the available amount of an Indiana net capital loss and the remainder to carry forward. Add sheets to include all members of a unitary group.

### Computation of Indiana Net Capital Loss for Carryforward

For a taxpayer who is not filing a combined return, the taxpayer's taxable income consists of an adjustment for net capital losses computed under the Internal Revenue Code and derived from Indiana. Capital losses and capital gains derived from Indiana are determined by the apportionment percentage applicable to each taxable year.

#### Example

**Loss Year Ending: 12-31-2009**

1. Net capital loss from federal Schedule D without IRC Section 1212 carryover ..... (\$80,000)
2. FIT-20 Indiana apportioned income percentage for the taxable year of the capital loss ..... 50%
3. Indiana net capital loss for carry forward (limited to succeeding five years) ..... (\$40,000)

*Additional provisions required for a combined return:* Any net capital loss or net operating loss attributable to Indiana in the combined return must be prorated between each member of the unitary group having nexus in Indiana. Each member must calculate its share of the capital loss and amount available to be applied for the combined return.

The net capital loss attributable to Indiana in the combined return is prorated between each taxpayer member of the unitary group by the quotient of:

- (a) The Indiana receipts of those taxpayer members attributable to Indiana, divided by:
- (b) The total receipts of all taxpayer members to Indiana

#### Example

Indiana receipts attributable to:	<u>Member A</u>	<u>Member B</u>	<u>Member C</u>	<u>Combined Indiana total</u>
	\$6,000,000	\$9,600,000	\$8,400,000	\$24,000,000
Member's ratio of Indiana receipts:	25%	40%	35%	100%
Prorated share of Indiana net capital loss:	(\$10,000)	(\$16,000)	(\$14,000)	

Carry forward these amounts separately on the combined return.

Use this portion of the worksheet as many times as needed to determine the deductible net capital loss applied against any Indiana net capital gains during the five-year carryforward period following the year of a loss.

### Computation of Net Capital Loss Adjustment

The net capital loss available to be applied, if any, and carried forward to any subsequent year shall be limited to the capital gains for the subsequent year of each taxpayer member. The amount of net capital gains is determined by the same receipts formula used in computing the amount of loss derived from Indiana and is prorated between members of a unitary group (IC 6-5.5-2-1).

#### Example

**Loss Year Ending: 12-31-2009**

4. Net capital loss from federal Schedule D (recomputed without any IRC Section 1212 unused capital loss carryover) ..... \$50,000
5. FIT-20 Indiana apportioned income percentage for the taxable year ..... 60%
6. Available Indiana net capital gain for the year ..... \$30,000

#### Example for members of a unitary group filing a combined return having a net capital gain in 2009:

Indiana receipts attributable to:	<u>Member A</u>	<u>Member B</u>	<u>Member C</u>	<u>Combined Indiana total</u>
	\$5,000,000	\$35,000,000	\$10,000,000	\$50,000,000
Member's ratio of Indiana receipts:	10%	70%	20%	100%
Prorated share of Indiana net capital loss:	\$3,000	\$21,000	\$6,000	

### Application of Indiana Net Capital Loss Adjustment

Enter the unused net capital loss from loss year (prorated amounts) or remaining amount(s) of each member as reduced during each of the intervening years following the year of loss. The current year adjustment for Indiana is limited to the unused amount of net capital loss, up to the amount of the net capital gains prorated for each member.

Amount of Loss Applied to (2009):	<b>\$3,000</b>	<b>\$16,000</b>	<b>\$6,000</b>	
7. Combined total of Indiana net capital loss adjustment for the tax year. Carry to line 23 of Form FIT-20.....				\$25,000
<b>Note:</b> This amount may be applied only up to the amount of the current year's income tax liability.				
8. Remaining share of taxable capital gain:	-0-	\$5,000	-0-	
and (unused net capital loss):	(\$7,000)	-0-	(\$8,000)	(Share of carryover to 2009)

## Summary of Total Indiana Net Capital Loss Carryover(s) - 2009 Example, continued

Compile for each year the total amount of net capital loss applied against net capital gains. The gain or loss available is limited to the amount of each taxpayer member's portion as apportioned to Indiana. For net capital loss carryovers from two or more years, show amounts applied through all carryforward years. Unused net capital loss from loss years occurring since 1997, after application against any net capital gains, may be carried through taxable year 2002.

Example of carryover Enter below total Indiana net capital loss from loss year(s):	Combined total Indiana net capital <b>gains</b> for each year.				Carryover(s) of unused prorated net capital losses available for 2010
	2006*	2007*	2008*	2009*	
	\$	\$	\$	\$30,000	
	Total amount of Indiana net capital <b>loss</b> applied against prorated net capital gains in each year				
2006 (\$ )					
2007 (\$ )					
2008 (\$ )					
2009 (\$40,000 )				(\$25,000)	(\$15,000)
Remaining taxable net capital gains	0			\$5,000	

Remaining Indiana net capital gains after application of any post-1996 Indiana net capital loss carryovers.

## Instructions for Schedule A, continued

**Line 24. Total Adjusted Gross Income:** Subtract line 23 from line 22. If subtotal is less than zero, enter -0-.

**Line 25. Indiana Net Operating Loss Deduction:** Only those unused net operating losses incurred for taxable years beginning after Dec. 31, 1990, may be deducted. The amount to report on this line is the Indiana portion of the net operating loss, and it cannot exceed the amount reported on line 24. Net operating losses can be carried forward for 15 years. There is no provision for net operating loss carrybacks. You must complete and enclose Schedule FIT-20NOL with the return. (See page 22 for instructions.)

**Line 26. Indiana Adjusted Gross Income:** Subtract line 25 from line 24.

**Line 27. Indiana Financial Institution Tax Due:** Multiply the amount on line 26 by 8.5 percent. If line 26 is a loss amount, enter zero on this line.

**Line 28. Nonresident Taxpayer Credit (816):** To claim this credit, you must enclose a copy of your domiciliary state's tax return. Nonresident taxpayers might be able to claim a credit for taxes paid to their domiciliary states. To be eligible to claim the credit, the following 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 \$2 million.

To determine the amount of tax attributable to the loan transaction, divide the total receipts from qualified loans by the 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 and 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 16.)

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

**Line 29. Net Financial Institution Tax Due:** Subtract the amount on line 28 from the amount on line 27.

**Line 30. Use Tax Due:** Taxpayers are required to report and pay 7 percent use tax on purchases. Purchases subject to use tax include (but are not limited to) subscriptions to magazines and periodicals as well as property that is purchased exempt from tax by utilizing an exemption certificate and that is later converted to a nonexempt use by the business. To calculate the amount of purchases subject to the use tax, please see FIT-20 Schedule SUT on page 25 and enter the amount on line 30.

For more information regarding use tax, call (317) 233-4015.

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

## Tax Liability Credits

### Line 32. Neighborhood Assistance Tax Credit 828

If you made a contribution to the Neighborhood Assistance Program (NAP) or engaged in activities to upgrade areas in Indiana, you might be able to claim a credit for this assistance. Contact the Indiana Housing and Community Development Authority, Neighborhood Assistance Program, 30 S. Meridian, Suite 1000, Indianapolis, IN 46204. Or you can call them at telephone number (317) 232-7777 for more information.

Approval Form NC-20 must be enclosed with the return to claim this credit. For more information about this credit, get Form NC-10 at [www.in.gov/dor/3508.htm](http://www.in.gov/dor/3508.htm) and Income Tax Information Bulletin #22 at [www.in.gov/dor/3650.htm](http://www.in.gov/dor/3650.htm)

### **Line 33. Enterprise Zone Employment Expense Tax Credit 812**

This credit is based on qualified investments made within an Indiana enterprise zone. It is the lesser of 10 percent of qualifying wages or \$1,500 per qualified employee, up to the amount of tax liability on income derived from an enterprise zone. Enclose the completed Schedule EZ 2 with the return.

Get Indiana Schedule EZ 1, 2, and 3 at [www.in.gov/dor/3515.htm](http://www.in.gov/dor/3515.htm) for more information on how to calculate this credit.

### **Line 34. Enterprise Zone Loan Interest Tax Credit 814**

This credit can be for up to 5 percent of the interest received from all qualified loans made during a tax year for use in an active Indiana enterprise zone.

Get Information Bulletin #66 at [www.in.gov/dor/3650.htm](http://www.in.gov/dor/3650.htm) and Indiana Schedule LIC at [www.in.gov/dor/3515.htm](http://www.in.gov/dor/3515.htm) for more information on how to calculate this credit. Schedule LIC must be enclosed if claiming this credit.

Contact the Indiana Economic Development Corporation at One North Capitol, Suite 700, Indianapolis, IN 46204; call them at (317) 232-8827; or visit their Web site at [www.in.gov/iedc/](http://www.in.gov/iedc/) for additional information.

**Note:** Claimants must be in good standing to remain eligible for the enterprise zone loan interest credit. The term “zone business” includes an entity that claims certain tax benefits available to businesses located in an enterprise zone. A taxpayer can claim the enterprise zone loan interest credit only if that taxpayer pays a registration fee, provides additional assistance to urban enterprise associations required of zone businesses, and complies with requirements adopted by the Indiana Economic Development Corporation.

### **Line 35. Teacher Summer Employment Tax Credit 833**

If you hire designated shortage-certified teachers during school summer vacation, you might be able to take a tax credit. The credit for each teacher hired is the lesser of either \$2,500 or 50 percent of the compensation paid. The qualified positions must be certified by the Department of Education (DOE), and the Qualified Position Certificate must be enclosed with the employer’s tax return. For more information about this credit, visit the DOE’s Web site at [www.doe.state.in.us/legal](http://www.doe.state.in.us/legal) or contact them at (317) 232-6676.

### **Lines 36 and 37 - Other Tax Liability Credits Available to Financial Institutions**

Claim other allowable tax liability credits by entering the name, credit ID code number, and amount using line 36 or 37. The total nonrefundable tax liability credit is limited to the amount of income tax on line 29, unless otherwise noted. If your claim exceeds the amount of your tax liability, you must adjust by recalculating the credit to the amount that you can apply.

If you qualify for the refundable Economic Development for a Growing Economy (EDGE) job retention credit, claim that credit on line 42.

A detailed explanation or supporting schedule must be enclosed with the return when claiming any credits on lines 36, 37, and 42. Refer to Income Tax Information Bulletin #59 at [www.in.gov/dor/3650.htm](http://www.in.gov/dor/3650.htm) for more information about Indiana tax credits available to taxpayers.

### **Alternative Fuel Vehicle Manufacturer Credit 845**

A credit is available for up to 15 percent for qualified investments made between Jan. 1, 2007 and Dec. 31, 2012 within Indiana. This credit applies to expenditures for the manufacture or assembly of alternative fuel vehicles. An alternative fuel vehicle is any passenger car or light truck with a gross vehicle weight of 8,500 pounds or less and that is designed to operate using:

- Biodiesel
- Coal-derived liquid fuels;
- Denatured alcohol;
- E85;
- Electricity;
- Hydrogen;
- Liquefied petroleum gas;
- Methanol;
- Natural gas;
- Non-alcohol fuels derived from biological material;
- P-Series fuels; or
- Ultra-low sulfur diesel.

For more information on the qualifications for obtaining this credit, contact the Indiana Economic Development Corporation at One North Capitol, Suite 700, Indianapolis, IN 46204; call them at (317) 232-8827; or visit their Web site at [www.in.gov/iedc/](http://www.in.gov/iedc/)

Also get Income Tax Information Bulletin #103 at [www.in.gov/dor/3650.htm](http://www.in.gov/dor/3650.htm)

### **Blended Biodiesel Credits 803**

Credits are available for taxpayers who produce biodiesel and/or blended biodiesel at an Indiana facility (certified by the IEDC) and for dealers who sell users blended biodiesel at retail

An approved Department of Revenue Form BD-100 must be enclosed to verify the claimed credit. Contact the IEDC, Biodiesel Credit Certification, One North Capitol, Suite 700, Indianapolis, IN 46204. You can also call them at (317) 232-8827 or visit their Web site at [www.in.gov/iedc/](http://www.in.gov/iedc/) for more information.

Also, get Income Tax Information Bulletin #91 at [www.in.gov/dor/3650.htm](http://www.in.gov/dor/3650.htm) for additional information.

### **Capital Investment Credit 804**

A capital investment cost credit is available for certain qualified capital investments made in Shelby County. The IEDC certifies the amount of credit. It is equal to 14 percent of the amount of the approved qualified investment and is claimed over a seven-year period.

For information regarding the definitions, procedures, and qualifications for obtaining this credit, contact the Indiana Economic Development Corporation, Enterprise Zone Board, One North Capitol, Suite 700, Indianapolis, IN 46204, or visit their Web site at [www.in.gov/iedc/](http://www.in.gov/iedc/)

## **Coal Gasification Technology**

### **Investment 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 utility 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.

You must file an application for certification with the 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 percent of the first \$500 million invested and 5 percent for any amount over that. The amount of credit for a fluidized bed combustion technology is 7 percent of the first \$500 million invested and 3 percent for any amount over that.

For more information, contact the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN 46204, or visit their Web site at [www.in.gov/iedc/](http://www.in.gov/iedc/)

Also get Income Tax Information Bulletin #99 at [www.in.gov/dor/3650.htm](http://www.in.gov/dor/3650.htm)

## **Community Revitalization Enhancement District Credit**

**808**

A state and local income tax liability credit is available for qualified investments for the redevelopment or rehabilitation of property within a community revitalization enhancement district. The expenditure must be approved by the IEDC before it is made. The credit is equal to 25 percent of the qualified investment made by the taxpayer during the taxable year.

The Department has the authority to disallow any credit if the taxpayer ceases existing operations, substantially reduces its operations within the district or elsewhere in Indiana, or reduces other Indiana operations to relocate them into the district.

The entity can assign the credit to a lessee who remains subject to the same requirements. The assignment must be in writing, and any consideration may not exceed the value of the part of the credit assigned. Both parties must report the assignment on their state income tax returns for the year of assignment.

For more information, contact the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN 46204.

You can also visit their Web site at [www.in.gov/iedc/](http://www.in.gov/iedc/) for more information about this credit.

## **Employer Health Benefit Plan Credit**

**842**

A new credit is available to certain taxpayers who begin offering health insurance to their employees. An employer who did not provide health insurance to employees prior to Jan. 1, 2007, and makes health insurance available to its employees may be eligible for a credit.

The amount of the credit is the lesser of \$2,500 or \$50 multiplied by the number of employees enrolled in the health benefit plan.

The employer is required to make health insurance available to the taxpayer's employees for at least two years after the employer first offers the health benefit plan.

Get Income Tax Information Bulletin #101 at [www.in.gov/dor/3650.htm](http://www.in.gov/dor/3650.htm) for more information.

Enclose with the return proof of your continued eligibility for the credit and proof of expenditures necessary to calculate the credit.

## **Ethanol Production Credit**

**815**

An Indiana facility with a capacity to produce 40 million gallons of grain ethanol per year might be eligible for a credit. Proof of information for the credit calculation plus a copy of the Certificate of Qualified Facility issued by the Indiana Recycling and Energy Development Board must be enclosed with the return to verify this credit.

Get Income Tax Information Bulletin #93 at [www.in.gov/dor/3650.htm](http://www.in.gov/dor/3650.htm) for more information.

There is an additional tax credit for cellulosic ethanol production. Taxpayers who produce at least 20 million gallons of cellulosic ethanol in a taxable year may apply this credit, but only against the state tax liability attributable to business activity taking place at the Indiana facility at which the cellulosic ethanol was produced.

File Application for Ethanol Credit Certification, State Form 52302, with the Indiana Economic Development Corporation, Ethanol Credit Certification, One North Capitol, Suite 700, Indianapolis, IN 46204. Call them at (317) 232-8827 or visit their Web site at [www.in.gov/iedc/](http://www.in.gov/iedc/) for additional information.

## **Headquarters Relocation Credit**

**818**

A business with annual worldwide revenue of \$100 million and at least 75 employees that relocates its corporate headquarters to Indiana may be eligible for a credit. The credit may be as much as 50 percent of the cost incurred in relocating the headquarters.

For more information, get Income Tax Information Bulletin #97 at [www.in.gov/dor/3650.htm](http://www.in.gov/dor/3650.htm)

## **Hoosier Business Investment Credit**

**820**

This credit is for qualified investments, which include the purchase of new telecommunications, production, manufacturing, fabrication, processing, refining, or finishing equipment that is directly related to expanding the workforce in Indiana. Qualified investments also include onsite infrastructure improvements, construction costs, retooling existing machinery and equipment, and costs associated with special-purpose buildings and foundations. It does not include property that can be readily moved out of Indiana.

This credit is administered by the IEDC at One North Capitol, Suite 700, Indianapolis, IN, 46204. Visit their Web site at [www.in.gov/iedc/](http://www.in.gov/iedc/) or call them at (317) 233-3638 for additional information. Also, get Income Tax Information Bulletin #95 at [www.in.gov/dor/3650.htm](http://www.in.gov/dor/3650.htm)

The taxpayer is required to submit to the Department a copy of the certificate from the IEDC verifying the amount of tax credit for the taxable year.

### **Individual Development Account Credit 823**

A tax credit is available for contributions made to a community development corporation participating in an individual development account (IDA) program. The IDA program is designed to assist qualifying low-income residents in accumulating savings and building personal finance skills. The organization must have an approved program number from the Indiana Housing and Community Development Authority (IHCDA) before a contribution qualifies for preapproval. The credit is equal to 50 percent of the contribution, which must not be between \$100 and \$50,000.

Applications for the credit are filed through the IHCDA by using Form IDA-10/20. An approved Form IDA 20 must be enclosed with the return if claiming this credit. To request additional information about the definitions, procedures, and qualifications for obtaining this credit, contact the Housing and Community Development Authority, 30 S. Meridian St., Suite 1000, Indianapolis, IN 46204. Or call them at (317) 232-7777.

### **Industrial Recovery Credit 824**

This credit is based on a taxpayer's qualified investment in a vacant industrial facility located in a designated industrial recovery site. The Indiana Economic Development Corporation approves the application and plan for rehabilitation. A lessee of property in an industrial recovery site may be assigned tax credits based on the owner's or developer's qualified investment within the designated industrial recovery site.

Get additional information regarding procedures for obtaining this credit from the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN 46204; by calling them at (317) 232-8827; or by visiting their Web site at [www.in.gov/iedc](http://www.in.gov/iedc)

### **Military Base Recovery Credit 827**

A taxpayer who is an owner or a developer of a military base recovery site might be eligible for a credit if investing in the rehabilitation of real property located in a military base recovery site according to a plan approved by the IEDC. The maximum credit is 25 percent of the cost of the rehabilitation of real property located in a designated military base recovery site based on the age of the building.

A claimant may also be a lessee of property in a military base recovery site and be assigned part of the tax credit based on a qualified investment within a military recovery site. The assignment must be in writing, and any consideration may not exceed the value of the part of the credit assigned. Both parties must report the assignment on their state income tax returns for the year of assignment. The lessee can use the credit to offset its total state income tax liability, but any excess credit must be carried forward to the immediately following tax year(s).

For more information about this credit, contact the Indiana Economic Development Corporation, One North Capitol, Suite 600, Indianapolis, IN, 46204; call them at (317) 232-8827; or visit their Web site at [www.in.gov/iedc](http://www.in.gov/iedc)

### **Riverboat Building Credit 832**

A state tax liability credit has been established for a taxpayer who builds or refurbishes a riverboat licensed to conduct legal gambling in Indiana. This credit is equal to 15 percent of the qualified investment and can be carried forward to subsequent tax years. The Indiana

Economic Development Corporation must approve the costs of the qualified investment before the costs are incurred.

Contact the Indiana Economic Development Corporation, Development Finance Division, One North Capitol, Suite 700, Indianapolis, IN, 46204; call them at (317) 234-0616; or visit their Web site at [www.in.gov/iedc/](http://www.in.gov/iedc/) for additional information.

### **Small Employer Qualified Wellness Program Credit 843**

A taxpayer who is a small employer is entitled to a tax credit equal to 50 percent of the costs they incur during the taxable year for providing a qualified wellness program for their employees during that taxable year. A small employer is defined as an employer actively engaged in business that has between 2 and 100 eligible employees, with a majority of them working in Indiana.

The wellness program must be certified by the State Department of Health (DOH), and the certificate must be enclosed with the tax return before the credit can be approved. The credit can be carried forward but cannot be carried back or refunded. For more information, contact the DOH at [www.IN.gov/isdh](http://www.IN.gov/isdh)

Also get Income Tax Information Bulletin #102 at [www.in.gov/dor/3650.htm](http://www.in.gov/dor/3650.htm)

### **Venture Capital Investment Credit 835**

An entity that provides qualified investment capital to an Indiana business might be eligible for this credit. Currently, this credit is limited to investments that occur before Dec. 31, 2008. The carryforward provision is limited to five years.

Certification for this credit must be obtained from the Indiana Economic Development Corporation, Development Finance Office, VCI Credit Program, One North Capitol, Suite 700, Indianapolis, IN 46204. You can also call them at (317) 232-8827 or visit their Web site at [www.in.gov/iedc](http://www.in.gov/iedc)

A copy of the certificate and proof that the investment capital was provided to the qualified business within two years after the certification of the investment plan must be submitted to the Department when filing the return.

### **Voluntary Remediation Credit 836**

A voluntary remediation state tax credit is available for qualified investments involving the redevelopment of a brownfield and environmental remediation. The Indiana Department of Environmental Management and the Indiana Development Housing and Community Development Authority must determine and certify that the costs incurred in a voluntary remediation are qualified investments. Carryover of prior unused credit can be carried back only one year or carried forward up to five years.

For additional information, contact the Indiana Department of Environmental Management, 100 N. Senate Ave., Room N1101, Indianapolis, IN 46204, or visit their Web site at [www.in.gov/idem](http://www.in.gov/idem)

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

**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.

List all members included in a combined return by completing FIT-20 Schedule H on page 4 of the return. Show any amount of estimated tax you are claiming that might have been paid by a member under his federal identification number.

**Line 41. Extension Payment and Prior Year Overpayment:** Enter on line (a) the payment made resulting from an extension of time to file request, and on line (b) list your carryover credit of a prior year overpayment. This provision is applicable to a prior-year overpayment of the financial institution tax only. Indiana will accept the federal extension date, plus an additional 30 days. However, an extension of time to file is not an extension of time to pay. You must pay at least 90 percent of the current year liability by the original due date of the franchise tax return.

Enter the total amount on line 41c.

**Line 42. Other Payments/Credits:** Enter any other payments that are allowable and enclose an explanation. Claim the approved EDGE Program and Job Retention Credits (EDGE) credit against financial institution tax on this line.

The EDGE credit for job retention is a state refundable tax liability credit. This credit is for businesses who conduct certain activities designed to foster job creation or job retention in Indiana. A taxpayer claiming this credit must include all information that the Department determines necessary for the calculation of the credit on the annual state tax return. The approved credit letter from the IEDC and a computation of the credit must be enclosed with the return; otherwise, this credit will not be allowed.

Contact the Indiana Economic Development Corporation, One North Capitol, Suite 700, Indianapolis, IN 46204, for eligibility requirements, or visit [www.in.gov/iedc](http://www.in.gov/iedc) for additional information.

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

**Line 44. Balance of Tax Due:** Subtract line 43 from line 39.

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

**Note:** If a taxpayer's annual liability exceeds \$2,500, filing quarterly estimated payments to remit 25 percent of the estimated annual tax liability is required.

**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 charged by calling (317) 233-4015, or get Departmental Notice #3 online at [www.in.gov/dor/3618.htm](http://www.in.gov/dor/3618.htm)

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 that is the greater of \$5 or 10 percent 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 90 percent 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 that the return is past due, up to a maximum of \$250.

**Line 48. Total Due:** Add lines 44 through 47. If a payment is due, enter the total tax due plus any applicable penalty and interest. Make checks payable to the Department for each Form FIT-20 filed. All payments must be made in U.S. funds.

**Lines 49, 50, and 51. Total Overpayment:** If the taxpayer has an overpayment determined by subtracting the amounts on lines 39, 45, and 47 from the amount on line 43, the corporation can 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, and 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. A refund may be set off and applied to other liabilities under IC 6-8.1-9-2(a) and 6-8.1-9.5.

## Certification of Signatures and Authorization Section

Be sure to sign and date the return and to print your name on it. If a paid preparer completes your return, you can authorize the Department to discuss your tax return with the preparer by checking the authorization box above the signature line.

An officer of the organization must show his title and sign and date the tax return. Please enter your daytime telephone number so we can call you if we have any questions about your tax return. Also, enter your e-mail address if you would like us to be able to contact you via e-mail.

## Personal Representative Information

Typically, the Department will contact you if there are any questions or concerns about your tax return. If you want the Department to be able to discuss your tax return with someone else (e.g., the person who prepared it or a designated person), you must complete this area.

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

Next, enter the following:

- The name of the individual you are designating as your personal representative;
- The individual's telephone number; and
- The individual's complete address.

If you complete this area, you are authorizing the Department to be in contact with your personal representative other than you concerning information about this tax return. After your return is filed, the Department will communicate primarily with your designated personal representative.

**Note:** You can decide at any time to **revoke** the authorization for the Department to be in contact with your personal representative. If you do decide this, you must tell us that in a signed statement. Include your name, your Social Security number, and the year of your tax return. Mail your statement to Indiana Department of Revenue, P.O. Box 40, Indianapolis, IN 46206-0040.

## **Paid Preparer Information**

Fill out this area if a paid preparer completed this tax return.

**Note:** This area must be completed even if the paid preparer is the same individual designated as your personal representative.

The paid preparer must provide the following:

- The name and address of the firm that she represents;
- Her identification number (check one box for Federal ID number, PTIN, or Social Security number);
- Her telephone number;
- Her complete address; and
- Her signature with the date.

**Be sure you keep a copy of your completed return.**

## **Mailing Options**

Please mail completed returns with a filled-in 2D bar code to:

**Indiana Department of Revenue**  
**P.O. Box 7231**  
**Indianapolis, IN 46207-7231**

All other prepared returns must be mailed to:

**Indiana Department of Revenue**  
**100 N. Senate Ave.**  
**Indianapolis, IN 46204-2253**

## **Instructions for FIT-20 Schedule E-U Apportionment of Receipts to Indiana**

This schedule is on page 3 of the return. The following information must be completed by all taxpayers, including those taxpayers filing combined unitary returns. Investment companies must complete line 12. Credit unions must report adjusted gross income for a taxable year based on total transfers to undivided earnings minus dividends for that taxable year after statutory reserves are set aside under IC 28-7-1-24.

The Indiana Financial Institution Tax is imposed on apportioned income. Taxpayers and unitary groups must file using an apportionment percentage based on a single-factor formula. Indiana employs a single-factor receipts formula to determine the percentage of the taxpayer's income subject to tax.

The single-factor 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. This fraction is

expressed as a percentage carried to two decimal places (e.g., 67.63). The total income is then multiplied by this percentage to arrive at Indiana financial institution adjusted gross 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 secured by or deal primarily with real or tangible personal property that 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) must be attributed to the state where the card charges are regularly billed.
- (7) Receipts from the sale of a tangible or an intangible asset must be attributed to the same state where the income from the tangible or intangible asset was attributed. Receipts attributed to Indiana can include receipts of dividends and interest from stocks, bonds, and other securities issued by an Indiana resident taxpayer. Income from intangible property that is located in Indiana and is controlled from an Indiana business situs may be attributed to Indiana.
- (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.
- (13) Other receipts from non-municipal investment income are to be reported in the denominator of the apportionment factor to the extent they are included as gross income for federal tax purposes. "Non-municipal investments" means income from U.S. treasuries, federal agencies (e.g., GNMA, FNMA, Freddie Mac, other loan-backed securities, etc.), and corporate securities. Any non-municipal investment receipts that are for the disposition of assets such as securities and money market transactions are limited to the gain that is recognized upon the disposition in accordance with IC 6-5.5-4-2(1).

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

List members included in the combined return by completing FIT-20 Schedule H on page 4 of the return. When calculating adjusted gross income, the taxpayer must eliminate all income and deductions from transactions between entities that are included in the unitary filing.

- A. A taxpayer filing a combined return for a unitary group shall determine the income for a taxable year attributable to Indiana using the following formula:
- (1) The aggregate adjusted gross income, from whatever source derived, of the members of the unitary group; multiplied by
  - (2) The quotient of:
    - (a) All the receipts of the taxpayer members of the unitary group attributable to transacting business in Indiana; divided by
    - (b) The receipts of all the members of the unitary group from transacting business in all taxing jurisdictions.

Identify the members of the unitary group and determine which members are taxpayers under the Indiana Financial Institution Tax Act. To file a combined return under the Act, effective Jan. 1, 2002, all members must be transacting the business of a financial institution in Indiana as defined in IC 6-5.5-1-18.

If the unitary group has receipts not attributable to Indiana, the group must file FIT-20 Schedule E-U to apportion its receipts within and outside of Indiana.

- B. Percent of Ownership by Parent(s): To qualify as a member of a unitary group, more than 50 percent of the voting stock of each member of the group must be directly or indirectly owned by a common owner or owners, or owned by one or more of the corporations of the group, regardless of where owners are located and/or where such owners conduct business. The unitary group is comprised of all the members of the group qualifying as unitary affiliates and is conducting the business of a financial institution 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 mentioned in part C) must derive at least 80 percent 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 80 percent test, it is not a member and cannot file as a member for purposes of the financial franchise tax.

- E. Federal Identification Number: Identify each corporate member of the unitary group by listing its federal 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 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. List members included in the combined return by completing FIT-20 Schedule H on page 4 of the return.

## Instructions for Schedule FIT-NRTC - Nonresident Tax Credit

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 \$2 million 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. Enclose additional sheets if necessary.

### PART II - Calculation Section

In this section, you 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 the 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 tax due from a pro forma schedule. The schedule must be enclosed.

**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.

**Enclose a copy of your domiciliary state's tax return with Form FIT-20.**



**Form FIT-20**

State Form 44623  
(R8/8-09)

Department of Revenue  
**Indiana Financial Institution Tax Return**

Calendar Year Ending December 31, 2009 or

Fiscal Year Beginning AA \_\_\_\_\_ / \_\_\_\_ / 2009 and Ending BB \_\_\_\_\_ / \_\_\_\_ / \_\_\_\_\_

Check box if amended. A1

Check box if name changed. B1

Name of Corporation B		Federal Identification Number A	
Number and Street C	County D	Principal Business Activity Code H	
City E	State F	ZIP Code G	Corporation Telephone Number I ( )

Check box if this is a state chartered credit union or an investment company registered under the Investment Company Act of 1940. (Also see instructions for line 18 and FIT-20 Schedule E-U)

- L. Date of incorporation 1 \_\_\_\_\_ in the state of 2 \_\_\_\_\_
- M. State of Commercial Domicile \_\_\_\_\_
- N. Year of initial Indiana return \_\_\_\_\_
- O. Location of accounting records if different from above address: \_\_\_\_\_
- P. Accounting method: 1  Cash 2  Accrual
- Q. Did the corporation make estimated tax payments using a different Federal Identification number? 1  Y 2  N  
*List any other Federal Identification numbers on Schedule H.*
- R. Is 80% or more of your gross income derived from making, acquiring, selling, or servicing loans or extensions of credit? 1  Y 2  N *If you answer no, do not file this return; file Form IT-20.*
- S. Check all boxes that apply: 1  Initial Return  
2  Final Return 3  In Bankruptcy 4  REMIC
- T. Is this return filed on a combined basis? *If yes, complete Schedule H* ..... 1  Y 2  N
- U. Is this a separate return by a member of a unitary group? (See instructions pages 4 and 16) ..... 1  Y 2  N
- V. Do you have on file a valid extension of time to file your return (federal Form 7004 or an electronic extension of time)? ..... 1  Y 2  N
- W. Are you a member of a partnership? ..... 1  Y 2  N *If you answer yes, see instruction page 4.*

Income:	Schedule A	Round all entries	
1. Federal taxable income (before net operating loss deduction and special federal deduction).....	1		.00
2. Qualifying dividend deduction .....	2		.00
3. Subtotal (subtract line 2 from line 1) .....	3		.00
<b>Add back:</b> Enter an amount equal to the deduction taken for:			
4. Bad debts (IRC Sec. 166) (see instructions).....	4		.00
5. Bad debt reserves for banks (IRC Sec. 585).....	5		.00
6. Bad debt reserves (IRC Sec. 593) .....	6		.00
7. Charitable contributions (IRC Sec. 170).....	7		.00
8. All state and local income taxes .....	8		.00
9. Net capital loss carryovers to the extent used in offsetting capital gains on federal Schedule D (IRC Sec. 1212) .....	9		.00
10. Amount of interest excluded for state and local obligations (IRC Sec. 103) minus the associated expenses (IRC Sec. 265).....	10		.00
<b>Other modifications to income (see instructions):</b>			
11A. Domestic production activities deduction (IRC Sec. 199) .....	11A		.00
11B. Net bonus depreciation, add or subtract net amount .....	11B		.00
11C. Excess IRC Section 179 deduction, add or subtract .....	11C		.00
<i>If line 11B or 11C is negative, enter amount in &lt;brackets&gt;</i>			
11D. Qualified patents income deduction (enter amount in <brackets>).....	11D		.00
12A. Enter name of addback or deduction _____ Code No. _____	12A		.00
12B. Enter name of addback or deduction _____ Code No. _____	12B		.00
12C. Enter name of addback or deduction _____ Code No. _____	12C		.00
12D. Enter name of addback or deduction _____ Code No. _____	12D		.00
13. Total addbacks (add lines 4 through 12D).....	13		.00
14. Subtotal (add line 3 and line 13).....	14		.00
<b>Deductions:</b>			
15. Subtract income that is derived from sources outside the U.S. and included in federal taxable income .....	15		.00
16. Subtract an amount equal to a debt or portion of a debt that becomes worthless - <b>net of all recoveries</b> (IRC Sec. 166).....	16		.00
17. Subtract an amount equal to any bad debt reserves that are included in federal income because of accounting method changes (IRC Sec. 585(c)(3)(a) or Sec. 593) .....	17		.00
18. Total Deductions (add lines 15 through 17).....	18		.00
19. Total Income Prior to Apportionment (subtract line 18 from line 14).....	19		.00



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2009 Indiana Financial Institution Tax Return

Round all entries

20. Total Income Prior to Apportionment (amount from line 19).....	20		•00
21. Apportionment Percentage (line 15 of Schedule E-U) .....	21	.	%
22. Current Year Apportioned Adjusted Gross Income attributed to Indiana (multiply line 20 by line 21) .....	22		•00
23. Indiana Net Capital Loss Adjustment from attached worksheet. <i>Line 23 may not exceed amount on line 22</i> .....	23		•00
24. Subtotal of line 22 minus line 23. Do not enter an amount less than zero .....	24		•00
25. Indiana Net Operating Loss Deduction from Schedule FIT-20 NOL. <i>Line 25 may not exceed amount on line 24</i> ...	25		•00
26. Total Indiana Adjusted Gross Income subject to tax (subtract line 25 from line 24).....	26		•00
27. Financial Institution Tax (multiply line 26 by .085).....	27		•00
28. Less: Nonresident Taxpayer Credit (attach Schedule FIT-NRTC)..... (816)	28		•00
29. Net Financial Institution Tax Due (subtract line 28 from line 27) .....	29		•00
30. Sales/Use Tax Due (see instructions) .....	30		•00
31. Subtotal Due (add lines 29 and 30).....	31		•00
<b>Tax Liability Credits (attach schedules):</b>			
32. Neighborhood Assistance Tax Credit (NC-20)..... (828)	32		•00
33. Enterprise Zone Employment Expense Credit (EZ 2) .....	33		•00
34. Enterprise Zone Loan Interest Tax Credit (LIC)..... (814)	34		•00
35. Teacher Summer Employment Tax Credit..... (833)	35		•00
36. Enter name of other credit _____ Code No. a ___ 36b.....	36b		•00
37. Enter name of other credit _____ Code No. a ___ 37b.....	37b		•00
38. Total Credits (add lines 32 through 37b) .....	38		•00
39. Net Tax Due (subtract line 38 from line 31).....	39		•00
<b>Estimated Tax and Other Payments:</b>			
40. Total estimated financial institution tax paid (itemize quarterly FT-QP payments below)			
1. _____ 2. _____ 3. _____ 4. _____ .....	40		•00
41. Extension payment a _____ and prior year and overpayment credit b _____ Enter combined total .....	41c		•00
42. Other payments/EDGE credit (attach supporting documentation) .....	42		•00
43. Total Payments (add lines 40 through 42).....	43		•00
44. <b>Balance of Tax Due</b> (subtract line 43 from line 39. If line 43 exceeds line 39, enter -0-).....	44		•00
45. Penalty for the Underpayment of Tax from Schedule FIT-2220 (Form page 4).....	45		•00
46. If payment is made after the original due date, add interest (see instructions).....	46		•00
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		•00
48. Total Due (add lines 44 through 47) <b>Payable in U.S. funds</b> to: Indiana Department of Revenue .....	48		•00
49. Total Overpayment (subtract lines 39, 45, and 47 from line 43).....	49		•00
50. Refund (enter portion of line 49 to be refunded) .....	50		•00
51. Overpayment Credit (amount of line 49 to be applied to next year's estimated tax account) .....	51		•00

**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.

I authorize the Department to discuss my return with my personal representative (see page 14)  Yes  No

Signature of Corporate Officer \_\_\_\_\_ Date \_\_\_\_\_

LL \_\_\_\_\_ MM \_\_\_\_\_  
Print or Type Name of Corporate Officer Title

QQ \_\_\_\_\_  
Personal Representative's Name (Print or Type)

Telephone Number RR \_\_\_\_\_

Address SS \_\_\_\_\_

City TT \_\_\_\_\_

State UU \_\_\_\_\_ Zip Code + 4 VV \_\_\_\_\_

Company's E-mail address EE \_\_\_\_\_

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

FF \_\_\_\_\_

OO Check One: 1  Federal ID Number 2  PTIN OR 3  Social Security Number

NN

Telephone Number PP \_\_\_\_\_

Address GG \_\_\_\_\_

City HH \_\_\_\_\_

State II \_\_\_\_\_ Zip Code + 4 JJ \_\_\_\_\_

Paid Preparer's Signature \_\_\_\_\_ Date \_\_\_\_\_

Please mail forms to:  
**Indiana Department of Revenue**  
100 N. Senate Ave.  
Indianapolis, IN 46204-2253



206091201

(See instructions on page 15)

Name of Corporation  B	Federal Identification Number  A
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The following information must be completed by all taxpayers and taxpayers filing combined unitary returns. This will include all state (non-federal) chartered credit unions and investment companies carrying on the business of a financial institution in Indiana.

	A Total Receipts Attributed to Indiana		B Total Receipts Everywhere	
1. Lease or rental of real or tangible personal property .....	1A		1B	
2. Interest income and other receipts from assets in the nature of loans or installment sales contracts secured by real or tangible personal property .....	2A		2B	
3. Interest income and other receipts from unsecured consumer loans .....	3A		3B	
4. Interest income and other receipts from commercial loans and installment obligations not secured by real or tangible personal property .....	4A		4B	
5. Fee income and other receipts from letters of credit, acceptance of drafts, and other devices for guaranteeing loans or letters of credit .....	5A		5B	
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 .....	6A		6B	
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. ....	7A		7B	
8. Receipts from the performance of fiduciary and other services, based on where the benefits are consumed .....	8A		8B	
9. Receipts from the issuance of traveler's checks, money orders, or United States savings bonds .....	9A		9B	
10. Receipts from investments in municipal securities of all states, their political subdivisions, and instrumentalities.	10A		10B	
11. Interest income and other receipts from participation loans .....	11A		11B	
12. Gross payments collected on investment contracts issued by an investment company .....	12A		12B	
13. Other receipts from non-municipal investment income .....			13	
14. <b>Total Receipts:</b> (Add lines 1A through 12A and lines 1B through 13) .....	14A		14B	
15. Divide the sum of line 14A by the sum of line 14B. Multiply the quotient by 100 to express the amount as a percentage (e.g., .6789 = 67.89%). Enter the percentage here and on line 21 of the FIT-20. (Round percent to two decimal places) .....			15	_____ %



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**FIT-20 Schedule H** **Members of Unitary Group Filing a Combined Return**  
State Form 44626 (R8/8-09)

Identify all members of the unitary group (other than the reporting member) that are transacting business wholly or partially within Indiana included in the combined filing. Indicate the amount, if any, of estimated tax that was separately paid by a member under its own federal identification number. Attach additional sheets if necessary.

A Federal Identification Number	B Name of Member	C Street Address	D City	E State	G ZIP Code	E Estimated Tax Paid
1						
2						
3						
4						
5						
6						
7						
8						
9						

**Schedule FIT-2220** **Underpayment of Estimated Tax by Financial Institutions**  
State Form 44628 (R8/8-09)

**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 financial institution tax due .....	3		
4. Multiply line 3 by 80% (.80) .....	4		
5. Enter 25% (.25) of line 4 (enter here and see line 8 instruction below).....	5		

**Calculate Quarterly Underpayment Penalty**

	(a) 1st Quarter	(b) 2nd Quarter	(c) 3rd Quarter	(d) 4th Quarter
6. Enter in (a) through (d) the quarterly installment dates corresponding to the 20th day of the 4th, 6th, 9th, and 12th months of the tax year .....				
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's financial institution 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 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 FIT-20. ....				





## Instructions for Schedule FIT-20NOL

### Computation of Indiana Member's Net Operating Loss Deduction

All taxpayers must complete and enclose this schedule with the Financial Institution Tax Return if they are claiming a net operating loss (NOL) deduction. The NOL that will be recognized for financial institution tax purposes will be the NOL apportioned to Indiana for the taxable year of the loss.

An Indiana NOL incurred under the Financial Institution Tax Act may be carried forward for 15 years following the loss year and applied in any year in which there is Indiana taxable income. There is no provision under the Financial Institution Tax Act for the carryback of a net operating loss or capital loss.

Use basic federal Separate Return Limitation Year (SRLY) rules when one or more members of the unitary group in which the taxpayer incurred a loss in the year where they were not part of the unitary group, into a year when they were part of the unitary group as follows:

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

- (A) The Indiana receipts of those taxpayer members attributable to Indiana; divided by:
  - (B) The total receipts of all taxpayer members attributed to Indiana.
- A separate FIT-20NOL worksheet will be completed by each member to calculate their share of the loss and amount available to be applied for the combined return.

#### Completing FIT-20NOL

**Tax Year:** Determine the years to which the NOL applies across the top of the schedule. The first year that a loss could be carried forward under the act is for taxable years beginning after Dec. 31, 1989.

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

**Line 2.** Enter the combined apportionment percentage, if applicable, for the tax year.

**Line 3.** Enter the combined amount of Indiana business income or loss. Multiply the amount on line 1 by the apportionment percentage on line 2.

**Line 4.** Enter ratio of member's Indiana receipts. Divide member's Indiana receipts by receipts of entire unitary group attributed to Indiana for year. [See IC 6-5.5-2-1(d)(1) and example below.] Enter as a percent.

**Line 5.** Enter each taxpayer member's attributed Indiana income or loss available to offset combined income or to reduce the carryforward loss. Caution: The income or loss available is limited to the amount of each taxpayer member's portion of the receipts attributable to Indiana. See example below. Use amount from line 3 or multiply line 3 by ratio on line 4, if applicable.

The total of each taxpayer member's remaining share of the combined group's NOL deduction is applied on line 24 of Form FIT-20. However, the combined total may not exceed the taxable income for the year.

#### Loss Year Carryforwards Applied Against Adjusted Gross Income:

In the second column next to the appropriate loss year, enter the total Indiana NOL coinciding with line 3 for the corresponding loss year. When utilizing the NOL deduction for a particular loss year, enter the amount of the deduction in the same column of the year the loss is being applied 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.

Enclose the complete schedule and any NOL worksheets with the return when the NOL is being utilized.

#### Sample NOL Worksheet for Unitary Group - A worksheet is to be completed by each member of a combined return filing FIT-20NOL.

Members A and B are taxpayers under IC 6-5.5-1-17. Member C is not a taxpayer but is required to be included in the combined return (IC 6-5.5-1-18).

Loss Year 2001	Member A	Member B	Member C	Combined Total
AGI or (Loss)	(\$300,000)	\$300,000	(\$400,000)	<b>Line 1.</b> (\$400,000)
IN Apportionment				<b>Line 2.</b> 50%
Combined IN AGI (Loss)				<b>Line 3.</b> (\$200,000)
IN Receipts for A & B	\$2,000,000	\$8,000,000		Total IN Receipts \$10,000,000
<b>Line 4.</b> Ratio of IN Receipts	20%	80%		[Receipts of A and B divided by total IN receipts]
<b>Line 5.</b> Available share of NOL				<b>Line 5.</b> (\$200,000)
[Line 3 X line 4 of A & B]	(\$40,000)	(\$160,000)		
<b>Carryover Year 2002</b> (Effective Jan. 1, 2002, member C is no longer required to be included in the combined return (IC 6-5.5-1-18(a).))				
AGI or (Loss)	\$500,000	(\$100,000)	N/A	<b>Line 1.</b> \$400,000
IN Apportionment				<b>Line 2.</b> 20%
Combined IN AGI (Loss)				<b>Line 3.</b> \$80,000
IN Receipts for A & B	\$6,000,000	\$4,000,000		Total IN Receipts \$10,000,000
<b>Line 4.</b> Ratio of IN Receipts	60%	40%		[Receipts of A and B divided by total IN receipts]
<b>Line 5.</b> IN AGI				
[Line 3 X line 4 of A & B]	\$48,000	\$32,000		
<b>Applied share of 2001 NOL</b>	<u>(\$40,000)</u>	<u>(\$32,000)</u> [\$160,000 available]		<b>Return Line 24.</b> <u>\$72,000</u>
<b>Taxable income</b>	\$8,000	\$0		<b>Return Line 25.</b> \$8,000
<b>and NOL to carry forward</b>	\$0	(\$128,000)		

#### Sample FIT-20NOL for Combined Unitary Group

Tax Year	1998	1999	2000	2001	2002	2003	2004
1. Total AGI or (Loss)	(200,000)	200,000	300,000	(400,000)	400,000	400,000	400,000
2. Combined Apportionment %	70%	50%	80%	50%	20%	25%	40%
3. Combined IN AGI or (Loss)	(140,000)	100,000	240,000	(200,000)	80,000	100,000	160,000
4. Member's Share of IN Receipts %	(Used for worksheet purposes only - see unitary 2001 & 2002 examples above)						
5. Member's Share of IN AGI or (Loss)	(140,000)	100,000	240,000	(200,000)	80,000	100,000	160,000
Loss Year	Indiana NOL						
1990-1997							
1998	140,000	100,000	40,000				
1999							
2000							
2001	200,000				72,000	100,000	28,000
2002							
2003							
2004							
Adjusted Gross Income After NOL Deduction		0	200,000		8,000	0	132,000

Name of Corporation

Federal Identification Number

Tax Year	1995	1996	1997	1998	1999	2000	2001	2002
1. Total AGI or (Loss)								
2. Combined Apportionment %								
3. Combined Indiana AGI or (Loss)								
4. Member's Share of IN Receipts %								
5. Member's Share of IN AGI or (Loss)								
<b>Loss Year</b>	<b>Indiana NOL</b>							
1995								
1996								
1997								
1998								
1999								
2000								
2001								
Adjusted Gross Income After NOL Deduction								

Tax Year	2003	2004	2005	2006	2007	2008	2009	2010
1. Total AGI or (Loss)								
2. Combined Apportionment %								
3. Combined Indiana AGI or (Loss)								
4. Member's Share of IN Receipts %								
5. Member's Share of IN AGI or (Loss)								
<b>Loss Year</b>	<b>Indiana NOL</b>							
1995								
1996								
1997								
1998								
1999								
2000								
2001								
2002								
2003								
2004								
2005								
2006								
2007								
2008								
2009								
Adjusted Gross Income After NOL Deduction								



**Form FT-ES**State Form 49410  
(R8/8-09)

Department of Revenue

**Indiana Financial Institution Tax Return - Estimated Quarterly Payment**

Due the 20th day of the 4th, 6th, 9th, and 12th months of the tax year.

Name \_\_\_\_\_

(Do Not Write Above)

Address \_\_\_\_\_

Federal Identification Number

Signature of Officer \_\_\_\_\_

Title \_\_\_\_\_

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

Date \_\_\_\_\_

Daytime Phone # \_\_\_\_\_

No.

Financial Institution Tax Due for the Quarter

Enter Total Tax Below:

Pay this amount, with U. S. funds.  
Do not send cash.**Indiana Department of Revenue**  
**100 N. Senate Ave.**  
**Indianapolis, IN 46204-2253**Please make check payable to the **Indiana Department of Revenue**.**Instructions for Form FT-EXT**

The extension return, Form FT-EXT, must be used when a payment is due and additional time is necessary for filing the annual Indiana Financial Institution Tax Return (FIT-20). A penalty for late payment will not be imposed if at least 90 percent 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**State Form 49171  
(R7/8-09)

Department of Revenue

**Indiana Financial Institution Tax Return - Extension Payment**

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

Name \_\_\_\_\_

(Do Not Write Above)

Address \_\_\_\_\_

Federal Identification Number

Signature of Officer \_\_\_\_\_

Title \_\_\_\_\_

**Extension  
Payment**Calendar or Fiscal Year Ending  
(Enter MM-YYYY)Due Date  
(Enter MM-DD-YYYY)

Date \_\_\_\_\_

Daytime Phone # \_\_\_\_\_

Financial Institution Tax Due for the Quarter

Enter Total Tax Below:

Pay this amount, with U. S. funds.  
Do not send cash.**Indiana Department of Revenue**  
**100 N. Senate Ave.**  
**Indianapolis, IN 46204-2253**Please make check payable to the **Indiana Department of Revenue**.

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## 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 enclosed with the return.
3. The FIT-20, Underpayment of Estimated Tax by Financial Institutions, must be completed to reflect the applicable penalty. See page 4 of the return.
4. Questions L through W 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 enclosed with Form FIT-20, along with Schedule M-3 and a copy of any extension to file form.
6. If an extension of time to file exists, the corporation must prepay at least 90 percent of the tax due by the original due date. Failure to do so will result in a 10 percent penalty on the amount paid after the original due date of the return. 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.
8. If the name change box is checked, enclose with the return copies of amended Articles of Incorporation or an Amended Certificate of Authority filed with the Indiana Secretary of State.

If you have any questions, refer to Commissioner's Directive #14 at [www.in.gov/dor/3617.htm](http://www.in.gov/dor/3617.htm) or contact Tax Administration at (317) 233-4015.

**INtax** – free online program to manage your Indiana business tax account

Reduce the burden of managing sales and withholding tax obligations by using INtax, Indiana's free online business tax filing program. INtax puts the business owner in control of his tax accounts.

INtax features include

- File and pay anytime of day.
- Schedule future payments.
- Check account balances instantly.
- Manage multiple businesses under one profile.

- Review transaction history and receipt confirmation.
- Establish multiple users and set access rights by user.
- Correspond directly and confidentially with the Department.

To take advantage of this free service by visiting [intax.in.gov](http://intax.in.gov)

## Instructions for Form FT-ES

Quarterly payments of estimated financial institution tax for calendar-year taxpayers are due on April 20, June 20, September 20, and December 20 of the taxable year. Fiscal-year and short tax-year filers must remit by the 20th day of the fourth, sixth, ninth, and twelfth months of their tax periods.

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. Payments made after the quarterly due date will be reported in the following quarter when paid.

If the annual tax liability is less than \$2,500, estimated payments are not required to be made. If the quarterly payment exceeds \$5,000, payments must be made by electronic funds transfer (EFT). Contact the EFT Section at (317) 232-5500 for more information.

Use the preprinted Form FT-QP estimated payment vouchers mailed to you at the beginning of your tax year. If you make payment by EFT, you don't need to file FT-QP forms. If you do not have preprinted forms and need coupon vouchers, fill out the appropriate FT-ES voucher for the tax period on the form provided at the end of this booklet. Enter the total financial institution tax due for the quarter.

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

Claims for refunds are processed on an annual basis only. If errors are discovered on a quarterly filing, these errors should be adjusted on either the next quarterly return or 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.**

FIT-20 Schedule SUT State Form 44627 (R7/8-09)		Sales/Use Tax Worksheet	
List all purchases made during 2009 from out-of-state companies.			
Column A	Column B	Column C	
Description of personal property purchased from out-of-state retailer	Date of Purchase(s)	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 FIT-20, line 30. If the amount is negative, enter zero and put no entry on line 30 of the FIT-20.....		4	