IT-20 Schedule E (flat)
State Form 49105 (8-04)

Indiana Department of Revenue

Apportionment of Adjusted Gross Income for Corporations

For Tax Year Beginning AA _________/______/________ **and Ending** BB _________/______/_________

Name as shown on return	Federal Identification Number
B	A

Each filing entity having income from sources both within and outside Indiana must complete a three-factor apportionment schedule except financial institutions and certain insurance companies that use a single factor. Interstate transportation entities must use Schedule E-7, Apportionment for Interstate Transportation. Combined unitary filers must use the apportioning method (relative formula percentage) as outlined in Tax Policy Directive #6. Omit cents - percents should be rounded two decimal places - read apportionment instructions.

Part I - Indiana Apportionment of Adjusted Gross Income

	Column A TOTAL WITHIN INDIANA	Column B TOTAL WITHIN and OUTSIDE INDIANA	Column C INDIANA PERCENTAGE
1. Property Factor - Average value of owned property from the beginning and the end of the tax year. (Value of and pro rata share of real and tangible personal property at original cost.)			
(a) Property reported on federal return (average value for tax year)			
(b) Fully depreciated assets still in use at cost (average value for tax year)			
(c) Inventories, including work in progress (average value for tax year)			
(d) Other tangible personal property (average value for tax year)			
(e) Rented property (8 times the annual net rental)			
Total Property Values: Add lines 1(a) through 1(e)	1A	1B	1C __ __ __ . __ __ %
2. Payroll Factor - Wages, salaries, commissions, and other compensation of employees and pro rata share of payroll reportable on the return.			
Total Payroll Value:	2A	2B	2C __ __ __ . __ __ %
3. Receipts Factor (less returns and allowances) - Sales delivered or shipped to Indiana:			
(a) Shipped from within Indiana			
(b) Shipped from outside Indiana			
Sales shipped from Indiana to:			
(c) The United States Government			
(d) Purchasers in a state where the taxpayer is not subject to income tax (under P.L. 86-272)			
(e) Interest and other receipts from extending credit attributed to Indiana			
(f) Other gross business receipts not previously apportioned			
Total Receipts: Add column A receipts lines 3(a) through 3(f) and enter in line 3A. Enter all receipts in line 3B, of column B	3A	3B	

4. Summary - Apportionment of Income for Indiana

4(a)1

(a) **Receipts Percentage** for factor 3 above: Divide 3A by 3B, enter result here: __ __ __ . __ __% X 200% (2.0) double-weighted adjustment **4a** __ __ __ . __ __ %

(b) **Total Percents:** Add percentages entered in boxes 1C, 2C and 4a of column C. Enter sum .... **4b** __ __ __ . __ __ %

(c) **Indiana Apportionment Percentage:** Divide line 4b by 4 if all three factors are present. Enter here and carry to apportionment line on the tax return .... **4c** __ __ . __ __ %

NOTE: If either property or payroll factor for column B is absent, divide line 4b by 3. If the receipts factor (3B) is absent, you must divide line 4b by 2.

Part II - Business/Other Income Questionnaire

1. List all business locations where the taxpayer has operations/other partnership interests and indicate type of activities. This section must be completed - attach additional sheets if necessary.

(a) Location City and State	(b) Nature of Business Activity at Location	(c) Accepts Orders? Yes	No	(d) Registered to do Business? Yes	No	(e) Files Returns in State? Yes	No	Property in State (f) Leased? Yes	No	(g) Owned? Yes	No

2. Briefly describe the nature of Indiana business activities, including the exact title and principal business activity of any partnership in which the corporation has an interest:

3. Indicate any other partnership in which you have a unitary or general partnership relationship:

4. Briefly describe the nature of activities of sales personnel operating and soliciting business in Indiana:

5. Do Indiana receipts for line 3A include all sales shipped from Indiana to (1) the U.S. Government; or (2) locations where this taxpayer's only activity in the state of the purchaser consists of the mere solicitation of orders? 1 ☐ Yes 2 ☐ No If no, please explain:

(a)

6. List source of any directly allocated income from other partnerships, estates and trusts not in taxpayer's apportioned tax base:

Instructions for Indiana Apportionment of Adjusted Gross Income (8-04)

Use of Apportionment Schedule E: If the adjusted gross income of a corporation is derived from sources both within and outside Indiana, the amount attributed to Indiana must be determined by use of a three-factor apportionment formula. The Department will not accept returns filed for adjusted gross income tax purposes using the separate accounting method. Schedule E (or Schedule E-7 for interstate transportation companies) must be used unless written permission is granted from the Department. The term "everywhere" does not include property, payroll or sales of a foreign corporation in a place outside the United States.

Note: *Domestic insurance companies must be a single factor for adjusted gross income and should consult Form IT-20 instruction booklet for details concerning apportionment of income.*

Part I - Indiana Apportionment of Adjusted Gross Income

1. Property Factor: The property factor is a fraction. The numerator is the average value during the tax year of real and tangible personal property used within Indiana (plus value of rented property), and the denominator is the average value during the tax year of such property everywhere.

The average value of property shall be determined by averaging the values of the beginning and the end of the tax period. If the values have fluctuated, the averaging of monthly values may be necessary to reflect the average value of the property for the tax period. If, in the calculation of the property factor, the average values of properties are composed of a combination of values, attach a schedule showing how these average values were calculated. For example, the use of original cost for owned properties plus the value of rental or leased facilities based upon a capitalization of rents paid, which cannot be checked against the balance sheet or the profit and loss statement, must be supported. Property owned by the taxpayer is valued at its original cost. Property rented by the taxpayer is valued at eight (8) times the net annual rental rate.

Complete appropriate lines for both within Indiana and everywhere. Add lines (a) through (e) in columns A and B. Divide the sum on line 1A, by the sum from line 1B. Multiply by 100 and enter the percent on line 1C. Round the percentage to the nearest second decimal place (e.g., 16.02%).

2. Payroll Factor: The payroll factor is a fraction. The numerator is the total wages, salaries, and other compensation paid to employees in Indiana, and the denominator is the total of such compensation for services rendered for the business everywhere. Normally, the Indiana payroll will match the unemployment compensation reports filed with Indiana as determined under the Model Unemployment Compensation Act. Compensation is paid in Indiana if: (a) the individual's service is performed entirely within Indiana; (b) the individual's service is performed both within and outside Indiana, but the service performed outside Indiana is incidental to the individual's service within Indiana; or (c) some of the service is performed in Indiana <u>and</u> (1) the base of operations, or if there is no base of operations, the place where the service is directed or controlled is in Indiana; or (2) the base of operations or the place where the service is directed or controlled is not in any state in which some part of the service is performed, but the individual's residence is in Indiana. Payments to independent contractors and others not classified as employees are not included in the factor. The portion of an employee's salary directly contributed to a IRC Section 401K plan should be included in the factor; however, the employer's matching contribution should not be included.

Enter payroll values in lines 2A and 2B. Divide the total on line 2A by the total from line 2B. Multiply by 100 and enter the percent on line 2C.

3. Receipts Factor: The receipts factor is a fraction. The numerator is the total receipts of the taxpayer in Indiana during the tax year. The denominator is the total receipts of the taxpayer everywhere during the tax year. The receipts factor is double-weighted in the apportionment of income formula. All gross receipts of the taxpayer which are not subject to allocation are to be included in this factor. Do not include any previously apportioned income or any partnership distribution. Do not include the portion of dividends excluded for federal taxable business income, or the percentage of foreign source dividends deducted (under IC 6-3-2-12). Sales between members of an affiliated group filing a consolidated return under IC 6-3-4-14 shall be excluded. The numerator of the receipts factor must include all sales made in Indiana, sales made from Indiana to the U.S. Government, and sales made from Indiana to a state not having jurisdiction to tax the activities of the seller. The numerator will also contain intangible income attributed to Indiana, including interest from consumer and commercial loans, installment sales contracts, and credit and debit cards as prescribed under IC 6-3-2-2.2.

Total receipts include gross sales of real and tangible personal property less returns and allowances. Sales of tangible personal property are in Indiana if the property is delivered or shipped to a purchaser within Indiana regardless of the f.o.b. point or other conditions of sale, or the property is shipped from an office, store, warehouse, factory, or other place of storage in Indiana, and the taxpayer is not subject to tax in the state of the purchaser.

Sales or receipts not specifically assigned above shall be assigned as follows: (1) gross receipts from the sale, rental, or lease of real property are in Indiana if the real property is located in Indiana; (2) gross receipts from the rental, lease, or licensing the use of tangible personal property are in Indiana if the property is in Indiana. If property was both within and outside Indiana during the tax year, the gross receipts are considered in Indiana to the extent the property was used in Indiana; (3) gross receipts from intangible personal property are in Indiana if the taxpayer has economic presence in Indiana and such property has not acquired a business situs elsewhere. Interest income and other receipts from loans or installment sales contracts that are primarily secured by or deal with real or tangible personal property are attributed to Indiana if the security or sale property is located in Indiana; consumer loans not secured by real or tangible personal property are attributed to Indiana if the loan is made to an Indiana resident; and commercial loans and installment obligations not secured by real or tangible personal property are attributed to Indiana if the proceeds of the loan are applied in Indiana. Interest income, merchant discounts, travel and entertainment credit card receivables and credit card holder's fees are attributed to the state where the card charges and fees are regularly billed. Receipts from the performance of fiduciary and other services are attributed to the state where the benefits of the services are consumed. Receipts from the issuance of traveler's checks, money orders, or United States savings bonds are attributed to the state where those items are purchased. Receipts in the form of dividends from investments are attributed to Indiana if the taxpayer's commercial domicile is in Indiana; and (4) gross receipts from the performance of services are in Indiana if the services are performed in Indiana. If such services are performed partly within and partly outside Indiana, a portion of the gross receipts from performance of the services shall be attributed to Indiana based upon the ratio the direct costs incurred in Indiana bear to the total direct costs of the services, unless the services are otherwise directly attributed to Indiana according to IC 6-3-2-2.2.

Sales to the United States Government: The United States Government is the purchaser when it makes direct payment to the seller. A sale to the United States Government of tangible personal property is in Indiana if it is shipped from an office, store, warehouse, or other place of storage in Indiana. See above rules for sales other than tangible personal property if such sales are made to the United States Government.

Other gross receipts: Under (f) Other, report other gross business receipts not included elsewhere, and pro rata gross receipts from all unitary-partnership(s), excluding from the factors the portion of distributive share income derived from a previously apportioned partnership source [45 IAC 3.1-1-153(b)].

Complete all lines as indicated. Add receipt factor lines 3(a) through 3(f) in column A. Enter total on line 3A. Also enter total receipts everywhere on line 3B. See line 4(a) for calculation of the percentage.

4. Summary: Apportionment of Income for Indiana

(a) Divide sum on line 3A by the total from line 3B. (Multiply by 100 to arrive at a percentage rounded to the nearest second decimal place.) Enter the quotient in the 4(a)1 space provided and multiply by the 200% double weight adjustment. Enter the product on line 4a of column C.

(b) Add entries on lines 1C, 2C, and 4a of column C. Enter the sum of the percentages on line 4b.

(c) Divide the total percentage entered on line 4b by 4. Enter the average Indiana apportionment percentage (rounded to the nearest second decimal place) on line 4c and carry to the apportionment entry line on the return..

The property and payroll factors are each valued as a factor of 1 in the apportionment of income formula. The receipts factor is valued as a factor of 2. The combined three-factor denominator equals 4. When there is a total absence of one of these factors for column B, you must divide the sum of the percentages by the number of the remaining factor values present in the apportionment formula.