



2018 Indiana Full-Year Resident Individual Income Tax Return

Due April 15, 2019

If filing for a fiscal year, enter the dates (see instructions) (MM/DD/YYYY):

from to:

Your Social Security Number

Spouse's Social Security Number

Place "X" in box if applying for ITIN

Place "X" in box if applying for ITIN

Your first name Initial Last name Suffix

If filing a joint return, spouse's first name Initial Last name Suffix

Present address (number and street or rural route) Place "X" in box if you are married filing separately.

City State Zip/Postal code

Foreign country 2-character code (see instructions)

Enter below the **2-digit county code** numbers (found on the back of Schedule CT-40) for the county where you lived and worked on January 1, 2018.

County where you lived County where you worked County where spouse lived County where spouse worked

Round all entries

1. Enter your federal adjusted gross income from your federal income tax return, Form 1040, line 7 _____ **Federal AGI** 1 .00
2. Enter amount from Schedule 1, line 8, and enclose Schedule 1 _____ **Indiana Add-Backs** 2 .00
3. Add line 1 and line 2 _____ 3 .00
4. Enter amount from Schedule 2, line 12, and enclose Schedule 2 _____ **Indiana Deductions** 4 .00
5. Subtract line 4 from line 3 _____ 5 .00
6. You must complete Schedule 3. Enter amount from Schedule 3, line 6, and enclose Schedule 3 _____ **Indiana Exemptions** 6 .00
7. Subtract line 6 from line 5 _____ **Indiana Adjusted Gross Income** 7 .00
8. State adjusted gross income tax: multiply line 7 by 3.23% (.0323) (if answer is less than zero, leave blank) _____ 8 .00
9. County tax. Enter county tax due from Schedule CT-40 (if answer is less than zero, leave blank) _____ 9 .00
10. Other taxes. Enter amount from Schedule 4, line 4 (enclose sch.) _____ 10 .00
11. Add lines 8, 9 and 10. Enter total here and on line 15 on the back _____ **Indiana Taxes** 11 .00



12. Enter credits from Schedule 5, line 9 (enclose schedule) 12 .00

13. Enter offset credits from Schedule 6, line 8 (enclose schedule) 13 .00

14. Add lines 12 and 13 _____ **Indiana Credits** 14 .00

15. Enter amount from line 11 _____ **Indiana Taxes** 15 .00

16. If line 14 is equal to or more than line 15, subtract line 15 from line 14 (if smaller, skip to line 23) 16 .00

17. Enter donations from Schedule IN-DONATE (enclose schedule); cannot be greater than line 16 17 .00

18. Subtract line 17 from line 16 _____ **Overpayment** 18 .00

19. Amount from line 18 to be applied to your 2019 estimated tax account (see instructions).

Enter your county code county tax to be applied _ \$ a .00

Spouse's county code county tax to be applied _ \$ b .00

Indiana adjusted gross income tax to be applied _____ \$ c .00

Total to be applied to your estimated tax account (a + b + c; cannot be more than line 18) _____ 19d .00

20. Penalty for underpayment of estimated tax from Schedule IT-2210 or IT-2210A (enclose sch.) _ 20 .00

21. **Refund:** Line 18 minus lines 19d and 20. Note: If less than zero, see line 23 ___ **Your Refund** 21 .00

22. **Direct Deposit** (see instructions)

a. Routing Number

b. Account Number

c. Type: Checking Savings Hoosier Works MC

d. Place an "X" in the box if refund will go to an account outside the United States

23. If line 15 is more than line 14, subtract line 14 from line 15. Add to this any amount on line 20 (see instructions) _____ 23 .00

24. Penalty if filed after due date (see instructions) _____ 24 .00

25. Interest if filed after due date (see instructions) _____ 25 .00

26. **Amount Due:** Add lines 23, 24 and 25 _____ **Amount You Owe** 26 .00

Do not send cash. Please make your check or money order payable to:
Indiana Department of Revenue. Credit card payers must see instructions.

Sign and date this return after reading the Authorization statement on Schedule 7. You must enclose Schedule 7.

Your Signature Date Spouse's Signature Date

- If enclosing payment mail to: Indiana Department of Revenue, P.O. Box 7224, Indianapolis, IN 46207-7224.
- Mail all other returns to: Indiana Department of Revenue, P.O. Box 40, Indianapolis, IN 46206-0040.



If You Owe...

Option 1 File Indiana's extension of time to file, Form IT-9, and send in a payment. This must be filed by April 15, 2019, for the extension to be valid. Then, make sure to file your tax return by Nov. 14, 2019, paying any remaining balance due with that filing. While interest is due on any amount paid after April 15, penalty will be waived if both of the following conditions are met:

- The remaining balance is paid in full by Nov. 14, 2019, and
- You paid at least 90 percent of the tax expected to be owed by the original April 15 due date.

Note. You may file for a state extension of time to file online if you make a payment with it. Access the department's online payment system at www.in.gov/dor/4340.htm by April 15, and follow the directions for making an extension payment.

Option 2 Filing for a federal extension of time to file with the IRS will automatically provide for a state extension of time to file. You must file your state tax return by Nov. 14, 2019, paying any balance due with that filing. While interest is due on any amount paid after the original April 15 due date, penalty will be waived if both of the following conditions are met:

- The remaining balance due is paid in full by Nov. 14, 2019, and
- You paid at least 90 percent of the tax expected to be owed by the original April 15 due date.

If You Don't Owe...

You'll need to file for an extension if:

- You are due a refund, or
- You don't expect to owe any tax when filing your tax return, and
- You are unable to file your return by April 15, 2019.

There are two ways to accomplish this:

- If you have a federal extension (you filed Form 4868, or made an extension payment via an electronic filing method), you automatically have an extension with Indiana and do not have to file for a separate state extension (Form IT-9).
- If you do not have a federal extension, file Form IT-9 by April 15, 2019.

Extension Filing Deadline.

- Both state Form IT-9 and federal Form 4868 extend your state filing time to Nov. 14, 2019.

Will You Owe Penalty and/or Interest?

Penalty will not be owed if you have:

- Paid 90 percent of the tax you expect to owe by April 15, 2019,
- Filed your tax return by Nov. 14, 2019, and
- Paid any remaining amount due (including interest) with that filing.

Interest is owed on all amounts paid after April 15, 2019. See page 11 for instructions on how to figure interest.

Indiana's Extension of Time to File, Form IT-9

You may get Form IT-9 online at www.in.gov/dor/6281.htm. You may also file for an extension online (if making a payment) at www.in.gov/dor/4340.htm (make sure to do this by April 15, 2019).

Where to Report Your Extension Payment.

Add your state extension payment to any estimated tax paid. Report the total on Schedule 5, line 3.

Military personnel on duty outside of the United States and Puerto Rico on the filing due date are allowed an automatic 60 day extension of time to file. A statement must be enclosed with the return verifying that you were outside of the United States or Puerto Rico on April 15, 2019.

Military personnel in a presidentially declared **combat zone** have an automatic extension of 180 days after they leave the combat zone. In addition, if they are hospitalized outside the United States because of such service, the 180-day extension period begins after being released from the hospital. The spouse of such service member must use the same method of filing for both federal and Indiana (e.g. single or joint). When filing the return, write "Combat Zone" across the top of the form (above your Social Security number).

Form IT-40: Line-by-line instructions

Important. You must complete your federal income tax return, Form 1040, before starting your Indiana income tax return. Line numbers from your federal income tax return are referenced in many of the following instructions. While every effort has been made to make the instructions as clear as possible, sometimes the line numbers change on the federal income tax return after the Indiana forms are finalized. Please contact us if you are unsure as to whether or not you are looking at the correct line on your federal income tax return (see page 4 of this booklet for contact information).

When Not to Fill In a Line

If you do not have an entry for a particular line, leave it blank. Do not use dashes, zeros or other symbols to indicate that you have no entry for that line.

Line 1 – Federal Adjusted Gross Income

Enter the adjusted gross income from your federal Form 1040, line 7. If you were not required to file a federal return, complete a "sample" federal return and report the amount you would have shown on your federal return if you had been required to file.

When reporting a loss or negative entry, use a negative sign. *Example.* Write a \$125 loss as -125.

Line 2 – Add-Backs

Enter on this line any add-backs from Schedule 1: Add-Backs. Instructions for Schedule 1 begin on page 13. Make sure to enclose Schedule 1 when filing.

Line 4 – Deductions

Enter on this line any deductions from Schedule 2: Deductions. Instructions for Schedule 2 begin on page 15. Make sure to enclose Schedule 2 when filing.

Line 6 – Exemptions

Enter any exemptions from Schedule 3: Exemptions on this line. Instructions for Schedule 3 begin on page 23. Make sure to enclose Schedule 3 when filing.

Line 9 – County Tax

Complete Schedule CT-40 to figure your county tax. Instructions for Schedule CT-40 begin on page 55.

Line 10 – Other Taxes

Enter any other taxes from Schedule 4: Other Taxes on this line. Instructions for Schedule 4 begin on page 28. Make sure to enclose Schedule 4 when filing.

Line 12 – Credits

Enter your credits from Schedule 5: Credits on this line. Instructions for Schedule 5 begin on page 29. Make sure to enclose Schedule 5 when filing.

Line 13 – Offset Credits

Enter the total of any offset credits reported on Schedule 6: Offset Credits on this line. Instructions for Schedule 6 begin on page 44. Make sure to enclose Schedule 6 when filing.

Line 17 – Donation Check-Offs

Enter on this line the total of any donations made on Schedule IN-DONATE. Make sure to enclose Schedule IN-DONATE, which is located at the bottom of Schedule 5: Credits, when filing. See page 44 for more information.

Line 19 – Amount to be Applied as a 2019 Estimated Tax Installment Payment

You should pay estimated tax if you expect to have income during the 2019 tax year that:

- Will not have Indiana income taxes withheld, or
- If you think the amount withheld will not be enough to pay your tax liability, and
- You expect to owe more than \$1,000 when you file your tax return.

There are several ways you can make estimated tax payments. First, visit our website at www.in.gov/dor/6281.htm to get Form ES-40. Use the worksheet on Form ES-40 to see how much you will owe. Then, if you have an overpayment showing on line 18 of your tax return, you can have some or all of the overpayment applied to next year's estimated tax account. To do so, enter any portion of the overpayment:

- On line a, if you want to apply an amount to offset estimated county tax due (from Form ES-40 worksheet, line K). Also, enter the 2-digit county code from line K; and/or
- On line b, if your spouse lived in a different county than you did on Jan. 1, 2019, and you want to apply an amount to offset your spouse's estimated county tax due (from Form ES-40 worksheet, line L). Also, enter the 2-digit county code from line L; and/or
- On line c, if you want to apply an amount to offset your estimated state tax due (from Form ES-40 worksheet, line J).

Example. Mark and Megan have a \$420 overpayment, and want to apply \$300 of it to their 2019 estimated tax account. Their worksheet from Form ES-40 has the following breakdown:

- Line I (each installment payment) is \$300;
- Line J (portion that represents state tax due) is \$270; and
- Line K (portion that represents county tax due) is \$30.

They will enter \$30 on line 19a (along with their 2-digit county code), \$270 on line 19c, and the \$300 total amount to be applied will be entered on line 19d. They will get a \$120 refund (\$420 overpayment minus \$300 applied to their 2019 estimated tax account).

Example. Stu wants to pay \$500 in estimated tax for each installment period. He has a \$30 overpayment on his tax return. He chooses to enter the full \$30 overpayment on line 19c (Indiana adjusted gross income tax amount), and carries it to line 19d. (He will pay the \$470 additional amount by filing the Form ES-40.)

Important. Estimated tax installment payments made for the 2019 tax year are due by April 15, 2019, June 17, 2019, Sept. 16, 2019 and Jan. 15, 2020. Any installment payment amount entered on line 19d will be considered to be paid on the day your tax return is filed (postmarked). For instance, an installment payment shown on a return filed on: April 15, 2019, will be considered to be a 2019 first installment payment; June 3, 2019, will be considered to be a 2019 second installment payment; and July 22, 2019, will be considered to be a 2019 third installment payment.

Note. You may use Form ES-40 to make a payment by check or money order. Estimated tax payments may also be made online, via credit card or check, at www.in.gov/dor/4340.htm. See line 26 instructions on page 12 for details about payment options.

See Income Tax Information Bulletin #3 at www.in.gov/dor/3650.htm for additional information about estimated taxes.

Line 20 – Penalty for Underpayment of Estimated Tax

You might owe a penalty for the underpayment of estimated tax if you did not have taxes withheld from your income and/or you did not pay enough estimated tax throughout the year.

In fact, not properly paying estimated tax is one of the most common errors made in filing Indiana tax returns. Generally, if you owe \$1,000 or more in state and county tax for the year that's not covered by withholding taxes, you need to be making estimated tax payments.

You might owe this penalty if:

- The total of your credits, including timely made estimated tax payments, is less than 90 percent of this year's tax due or 100 percent* of last year's tax due, ** or
- You underpaid the minimum amount due for one or more of the installment periods.

If either of these cases apply to you, you must complete Schedule IT-2210 or IT-2210A to see if you owe a penalty or if you meet an exception.

- If you owe this penalty, enclose Schedule IT-2210 or IT-2210A with your tax return and write the penalty amount on Form IT-40, line 20.
- If you meet an exception, enclose Schedule IT-2210 or IT-2210A to show which exception was met.

*You must have timely paid 100 percent of lines 8 and 9 of your 2017 IT-40 or IT-40PNR. Note: If last year's **Indiana adjusted gross income** was more than \$150,000 (\$75,000 for married filing separately), you must pay 110 percent of last year's tax (instead of 100 percent) to meet this exception.

**Farmers and fishermen should see the special instructions in the next column.

Important. The department will automatically assess an underpayment penalty if it looks like you owe a penalty for the underpayment of estimated tax, and:

- You didn't report a penalty amount on line 20, and
- You didn't enclose Schedule IT-2210 or Schedule IT-2210A showing you meet an exception to owing a penalty.

Should You Use Schedule IT-2210 or Schedule IT-2210A?

Schedule IT-2210 should be used by individuals who receive income (not subject to withholding tax) on a fairly even basis throughout the year. This schedule will help determine whether a penalty is due, or whether an exception to the penalty has been met.

Example. Jim and Sarah together received \$4,500 in pension income each month. Since their income is received on a fairly even basis, they'll use Schedule IT-2210 to figure their penalty or exception to the penalty.

Farmers and fishermen have special filing considerations. If at least two-thirds (2/3) of your gross income is from farming or fishing, complete Schedule IT-2210, using the Section D Short Method.

Schedule IT-2210A may be used by individuals who receive income (not subject to withholding tax) unevenly during the year. This schedule will help determine whether a penalty is due, or whether an exception to the penalty has been met.

Example. Bill's income is from selling fireworks in June and July. He will want to figure any penalty due on Schedule IT-2210A, which may exempt him from having had to pay estimated tax on the April 17, 2018 first installment due date.

Example. Rachael received a sizeable lump sum distribution in December of 2018. She figured how much estimated tax was due, and paid it in full by the Jan. 15, 2019, fourth period installment due date. By completing Schedule IT-2210A, she shows she owes no penalty for the first three installment periods, and that a proper payment was made for the fourth installment period. She will owe no penalty.

Farmers and Fishermen.

Special options are available if more than two-thirds of your gross income for 2017 and/or 2018 was from farming or fishing.

Option 1. Pay your estimated tax in one payment on or before Jan. 15, 2019, and file your tax return by April 15, 2019; or

Option 2. Make no estimated tax payment and file your tax return and pay all the tax due by March 1, 2019.

Example. More than two-thirds of Henry's gross income is from farming. He should complete Schedule IT-2210. Henry will be able to use the Section D Short Method to figure his penalty or to show he meets an exception to owing a penalty.

Visit our website at www.in.gov/dor/6281.htm to get Schedule IT-2210 or Schedule IT-2210A.

Line 21 – Refund

You have a refund if line 18 is greater than the combined amounts entered on lines 19d and 20.

Important. If the combination of line 19d plus line 20 is greater than the amount on line 18, you must make an adjustment. The estimated tax carryover amount on line 19d is limited; it cannot be greater than the remainder of line 18 minus line 20. See the second example about Stu under the Line 19 instructions on page 9.

A Note About Refund Offsets

Indiana law requires that money you owe to the state, its agencies, and certain federal agencies, be deducted from your refund or credit before a refund is issued. This includes money owed for past-due taxes, student loans, child support, food stamps or an IRS levy. If the department applies your refund to any of these debts, you will receive a letter explaining the situation.

When to Expect Your Refund

Generally, 10 to 14 days is the average wait for a refund if the tax return is electronically filed; it can take up to 10 to 12 weeks for the refund to be issued if you mail in your tax return.

Where's Your Refund?

There are several ways to check the status of your refund. You will need to know the exact amount of your refund, and a Social Security number entered on your tax return. Then, do one of the following:

- Go to www.in.gov/dor/4339.htm and click *Check the Status of Your Refund*.
- Call (317) 233-4018 for automated refund information.
- Call (317) 232-2240 from 8 a.m. to 4:30 p.m. Monday - Friday, and a representative will help you.

A refund directly deposited to your bank account may be listed on your bank statement as a credit, deposit, etc. If you have received information from the department that your refund has been issued, and you are not sure if it has been deposited in your bank account, call the ACH Section of your bank or financial institution for clarification.

Important. If we are unable to deposit your refund to the listed account (incorrect/incomplete account numbers; account closed; refund to go to an account outside the United States; etc.), the department will mail a paper check to the address on the front of the tax form.

Note. A refund deposited directly to your Hoosier MasterCard account will appear on your monthly statement.

Statute of Limitations for Refund Claims

There is a **statute of limitations** when filing for a refund of overpaid taxes for tax year 2018. In general, a claim for refund must be made by April 18, 2022 (Nov. 14, 2022 if the original return was filed under extension). The claim for refund is considered to be made on the day your tax return is postmarked. If you file your 2018 tax return after the statute of limitations has expired, no refund will be issued.

Line 22 – Direct Deposit

You may choose to have your refund deposited in your checking, savings or Hoosier Works Master Card account. If you want your refund directed into your checking or savings account, complete lines 22 a, b, c and d.

Caution. If you choose this option, make sure to verify the account information after you have entered it. This will help ensure your refund is deposited into your desired account.

The routing number is nine digits, with the first two digits of the number beginning with 01 through 12 or 21 through 32. Do not use a deposit slip to verify the number because it may have internal codes as part of the actual routing number.

The account number can be up to 17 digits. Omit any hyphens, accents and special symbols. Enter the number from left to right and leave any unused boxes blank.

Check the appropriate box for the type of account you are making your deposit to: either a checking account or savings account.

To comply with banking rules, you must place an X in the box on line d if your refund is going to an account outside the United States. If you check the box, we will mail you a paper check.

If you currently have a **Hoosier Works MasterCard** and wish to have your refund directly deposited in your account, enter your 12-digit account number on line 22b, where it says "Account Number" (do not write anything on line 22a "Routing Number"). You can find your 12-digit account number in the upper right-hand corner of your account monthly statement.

Note. DO NOT use your MasterCard 16-digit number. Make sure to check the "Hoosier Works MC" box on line 22c.

For more information on direct deposit, please see "Where's Your Refund?" in the left-hand column.

Line 23

If line 21 is less than zero, you have an amount due. Enter here as a positive number and skip to line 24.

OR

If line 15 is greater than line 14, complete the following steps:

Subtract line 14 from line 15 and enter the total here A _____

Enter any amount from line 20..... B _____

Add lines A + B. Enter total here and on line 23..... C _____

Line 24 – Penalty

You may owe a penalty if your tax return is filed after the April 15, 2019 due date and you have an amount due. Penalty is 10 percent (.10) of the amount due (line 23 minus line 20) or \$5, whichever is greater.

Exception. No penalty will be due if you have:

- An extension of time to file,
- Are filing and paying the remaining tax due by the extended filing due date, and
- Have prepaid at least 90 percent of the amount due by April 15, 2019.

Line 25 – Interest

You will owe interest (even if you have an extension of time to file) if your tax return is filed after the April 15, 2019 due date and you have an amount due. Interest should be figured on the sum of line 23 minus line 20. Contact the department at (317) 232-2240 or visit our website at www.in.gov/dor/3618.htm to get Departmental Notice #3 for the current interest rate.

Line 26 – Amount Due – Payment Options

There are several ways to pay the amount you owe.

Make your check, money order or cashier's check payable to: Indiana Department of Revenue. Just include the payment loose in the envelope. **Do not staple** it to the return. **Do not send cash.**

You may also pay using the electronic **eCheck** payment method. This service uses a paperless check and may be used to pay the tax due with your Indiana individual income tax return, as well as any billings issued by the Indiana Department of Revenue for any tax type. To pay, go to www.in.gov/dor/4340.htm and follow the step-by-step instructions. You will receive a confirmation number and should keep this with your tax filing records. The fee for using this service is \$1.

Note. All payments made to the Indiana Department of Revenue must be made with U.S. funds.

You may also pay by using your MasterCard® or VISA® by calling 1-800- 2-PAY TAX (1-800-272-9829). Or, log on to www.in.gov/dor/4340.htm and use your MasterCard® or VISA® to make a payment.

A convenience fee will be charged by the credit card processor based on the amount you are paying. You will be told what the fee is and you will have the option to either cancel or continue the credit card transaction.

Payment plan option. If you cannot pay the full amount due at the time you file, you may be eligible to set up a payment plan online. After you get a tax bill, log on to www.intaxpay.in.gov and select the *Individual Eligibility* tab.

Important. If using the payment plan option, penalty and interest will be due on all amounts paid after the April 15, 2019 due date.

Returned Checks and Other Types of Payments

If you make a tax payment with a check, credit card, debit card or electronic funds transfer, and the department is unable to obtain payment for its full amount when it is presented for payment, a 10 percent penalty of the unpaid tax or the face value of the check, credit card, debit card, or electronic funds transfer, whichever is smaller, is due.

The assessed amount will be due immediately upon receipt of the tax due notice and must be paid by certified check, bank draft or money order. If payment is not received within 10 days after the notice was mailed, the penalty is increased to 30 percent multiplied by the value of the check, credit card, debit card, or electronic funds transfer, or the unpaid tax, whichever is smaller. Also, *any permits and/or licenses issued by the department may be revoked if the assessed amount is not paid immediately.*

Signatures and Signing Dates

First, read the Authorization area on Schedule 7. Then, sign and date the tax return. If this is a jointly filed tax return, both you and your spouse must sign and date it. Make sure to enclose the completed Schedule 7 when filing.

Taxpayer Advocate

As prescribed by the Taxpayer Bill of Rights, the department has an appointed Taxpayer Advocate whose purpose is to facilitate the resolution of taxpayer complaints and complex tax issues. If you have a complex tax issue, you must first pursue resolution through normal channels, such as contacting the tax administration division at (317) 232-2240. If you are still unable to resolve your tax issue, or a tax assessment places an undue hardship on you, you may receive assistance from the Office of the Taxpayer Advocate.

For more information, and to get required schedules if filing for an offer in compromise or a hardship case, visit our website at: www.in.gov/dor/3883.htm. You may also contact the Office of the Taxpayer Advocate directly at taxpayeradvocate@dor.in.gov, or by telephone at (317) 232-4692. Submit supporting information and documents to: Indiana Department of Revenue, Office of the Taxpayer Advocate, P.O. Box 6155, Indianapolis, IN 46206-6155.

Where to Mail Your Tax Return – Use Labels for Envelope

You'll find mailing labels with the envelope enclosed in this booklet. **Returns with payments enclosed have a different post office box number for mailing purposes.**

If you are enclosing a payment, please mail your tax return with all enclosures to:

Indiana Department of Revenue
P.O. Box 7224
Indianapolis, IN 46207-7224

For all other filings, please mail your tax return with all enclosures to:

Indiana Department of Revenue
P.O. Box 40
Indianapolis, IN 46206-0040

Envelope – Don't Forget the Stamp!

Make sure to put a stamp(s) on the envelope. The U.S. Post Office will not deliver your tax return without the proper postage.