

Indiana Department of Revenue

# FY21 ANNUAL REPORT



**TOP  
WORK  
PLACES**  
2021

**INDYSTAR**  
INDIANA'S BUSINESS LEADER

**TOP  
WORK  
PLACES**  
2021

**USA**

# COMMISSIONER'S LETTER



Dear Governor Holcomb,

On behalf of the entire Indiana Department of Revenue (DOR) team, it is my honor to present to you DOR's annual report for Fiscal Year 2021 (FY21 - July 1, 2020 – June 30, 2021). This report is submitted to you pursuant to Indiana Code 6-8.1-14-3.

During FY21, the DOR team, comprised of 650 Hoosiers serving from 13 locations throughout Indiana, remained committed to our mission to serve Indiana by administering Indiana's tax laws in a fair, secure and efficient manner. We also found new ways to capitalize on our award-winning culture, and the positive, trust-based partnerships we have developed with our government and industry partners. We leaned on our passion for service and our core values throughout the year to help us deliver the results outlined in this report.

As part of our FY21 journey to continually sharpen our service focus, we developed three strategic anchors, Our People - Our Customers - Our Passion, that serve as guiding lights for our team's continued success. They are highlighted with our core values on page 3.

A few FY21 highlights include: the completion of the extended 2020 Individual Income Tax Season, including smooth operation of our industry-leading ID protection and fraud prevention program; the extremely successful implementation of all business taxes in the new Indiana Tax System (ITS—Project NextDOR); completion of major components of Project NextDOR's Rollout 3 (individual taxes); successful implementation of a new state-of-the-art motor carrier permitting system and modernized registration system (IRP); implementation of annual and legislative changes; and completion of the extended 2021 Individual Income Tax Season. In addition, all required systems, operations and services were effectively leveraged to administer Indiana's 65 tax types and process over \$24 billion of tax revenue.

In spite of the continually developing challenges and complexities presented by the COVID-19 pandemic, the DOR team stayed true to our "find a way" mantra and tackled every challenge presented. The team also kept numerous critical innovation and service improvement projects on schedule and on budget.

And after being recognized by the *IndyStar* as a Top Workplace in 2019 and 2020, we were honored to be recognized for the third straight year with both an *IndyStar* 2021 Top Workplace award and a national Top Workplace USA award. Our team was also recognized by the Federation of Tax Administrators (FTA) with two 2021 FTA Awards—one for our continued commitment to employee communication and engagement during the COVID-19 pandemic and one for our creativity and execution of employee training and skill development in the virtual world.

During the COVID-19 pandemic, you challenged us to find new ways to take Indiana to the Next Level while continuing to provide great government service to Hoosiers. We are proud to present this report that highlights our progress on that never-ending quest.

We completed FY21 stronger and more committed to our mission, vision and purpose. We added another powerful chapter to the DOR story, highlighting the work this team of dedicated public servants does to serve Indiana and all the Hoosiers that count on us.

Respectfully,

A handwritten signature in black ink that reads "Bob Grennes". The signature is stylized and written in a cursive-like font.

Bob Grennes, DOR Commissioner

# WHAT GUIDES DOR

## Core Values



**Fun**



**Respect**



**Service**



**Leadership**



**Teamwork**



**Continuous Improvement**



**Integrity**

## Pyramid of Excellence



### Mission

To serve Indiana by administering tax laws in a fair, secure and efficient manner.

### Vision

To be recognized as the premier tax administrator in the nation and a great place to work.

### Purpose

To provide great government service at a great value to our customers.

## Strategic Anchors

### Our Team

Everything is about our team members. They are the reason we are, and will continue to be, successful.

### Our Customers

We have a passionate, obsessive, almost radical commitment to customer service and making it easy to do business with us.

### Our Passion

Accuracy is paramount to everything we do. Efficiency and continuous improvement are the foundations to our long-term success.

# TAXPAYER BILL OF RIGHTS

**All Indiana taxpayers have rights and responsibilities under Indiana tax law. The Taxpayer Bill of Rights sets forth these rights and responsibilities.**

## **Public Law 332-1989**

- 1.** Quality Taxpayer Service
- 2.** Preservation of Taxpayer Rights
- 3.** Taxpayer Education & Information
- 4.** Fair Collections Process
- 5.** Hearing Time & Representation
- 6.** Demand Notices
- 7.** Warrants for Collection of Tax
- 8.** Judgment Liens Against Property
- 9.** Annual Public Hearing & Report
- 10.** Taxpayer Responsibilities

The Taxpayer Bill of Rights is available online at [dor.in.gov/legal-resources/tax-library](http://dor.in.gov/legal-resources/tax-library).

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# DOR LEADERSHIP

## **BOB GRENNES,** *COMMISSIONER*



Bob was appointed by Governor Holcomb as Commissioner on Feb. 1, 2020. Prior to his appointment, Bob served as DOR's Chief Operating Officer from 2017-2019. Bob works with DOR team members across the agency to serve Indiana and Indiana citizens, businesses, corporations, state agencies, partners and stakeholders. Working collaboratively with the Office of Management & Budget (OMB), the Governor's Office and state agency leaders, Bob helps the DOR team tackle the many challenges of agency operations and deliver on DOR's mission. Bob built his career over four decades in the private sector leading information technology and financial services organizations, while holding a variety of management, executive and board positions. With a passion for developing servant leaders and building and nurturing healthy, high-performing and continually improving organizations, Bob is helping the DOR team deliver on Governor Holcomb's commitment to take Indiana to the Next Level.

Caitlin joined the DOR team this year as Director of Human Resources. With over 10 years of human resources experience, Caitlin has served the Indiana State Personnel Department for six years, supporting the Department of Child Services, Family and Social Services Administration and Department of Labor before joining DOR. Caitlin works collaboratively with DOR leadership to manage every aspect of human resources and personnel management.

## **CAITLIN FLOYD,** *DIR. OF HUMAN RESOURCES*



## **KEVIN GULLEY,** *CHIEF INFORMATION OFFICER*



Kevin has been a member of the DOR leadership team since 2007 and serves as DOR's Chief Information Officer. Kevin has over 20 years of experience in information technology and has served as an operational leader in both public and private sector organizations. Prior to joining DOR, Kevin served as the Vice President of Health and Corporate Systems at Conseco Insurance and served in a variety of IT leadership roles at Anthem Insurance. Kevin and his team are responsible for software development, information security, operations support and information management and reporting. Kevin is also leading the agency's modernization project, Project NextDOR, which represents a major technological upgrade to DOR's tax administrative systems.

Terri joined the DOR team in 2017 and serves as Executive Director of Agency & Business Systems Support. Terri's career spans over four decades in both the public and private sector serving in both operations and information technology leadership positions. Terri and her team provide support to the entire agency in the areas of organizational development, project management, business analysis, operational improvement, system support, tax compliance and communications.

## **TERRI LIVINGSTON,** *EXECUTIVE DIR. OF AGENCY & BUSINESS SYSTEMS SUPPORT*



## **CHRIS PERRY,** *EXECUTIVE DIR. OF AUDIT OPERATIONS*



Chris has been a member of the DOR team for 27 years, rejoining in 2009 after 11 years in the private sector. As Executive Director of Audit Operations, Chris oversees DOR's statutory requirement to audit taxes administered by DOR to secure tax funds rightfully due to the State of Indiana. Chris and his team's primary goal is to administer tax laws in a fair, secure and efficient manner with a focus on driving improvements in taxpayer education and self-compliance. His team also works tirelessly to improve all aspects of the audit process.

Chris was promoted to General Counsel in 2021—an organizational enhancement that included the reuniting of the Policy team with their colleagues in Legal. Chris works with the Policy team to develop both internal and external tax guidance, as well as representing DOR to serve the Indiana General Assembly in all legislative initiatives. Additionally, Chris works with DOR’s Legal team to manage all aspects of administrative and judicial matters relating to DOR. This team is responsible for the Litigation, Legal Services and Appeals sections, in addition to providing legal representation and advice to the entire agency. Prior to working for DOR, Chris was the Bureau of Motor Vehicle’s (BMV) Deputy General Counsel and in private practice, beginning his career representing a variety of entertainment and sports clients and then shifting into a more general business law practice.

**CHRIS RUSSELL,**  
*GENERAL COUNSEL*



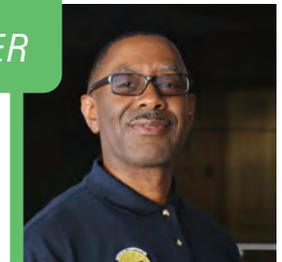
**TAMMY TSCHETTER,**  
*DIR. OF CUSTOMER SERVICE &  
TAXPAYER ADVOCATE OFFICE*

team play an integral role in providing best-in-class customer service, serving customers through the inbound call center, walk-in centers located throughout the state, correspondence and INTIME messages, Payment Services and TAO.

Tammy serves DOR as Director of Customer Service & the Taxpayer Advocate Office (TAO). Tammy previously worked in Collections, Bankruptcy, Legal and as the Director of TAO in a career that spans over 30 years with DOR. Tammy and her

As Chief Financial Officer (CFO), Ed provides the agency with precise and strategic direction in financial stewardship. Ed began his career in the private sector as a CPA in the audit division of Ernst and Young. Since then, he has spent more than 20 years holding numerous corporate finance positions fine-tuning his skills as an expert in financial management, leadership and guidance. Since 2017, Ed has led DOR’s Finance Division as CFO in providing diverse services such as accounting and internal control, budget development and administration, revenue tracking, tax liability management, procurement and contract development, payroll administration, travel and expense report processing and accounts payable processing.

**ED VANCE,**  
*CHIEF FINANCIAL OFFICER*



**MONIQUE YOUNG-WASH,**  
*EXECUTIVE DIR. OF  
SERVICE OPERATIONS*

years of dynamic operations leadership experience from several Fortune 500 corporations, such as Anthem and HP. She believes in “mining the gold” in her team members and fostering personal accountability for delivering results. Finding ways to help her team provide excellent customer experiences is her passion and at the heart of her contributions to the agency.

Monique has been a member of the DOR leadership team since 2017 and serves as Executive Director of Service Operations, leading the Customer Service, Returns Processing Operations and Special Tax Departments. She brings over 20

**For DOR’s full organizational chart, visit [dor.in.gov/about-dor/meet-our-team](https://dor.in.gov/about-dor/meet-our-team).**

# AGENCY INITIATIVES

## Staying Connected Externally

### Commissioner's Tax Advisory Council

The Commissioner's Tax Advisory Council approached FY21 with a renewed focus to ensure DOR met evolving customer needs during a challenging year. The 14-member council consists of business leaders and tax experts who volunteer their valuable time and provide guidance on agency operations, policies, programs and initiatives. This year the council focused on the 2020 legislative session and 2021 legislative agenda, the impact of the CARES Act and Paycheck Protection Program and Project NextDOR's second and third rollouts.

### Statewide Listening Tour

Every year, DOR leaders travel to each district office across the state to meet with team members and local tax practitioner communities. DOR continued the tradition in FY21 through 10 virtual events focused on communicating pandemic response efforts, sharing updates on Project NextDOR and gathering valuable feedback from tax practitioner partners across the state. Switching to virtual meetings not only ensured the safety of all attendees, but also provided some benefits, such as uniting team members from all district offices and out-of-state locations. Another benefit was more of DOR's leaders being able to participate and share information, which was well-received by the more than 100 stakeholders who attended.

### Annual Public Hearing

In accordance with Indiana statute and the Indiana Taxpayer Bill of Rights, the DOR Annual Public Hearing was held on June 7, 2021. This hybrid event gave participants the option to attend in-person or online and featured an overview of the 2021 Individual Income Tax Season, DOR's ongoing response to the COVID-19 pandemic and updates on Project NextDOR. Representatives from the Indiana CPA Society and Notre Dame Tax Clinic provided public comments, and 111 people attended. A complete report and recording are available at [dor.in.gov/news-media-and-publications](https://dor.in.gov/news-media-and-publications).

## #DORGivesBack



Not even a pandemic could stop the DOR team from living its core value of service through one of the agency's favorite traditions, #DORGivesBack. In September 2020, DOR organized a statewide #DORGivesBack week, with volunteer

opportunities at several district office locations. DOR worked with organizations such as Food Finders Food Bank, Brandywine Creek Farms and Gleaners to ensure DOR team members could stay safe while giving back to their communities. Including additional events, team members volunteered over 100 total hours in FY21.



**4** #DORGivesBack Events

**46** Volunteers

**3** Charities helped



DOR also found new ways to take part in the State Employees' Community Campaign (SECC) by providing the highest number of Torchbearers and Champion-level givers in the state and meeting the Gold level for per capita contributions.

# Staying Connected Internally

## Staying Connected

Despite required work location changes brought on by the COVID-19 pandemic, DOR found creative ways to keep spirits high and stay connected through a variety of virtual events. Three virtual All Agency meetings were held during FY21, demonstrating DOR's commitment to prioritize communication, connection and safety. With over 400 team members tuning in live for each meeting, these events continued to provide an opportunity for DOR to gather in celebration of team members and agency achievements. Another popular event was DOR's Long-Term Employee Reception, which recognized 20 team members who have served in state government for 35 years or more.

## Virtual Engagement

DOR was honored to receive awards from the Federation of Tax Administrators (FTA) in recognition of two efforts that showcased the agency's commitment to keeping teammates connected virtually: Employee Engagement and the 2020 Audit Conference. To foster employee engagement throughout this challenging year, DOR teammates submitted "spirit day" photos to the internal DORway website, posed questions to be answered on a weekly #AskBob video from the commissioner and participated in a variety of other events with team members across the agency.

The third annual DOR Audit Conference was one like no other, centered around the theme "Coming Together While Being Apart." DOR rose to the challenge of organizing a completely virtual conference, featuring 25 training, skill-building and team-building sessions over four days that all members of the DOR Audit team and team members across the agency could benefit from. The conference featured expert presenters from throughout the agency, guest speakers, group problem-solving challenges and opportunities for teammates to socialize and bond.

## Peer Recognition

Employee recognition is a cornerstone of DOR's culture, and to provide even more ways to shine a light on teammates, DOR's Enterprise Project Management Office spearheaded a cross-functional team initiative known as the "High-Five Program." High-Fives are a simple way for teammates to send customizable e-cards to their coworkers and the recipients' supervisors in recognition of a job well done and living our core values. Over 4,000 High-Fives have been sent since its inception, making this one of the most popular ways to show appreciation throughout DOR.

## Top Workplaces

DOR is proud to be an *IndyStar* Top Workplaces award winner for the third year in a row. This year, DOR was recognized not just at the state level, but also at the national level, being named a 2021 Top Workplace USA award winner in the inaugural year of that program. These prestigious awards are based on anonymous and voluntary survey data submitted by DOR team members that measure employee engagement and workplace culture. Eighty-five percent of the DOR team took the survey, and the results were analyzed and benchmarked against similar organizations nationwide. The DOR team cares deeply about what we do, who we serve, our work environment and each other. This recognition of what the DOR team lives every day, is positive feedback on our work to build a positive and employee-centric culture.



### 2020 SECC Stats

**\$122,650**  
Raised

**42%**  
of DOR Team Members  
Participated



# PROJECT NEXTDOR

DOR continues its quest to complete a once-in-a-generation project to modernize its current tax system and all tax administration service operations processes. Known as Project NextDOR, the first of four rollouts of this much-anticipated transformation effort launched in September 2019 with the migration

of corporate taxes from the legacy system to the new Indiana Tax System (ITS). In September 2020, Rollout 2 was successfully launched to incorporate business taxes, including sales and withholding. Rollout 3, which is focused on transitioning individual income tax to ITS, launched Sept. 7, 2021.

The most impactful external customer feature of DOR's new technology is the online e-services portal—the Indiana Taxpayer Information Management Engine, branded as INTIME—which enables Hoosiers to manage their tax account in one convenient location, 24/7.

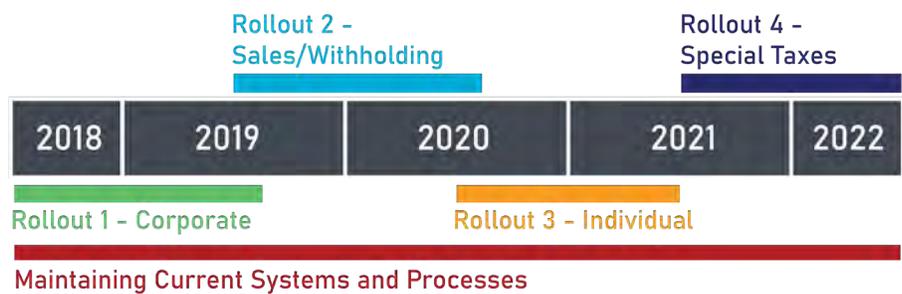
## NextDOR Rollout 2

As FY20 came to an end, the work for Rollout 2 of Project NextDOR was just ramping up for the launch on Sept. 8, 2020. In July of 2020, the Project NextDOR team began hands-on user training for more than 500 team members to ensure they would be ready before going live. To facilitate training, 21 courses were developed, and more than 150 sessions were held. This included computer-based training for those that would be utilizing ITS in their daily roles, job-specific courses that were custom-developed for users based on their business unit and on-site practice labs. The focus of this training was to provide teammates with the knowledge, skills, confidence and tools necessary to effectively perform their job functions within the new system beginning on day one of implementation.

DOR significantly increased Project NextDOR communications sent to affected customers, practitioners and interest groups in August and September. Instrumental to the success of Rollout 2, DOR developed a migration strategy that moved legacy INtax system accounts to the new INTIME e-services portal. This transition provided a more seamless experience saving customers time while alleviating potential issues. Parallel filing ceased in January 2021, resulting in a managed and targeted shutdown of the legacy system.

INTIME provides for increased functionality when managing sales and withholding tax obligations. Customers can now amend sales and withholding returns electronically, as well as view correspondence and communicate with DOR through secure messaging. Additionally, the ability to file and pay use tax and utility services use tax, previously accepted only via paper forms, is now available on INTIME.

After another year of incredible work to build and test Rollout 2 functionality, perform detailed data cleanup and conversion, prepare all business operations and prepare the user community, Rollout 2 successfully launched on Sept. 8, 2020, on time and on budget.



## Project NextDOR Rollout 3 (FY20 and FY21)

Rollout 3 launched in September 2021—providing all the Project NextDOR modernized benefits to individual income, fiduciary income and selected gaming taxes. DOR processes more than 3.3 million individual tax returns annually. Based on 2020 tax receipts, the amount collected for individual taxes is more than \$5 billion while gaming taxes bring in \$486 million. The designated tax types included in Rollout 3 are illustrated in the graphic to the right—all of which moved to ITS on

Sept. 7, 2021. INTIME also offers expanded functionality for all Rollout 3 tax types, while individual and fiduciary tax types specifically benefit from additional features in INTIME and electronic filing (MeF).

### Project Success Continues

The continued success of a project this large and complex can be credited to the collaborative efforts of the Project NextDOR team, team members across DOR, partners from FAST Enterprises, state and industry vendor partners and customers. Along with the support of Governor Holcomb, his administration and the General Assembly, Project NextDOR is setting the example of how to successfully modernize systems, operations and service delivery and set the stage for continued project success. This project’s innovation and service improvements are part of DOR’s passion to improve tax administration and service to all Hoosiers, while taking Indiana to the Next Level.

## INTIME Functionality

Rollout 3 Tax Types	File Returns	Amend Returns	Request Return Transcripts	Make Payments	View Correspondence Send Messages, Update Names & Addresses
Charity Gaming Excise	✓	✓		✓	✓
Fiduciary Income			✓	✓	✓
Fireworks Public Safety Fee	✓	✓		✓	✓
Individual Income			✓	✓	✓
Pari-Mutuel Wagering	✓			✓	✓
Type II Gaming	✓	✓		✓	✓
Wagering	✓	✓		✓	✓

New Features Existing Features

### Additional Features Available via INTIME

#### Individual Income Tax

- ✓ Check refund status
- ✓ Establish payment plans
- ✓ View payment history (logged in)

### Modernized e-file (MeF) Functionality

	File	Amend	Pay
Rollout 3 Individual Income	✓		✓
Fiduciary Income	✓	✓	✓

New Features Existing Features



**200,000+**

Customers Registered with INTIME

**150,000+**

Business Customer Migrations from INtax, DOR’s Legacy Portal

**3M+**

Total Transactions, Including File, Pay, Refund Requests, Address Changes and Other Items

**\$4B**

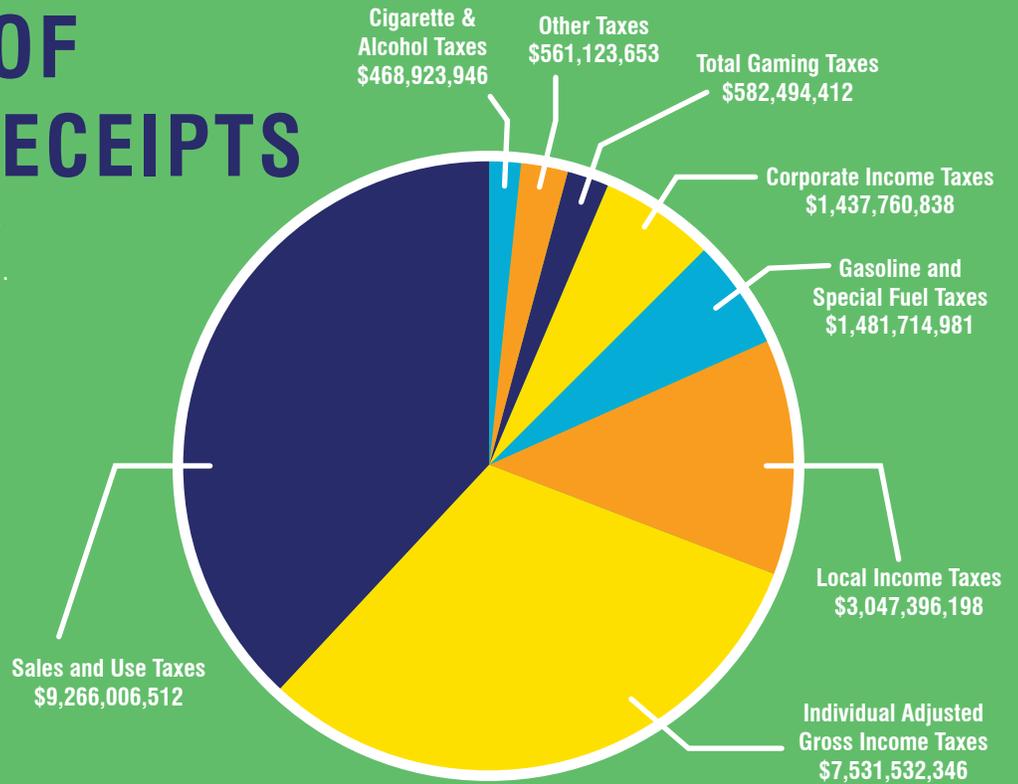
Sales and Withholding Payments Processed via INTIME since Sept. 7, 2020

**1.4M**

Returns Filed via ITS since 2019

# SUMMARY OF FY21 TAX RECEIPTS

DOR collected **\$24,376,952,885** for more than 65 active tax types in FY21.



## FY21 Processing and Customer Service Stats

**Ind. Income Tax Returns Processed** 3,341,580  
**Ind. Income Tax Refunds Issued** 2,113,967  
**Corp. Tax Returns Processed** 286,895  
**Payments Processed** 5,139,468  
**Total Customer Calls** 624,424  
**Walk-in Customers Served** 49,994  
**Customer Emails Processed** 73,854

**Amount of Gross Collections** \$25,777,751,046  
**Amount of Refunds** -\$1,400,798,161  
**Amount of Net Collections** \$24,376,952,885  
**Amount of Customer Retained Collection Allowances** \$31,481,465  
**Amount of Administrative Costs** \$69,461,370  
**Amount of Delinquencies Collected** \$392,733,000

**Number of Taxpayers** 4,844,515

## Individual Income Refund Stats

**Individual Income Tax Refunds**  
**2,113,967**  
**Average Refund Amount**  
**\$358**

**Total Number E-filed Returns Generating a Refund**  
**1,926,900**  
**Percent E-filed**  
**91.1%**  
**Percent Processed within 14 Days**  
**93.9%**  
**Average Time to Process**  
**10.1 calendar days**

**Total Number Paper-filed Returns Generating a Refund**  
**187,067**  
**Percent Paper-filed**  
**8.9%**  
**Percent Processed within 30 Days**  
**75.48%**

**Percent Processed within 60 Days**  
**90.63%**  
**Average Time to Process**  
**26.9 calendar days**

# CUSTOMER ASSISTANCE REPORT

Customer assistance is available in all 12 DOR district offices. Each office has customer service representatives who assist taxpayers with filing, payment and collection activities. The “Customer Assistance Report by District Office” provides the number of customers assisted in-person, by telephone and through email.

DISTRICT OFFICE	WALK-INS	EMAILS/FAX	CALLS*	TOTALS
BLOOMINGTON	2,801	765	27	3,593
CLARKSVILLE	7,882	6,909	95	14,886
COLUMBUS	2,340	3,029	57	5,426
EVANSVILLE	3,243	2,758	69	6,070
FORT WAYNE	3,171	4,155	73	7,399
INDIANAPOLIS	12,303	73,854	623,681	709,838
KOKOMO	2,701	1,044	80	3,825
LAFAYETTE	2,920	4,256	39	7,215
MERRILLVILLE	5,358	1,031	182	6,571
MUNCIE	2,624	2,088	38	4,750
SOUTH BEND	3,206	3,741	52	6,999
TERRE HAUTE	1,445	5,263	31	6,739
<b>TOTAL</b>	<b>49,994</b>	<b>108,893</b>	<b>624,424</b>	<b>783,311</b>

*\*Note: After September 2020, all calls were captured into Indianapolis Customer Service stats, so district offices no longer took calls for the remainder of FY21.*

# DISTRICT OFFICE LOCATIONS

Open 8 a.m. to 4:30 p.m. local time, Monday through Friday.



## *Bloomington Office*

1531 S. Curry Pike  
Bloomington, IN 47403  
812-339-1119



## *Lafayette Office*

100 Executive Dr.  
Lafayette, IN 47905  
765-448-6626



## *Clarksville Office*

1200 Madison St.  
Clarksville, IN 47129  
812-282-7729



## *Merrillville Office*

1411 E. 85th Ave.  
Merrillville, IN 46410  
219-769-4267



## *Columbus Office*

1248 Washington St.  
Columbus, IN 47201  
812-376-3049



## *Muncie Office*

3640 N. Briarwood Ln.  
Muncie, IN 47304  
765-289-6196



## *Evansville Office*

500 S. Green River Rd.  
Evansville, IN 47715  
812-479-9261



## *South Bend Office*

105 E. Jefferson Blvd.  
South Bend, IN 46601  
574-291-8270



## *Fort Wayne Office*

7230 Engle Rd.  
Fort Wayne, IN 46804  
260-436-5663



## *Terre Haute Office*

30 N. 8th St.  
Terre Haute, IN 47807  
812-235-6046

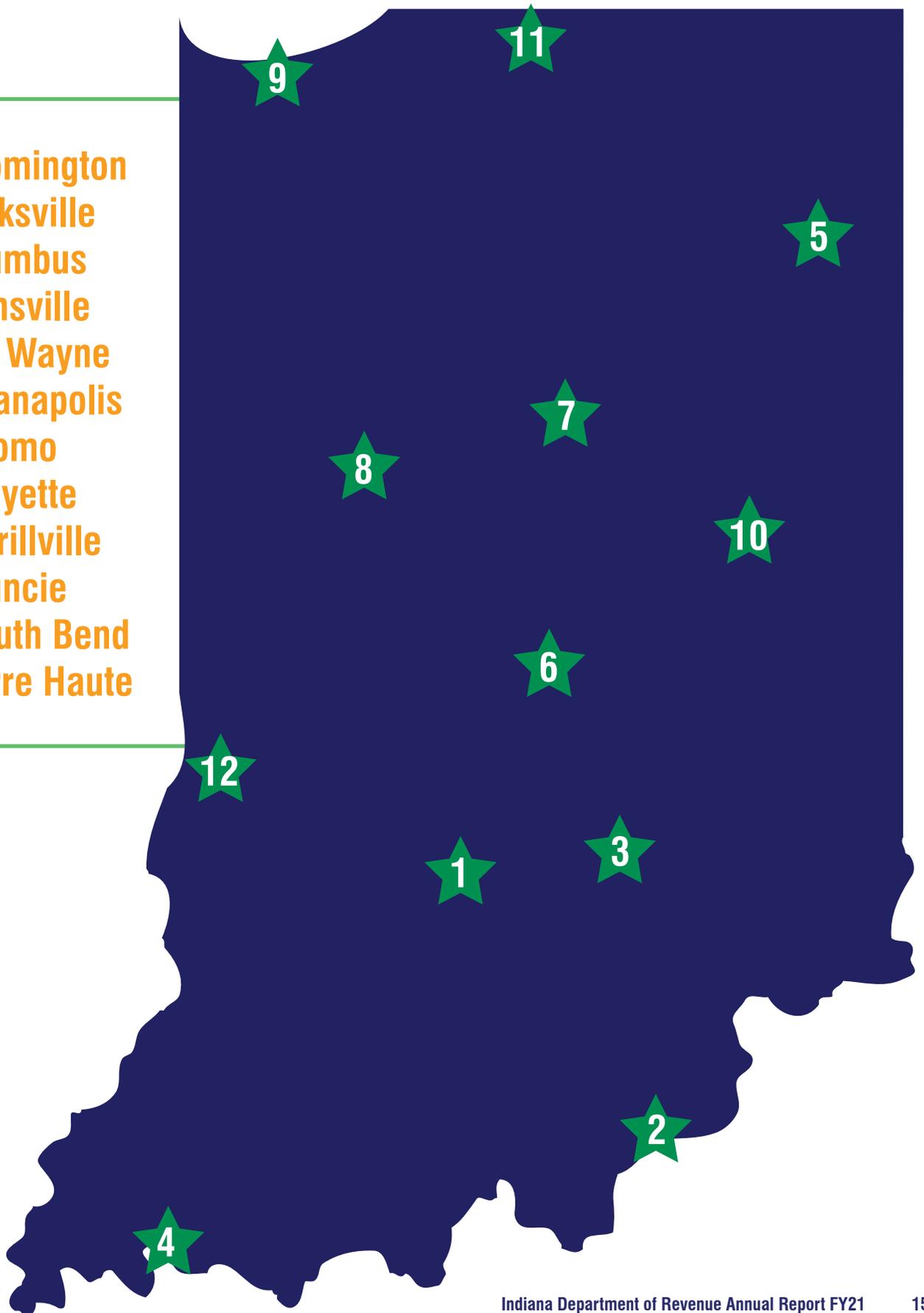


## *Kokomo Office*

124 W. Superior St.  
Kokomo, IN 46901  
765-457-0525

# DISTRICT OFFICE LOCATIONS

1. Bloomington
2. Clarksville
3. Columbus
4. Evansville
5. Fort Wayne
6. Indianapolis
7. Kokomo
8. Lafayette
9. Merrillville
10. Muncie
11. South Bend
12. Terre Haute





# AGENCY & BUSINESS SYSTEMS SUPPORT

## Business Analysis & Continuous Improvement

During FY21, the Business Analysis and Continuous Improvement team facilitated a variety of process and service improvements. To accelerate that process, a new one-day rapid improvement methodology to tackle small, targeted projects and quickly eliminate operational bottlenecks was developed and implemented. As Rollout 2 of Project NextDOR ramped up, the team worked with operational staff to help them better utilize the new system and understand its impacts to their business operations. The team is also improving the collection and usage of performance metrics and implementing scorecards with various operational teams to help them evaluate how agency changes, such as the implementation of ITS and new tax laws, impact their work inventory, service delivery and resource capacity.

## Enterprise Project Management Office (ePMO)

In addition to providing project management for all of DOR's innovation work, the ePMO team was key in managing much of DOR's response to the COVID-19 pandemic and, when it was safe to do so, helping return DOR to normal operations by leading a very successful reopening effort. Additionally, ePMO was instrumental in coordinating the agency's response to legislative and IRS tax filing date changes stemming from pandemic relief and accommodations. Partnering with the Indiana Department of Transportation (INDOT), the ePMO also led the implementation of the new Oversize/Overweight (OSW) permitting system, streamlining the internal approach while working with MCS, INDOT, Indiana State Police (ISP) and an outside vendor to complete this project. This team also led the way in making significant customer-focused improvements to DOR's vendor certification process, greatly reducing the overall complexity as well as improving DOR's data file transfer processes to increase security and ease of use.

## ITS Production Support

The ITS Production Support Department is leading the way in transitioning bulk filing functionality from the previous web-services support model to ITS and INTIME. To support this shift, the team updated the Bulk File Guide and improved overall efficiencies to simplify the bulk upload process for customers and DOR. This team has also identified and trained 38 DOR ITS Super Users from across the agency to leverage their institutional knowledge of DOR and ITS to support teammates and continuously improve the system. These frontline team members are vital in identifying ITS issues from their respective areas and translating them into service tickets that result in impactful improvements to the system.

## Organizational Development & Training

In a year like no other, this team took the opportunity to provide expanded training opportunities and help DOR successfully adapt to remote work, positioning the entire agency for future success. FY21 training programs were pivotal to many of DOR's biggest projects such as Rollout 2 of Project NextDOR, IRP modernization and the new OSW permitting system. The team also spearheaded the Working Leader development program, and a Drop-in Learning series that made a variety of knowledge and skill development programs accessible to all interested participants.



**3500**  
LinkedIn Learning Courses  
Completed  
*During FY21*

## Communications

In FY21, the Communications team began to integrate communications throughout the project management process and to create an innovative operations model for government communications. They were instrumental in keeping customers and stakeholders informed on several complex projects and issues such as Project NextDOR, the new MCS ProMiles system and unemployment compensation tax changes. Internally, they made great strides to keep team members connected and engaged while working remotely and were even recognized with an FTA award for their efforts. The Business Outreach and Education program also successfully adapted to changing needs by finding virtual solutions to continue all existing outreach activities. It has also expanded programing to include over a dozen New and Small Business workshops and a partnership with the Immigrant Welcome Center.



### Communications Stats

**27,578**

Tax Bulletin Subscribers  
*20% increase*

**41**

Agency Announcements

**491**

Email Notifications Sent

**36,462**

Motor Carrier Connect Subscribers

## Customer Compliance & Corporate Tax Operations

### Corporate and Trust Tax

During FY21, the Corporate and Trust Tax team implemented a variety of operational improvements that reduced processing times, decreased interest paid out on refund transactions and eliminated a backlog of over 20,000 work items. Team members were more productive than ever, averaging around 350 work items processed daily compared to 200 in FY20.

### Business and Individual Tax Compliance

The Business Tax Compliance team successfully transitioned to ITS through Rollout 2 of Project NextDOR, building upon ongoing success in increasing customer education and compliance. As the Individual Tax Compliance team prepares for its own transition to ITS in Rollout 3, analysts have improved on their average daily case closures across the board.

### Fraud Analytics and Investigations

DOR continues to be an industry leader in ID protection, refund fraud prevention and fraud analytics. In FY21, this team focused on finding ways to combat the increasing threat of unemployment fraud and making sure that any new fraud trends were identified and stopped. DOR's Investigations team reviewed over 250 complaints of fraud and collaborated with numerous state and local law enforcement agencies to address potential areas of non-compliance or fraud. These highly effective partnerships resulted in investigations into restaurants and gas stations significantly underreporting sales tax and underground clubs and front businesses failing to report or remit tax. Additionally, DOR's Investigations team migrated into a new case management system within ITS, which offers a much more robust and efficient case management and improved processing workflow.



### Fraud Analytics

**250+**

Complaints of Fraud Reviewed

**668**

Cases of Stolen Identity Refund Fraud Stopped

**\$4,391,096**

in Stolen Identity Refund Fraud Stopped

**20,440**

Cases of Fraudulent Returns Stopped

**\$20,599,775**

in Fraudulent Returns Stopped



# AUDIT OPERATIONS

## Audit Support

The Audit Operations Support team has been focused on streamlining and improving processes and workflow for all Audit areas. They also identified opportunities to improve training for corporate income tax and financial institutions tax auditing and created new modules to better train the many team members throughout DOR who support these tax types. This team is leading the efforts for improved audit analytics, selection and quality review. They also took the lead in designing and conducting the extremely successful virtual audit conference.

## Special Tax Audit Operations

DOR has a large role in ensuring compliance under the multibillion-dollar Master Settlement Agreement (MSA), affecting the marketing and promotion of cigarettes. A dedicated team of DOR auditors manage DOR's special tax audit program, including the development of program and process improvements. In FY21, Indiana was given a safe harbor determination for 2018 due to exercising diligent enforcement of the MSA, resulting in no adjustments to Indiana's annual MSA payment.

## Motor Carrier Audit Operations (MCAO)

In FY21, MCAO began to use the new International Registration Plan (IRP) Audit Application, which provides enhanced audit selection metrics and better communication with Motor Carrier Services (MCS) by providing visibility to whether a particular registrant is under audit. MCAO also participated in an International Fuel Tax Agreement (IFTA) peer review, where it met all audit quota requirements.

## Audit Operations Special Projects

### Net Operating Loss (NOL) Project

The NOL Project engaged an agency-wide team to review corporate tax returns that required additional analyst review due to complex NOL deductions being claimed. The project has enabled DOR to better process refunds and correct improper NOL allocations found during the reviews. It has also resulted in significant improvements across refund processing systems and operations.

### Refunds Project

Audit Operations partnered with the Utility Refunds team to process GA-110L Refund Claims and ST-200 Sales Tax Utility Exemption Applications leading up to Rollout 2 of Project NextDOR. This initiative was quite successful, resulting in data quality improvements and allowing for quicker responses and accurate refunds to taxpayers. This involvement, along with ITS's enhanced functionality, has set the stage for numerous future process improvements.



**6,883**

Suspended Returns  
were Researched  
and Reviewed

Since April 2020

**2,205**

Cases of Refund  
Claims

**3,053**

Returns  
Reviewed  
During FY21

### Enhanced Audit Analytics and Selection

Rollout 2 of Project NextDOR introduced a new Discovery Tool that provides DOR data and analytics to select audit candidates more scientifically. The tool allows auditors to run queries for certain areas of suspected non-compliance and apply filters to reduce the population down to a manageable size, providing DOR with a steady flow of high-quality audit cases to be worked.

### Advance Pricing Agreement Program (APA)

DOR's APA program was developed in FY21 to resolve transfer pricing issues quickly and efficiently. All customers are eligible to request an APA. Effective for six years, the program benefits taxpayers by removing uncertainty during future audit cycles and allows DOR to spend less time and fewer resources on audits. Information about DOR's APA program is available at [dor.in.gov/legal-resources/tax-library](https://dor.in.gov/legal-resources/tax-library).



# FINANCE

## Continuing the COVID-19 Pandemic Response

FY21 was a year of successful crisis management for the Finance Division. The team collaborated to quickly secure vendors, personal protective equipment, plastic barriers and specialized products. This effort was vital in keeping everyone safe while maintaining high levels of customer service. Finance also adapted to virtual environments by transitioning to a new online purchase order filing system, which led to a more efficient process. All of this was accomplished while also meeting restricted state budget targets for FY21. Ultimately, the biggest achievement for the Finance Division was balancing all these priorities with speed and efficiency.

## Resuming Collections and Billing

DOR's commitment to pandemic relief included pausing collections for individual and corporate billing in early 2020, which the agency had never done before. Prior to this, DOR had officially launched its partnership with United Collections Bureau (UCB). This meant that previously established collections activities had to be placed on hold for several months. The Finance team partnered with UCB and the entire agency to handle these changes. When the Tax Liability Program Management Department resumed collections in fall 2020, the team communicated changes proactively and effectively with customers, reestablished the UCB partnership and efficiently returned to normal operations.

## Accounting and Finance Controls

The Accounting and Financial Controls Department finished the first two of six total waves of its Internal Control Framework (ICF) Project. Once complete, ICF will help DOR better mitigate the risk of fraud and misappropriation of assets. This team also worked collaboratively with DOR's Internal Audit team to resolve over 90% of internal control exceptions and complete the state's required FY20 Comprehensive Annual Financial Report (CAFR) and Compliance Audit without any written audit comments.

## Succession Planning

The Finance Division is fully committed to promoting a culture that drives a healthy and high-performing organization, which is why the team continues to update its succession plans. The goal of this biennial exercise is to proactively identify gaps in key roles, deficiencies in core competencies and risks to mitigate the impact of vacancies caused by retirements and early departures. This effort will ensure Finance has continuity at all positions, with team members who are sufficiently trained and able to provide Next Level service to Hoosiers.



# INFORMATION TECHNOLOGY

## Supporting Remote Work

Like many other organizations, in FY20 DOR was forced to suddenly adapt to the COVID-19 pandemic by moving almost the entire agency to work remotely. The Information Technology Division (ITD) facilitated that transition by ensuring teammates were equipped with the right tools and instructions to operate securely in this new mode for almost 14 months. During FY21, ITD focused on further enhancing DOR's productivity and virtual collaboration, working with the Indiana Office of Technology (IOT) to promote and expand the functionality and utilization of Microsoft Teams across the agency. This work allowed team members to collaborate, keep all projects on schedule, continue to serve Hoosiers and maintain the social connections that foster effective teamwork. ITD also took measures to enhance the security of customer information while teammates worked remotely. ITD enforced rules to ensure sensitive DOR data could only be accessed from encrypted and monitored state-issued computers. ITD also implemented a simpler secure email capability so customers could be assured their communications with DOR were optimally protected.

## Stability During Project NextDOR

As the Project NextDOR team continued to transition from legacy tax administration applications to the modernized ITS, the ITD team ensured ongoing operations were stable and performing at the service levels that internal and external customers expect. ITD provided critical support to DOR operations and customers through two Individual Income Tax Seasons when faced with significant changes to federal and state tax deadlines. When Indiana announced tax filing and payments for individual tax returns were extended to July 15 in 2020 and May 17 in 2021 (mirroring IRS actions), ITD made the required system changes and worked with frontline DOR divisions to ensure they possessed the computing and phone capabilities and support needed to do the same. This made accurate filing and processing of returns and paying taxes easier for Hoosiers during an already stressful time.

## Continuous Improvement Efforts

In recent years, ITD has made a concerted effort to consolidate its fragmented technological environment. This effort continued in FY21 as ITD reduced its system inventory by 26%, with plans to eliminate even more systems as Project NextDOR progresses. ITD is also implementing a centrally managed enterprise-level service delivery system that provides DOR teammates a single point of contact to quickly report and resolve internal issues. These two efforts will minimize teammate downtime and allow the agency to focus time, work and resources to operate and maintain the systems that most benefit DOR's customers.

## Statewide Security Enhancements

Beyond the efforts made at keeping systems and data secure within the agency, DOR's Security team under ITD is also contributing their expertise at the state level through Governor Holcomb's Indiana Executive Council on Cybersecurity (IECC). Over the past year, the IECC has redoubled efforts to ensure all of Indiana is prepared for and protected against cyber-attacks. DOR has helped create a handbook that businesses and local governments can use to understand the security regulations they must abide by and security best practices they can follow. DOR's partnership with the IECC also enables the agency to defend itself against bad actors and neutralize threats to sensitive personal, financial and tax information. For example, DOR was aware of and prepared for the ransomware attack on Kaseya software in July 2021, thanks to the agency's involvement with IECC.



## LEGAL & POLICY

As FY21 ended, DOR celebrated an organizational enhancement that brought its Legal and Policy teams under one consolidated division. The new Legal Division is positioned for improved synergy and growth, combining resources and sharing expertise to benefit the entire agency.

### Legal

DOR's Legal team collaborates agency-wide, as well as with stakeholders and customers, to uphold Indiana's tax laws fairly and professionally through several functions including Legal Operations, Appeals, Litigation, Legal Services and Compliance and Ethics.

### Continuously Improving Processes

In FY21, the Legal team spent considerable time preparing for Rollout 3 of Project NextDOR by training and making improvements to the ITS appeals and settlement training modules. The team also worked extensively to assess and document the internal controls of its Legal Services Department and is preparing to do the same with its other areas. This is in addition to regularly reviewing procedures and documentation of internal policies as well as conducting a deep dive on the data analytics of protest Key Performance Indicators (KPIs).

### Supporting Customers

The Legal team improved services to customers by establishing a new process for providing an independent secondary review of tax return adjustments that do not yield an immediate tax impact, as well as developing educational tools to inform customers of the team's role in resolving taxpayer appeals. Amidst all of this, Legal effectively responded to changing pandemic conditions—holding virtual appeals hearings, issuing final determinations, negotiating settlements, helping manage contracts and handling public records requests in a timely and efficient manner.



**443**

Total Protests Resolved in Legal

**251**

Resolved by Hearing Officers with Written Final Determinations

**100**

Resolved by Hearing Officers with Administrative Closes

**56**

Resolved by Analysts with Administrative Closes

**36**

Dismissed for Not Being Filed Timely

## Internal Audit

In FY21, the Internal Audit team worked collaboratively with DOR leadership to identify key areas of potential risk and improvement, then develop and execute an audit plan that improved internal controls, addressed areas of risks and identified improvements. Twenty individual internal audit and consulting projects were successfully completed. To enhance the oversight of DOR's Internal Audit program, an Audit Committee was developed in FY21, comprised of DOR's Commissioner as chair and DOR's CFO and CIO. DOR's Internal Audit program is assisting Project NextDOR and DOR management to identify and implement impactful improvements to DOR's systems and operations.

## Compliance and Ethics

As federal, state and local COVID-related workplace safety protocols arose and changed during FY21, the Compliance and Ethics Department was critical in advising DOR leadership on how to best implement these measures and promote the safety of DOR team members and customers. The team also ensured the timely completion of DOR's Security and Privacy Awareness Training. The Compliance and Ethics team has also successfully transitioned to working within the Legal Division, continuing to help DOR uphold the highest ethical standards, while launching new projects focusing on diverse areas of the agency.

## Policy

### Responding to Pandemic and Federal Recovery Actions

The Policy team was instrumental to DOR's COVID-19 pandemic response. They created detailed revenue projections to determine the potential fiscal impact to the state, which assisted the Governor's Office in developing tax filing deadlines and relief through Executive Orders. In 2020 and 2021, the federal government enacted three large fiscal stimulus packages impacting the Internal Revenue Code (IRC), and the Policy team took quick action to perform analysis and determine the extent of the prospective and retroactive changes to federal tax law. This involved identifying federal changes that impacted Indiana and providing interim guidance to taxpayers on their 2020 tax returns. They also developed fiscal impact estimates and a detailed list of these federal provisions for the General Assembly to make informed decisions during the 2021 legislative session.

### 2021 Legislative Session

During the 2021 legislative session, Policy led a collaborative, multi-year effort to adapt Indiana's treatment of federal adjustments to partnership income. While federal audit adjustments are applied at the partnership level, Indiana imposes taxation at the partner level. To address this issue, Indiana enacted a solution through SEA 383 with buy-in from all major stakeholders well before most surrounding states could accomplish the same.

The team also successfully navigated many conformity issues during the 2021 legislative session. Indiana's tax law is coupled to the IRC as it exists on a fixed date set in the Indiana Code. This fixed conformity was especially challenging in 2021 due to the number of impactful tax changes in federal stimulus laws, many of which were retroactive to the 2020 tax year. The Policy team provided analysis and information to state fiscal policy leaders to assist them in deciding which provisions Indiana would adopt.

As session ended, the team worked agency-wide to implement Indiana's legislative response to federal tax law changes. This enabled DOR to incorporate changes to Indiana tax laws with minimal burden for taxpayers and ensured Indiana's tax laws are administered in a fair, secure and efficient manner.

### Taxpayer Guidance Improvements

In 2021, the Policy team also continued a multi-year effort to consolidate agency guidance documents within DOR's online Tax Library into fewer categories and make much needed updates to remaining documents. The new structure will reduce confusion and increase taxpayer compliance, which is critical to the successful administration of Indiana's tax laws.



## Spotlight on Sales and Use Tax

DOR has required remote sellers to register, collect and remit sales or use tax since 2018, adding marketplace facilitators in 2019. This greatly benefitted Indiana's economy during the COVID-19 pandemic, as more businesses focused on online sales.

Estimated Sales Tax Collected by Remote Sellers:

**\$211 M - FY21**

**\$151 M - FY20**

**\$69 M - FY19**

Estimated Sales Tax Collected by Marketplace Facilitators:

**\$348 M - FY21**

**\$218 M - FY20**



# MOTOR CARRIER SERVICES

## Maintaining Operations and Excellent Customer Service

The MCS Division was the only one of 57 U.S. states and Canadian jurisdictions that remained open for business throughout the COVID-19 pandemic. As other motor carrier providers slowed down or temporarily halted operations, MCS continued providing quick and high-quality service to its customers, which includes over 20% of all power units in the U.S. and Canada. One way that MCS achieved this was by creating a system to complete transactions remotely, offering more services over the phone and online. While state guidelines have since allowed the team to resume in-person operations, remote service is still available through MCS’s enhanced Customer Service Center, which is hugely beneficial for its many non-local customers.

## International Registration Plan (IRP) Modernization

In June 2021, the MCS Operations and Information Technology teams completed its IRP modernization project on time and within budget. This was a significant multi-year undertaking that involved consolidating and rewriting over 15 separate functions into one system. The result is a system that offers more self-service and that can easily handle the complex billing cycles required by some of the largest carriers in the country who register their fleets through DOR. The new IRP system also requires significantly less maintenance and support from team members, meaning that they can spend less time on service tickets and lengthy manual processes, and more time on improving services for all MCS customers. This new system has introduced significant improvements to both internal MCS operations and Indiana’s trucking customers.

## Indiana’s Enhanced Oversize/Overweight (OSW) Permitting System

FY21 also marked the implementation of DOR’s new ProMiles OSW permitting system. In partnership with INDOT and ISP, the MCS team replaced Indiana’s legacy permitting system with new technology, automation and dramatic service enhancements. This system also significantly improved route accuracy, which improves safety and the protection of Indiana’s roads and bridges. Since the system launched, automated permit approvals have increased from 50% to 95% of all permits. Customers can now apply, pay and receive OSW permits within two hours, a dramatic reduction from the former 24–48-hour manual processing requirement.



**1,223,779**

IRP Vehicles Registered

**145,458**

IRP/BPR Transactions

**32,187**

BPR Vehicles Registered

**419,278**

OSW Permits Issued

**\$916,502,148**

Collected from IRP/BPR/OSW

**\$241,531,334**

Collected from IRP/BPR/OSW by MCS for Indiana



# SERVICE OPERATIONS

## Return Processing Operations (RPO)

The RPO team continued to maintain high service levels completing the 2019 extended tax season and throughout the 2020 Individual Income Tax Season, processing millions of returns, payments, letters of correspondence, clearances, titles and bankruptcy cases and refunds. This team also completed a variety of critical assignments to prepare for Project NextDOR’s second and third rollouts. The Refund and Titles and Clearances Departments have implemented several enhancements taking advantage of efficiencies gained during Project NextDOR.

## Special Tax

In addition to keeping all Special Tax operations functioning throughout the year, the Special Tax team has been hard at work on service improvement projects that impact a diverse group of customers. One of these was adjusting to the recently expanded federal PACT Act which requires monthly reporting for businesses that sell or ship vaping products. The team’s quick response has already helped 300 new tobacco customers begin reporting to DOR. Special Tax is also benefiting from the Department of Homeland Security’s automated notification of permitted fireworks sellers, allowing DOR to serve these customers more efficiently.



**600**

**Fireworks Safety Tax  
Customers Served Per Year**

## Customer Service

The Customer Service Department has remained focused on their passion to serve by finding ways to keep all service channels operating. This team never stopped serving Hoosiers throughout this challenging year. Customer Service began FY21 with reopening in-person services by appointment only, then resuming walk-in availability as the year progressed. The team diligently adhered to safety protocols throughout, handling every step in this transition seamlessly. This was done while balancing agency priorities such as creating a new team and action plan to better serve third-party payroll providers and improving registration and account update procedures for businesses. The team was also integral in successfully migrating business customers to INTIME and supporting them during Rollout 2 of Project NextDOR. Team members developed internal business plans to handle increased call volume and are now corresponding with customers directly in INTIME.



**505**

**Cases Manually Converted  
into INTIME for Rollout 2**

## Taxpayer Advocate Office (TAO)

TAO fulfills a unique role at DOR, directly supporting customers with complex issues that cannot be resolved via normal channels. The TAO team continued to serve Hoosiers throughout the COVID-19 pandemic. To improve their services, during FY21 they successfully updated DOR’s Offer in Compromise application to match the IRS booklet and better assist customers who often file them at both the state and federal level. During FY21, TAO supported Project NextDOR by manually transitioning hundreds of open cases to ITS, which allowed for smooth continuity of service for customers impacted by Rollout 2. The team also assisted with initiatives beyond their normal scope, completing a Spanish translation of DOR’s IT-40 Income Tax Instruction Booklet and other Spanish-language resources to assist traditionally underserved customers.

# 2021 LEGISLATIVE UPDATES

The following is a summary of 2021 legislation that impacts DOR and its customers. This summary highlights some of the key changes to Indiana's tax law, listed by enacted legislation. For a more in-depth technical listing of enacted 2021 legislation, see the 2021 Legislative Synopsis, found at [dor.in.gov/legal-resources/tax-library](https://dor.in.gov/legal-resources/tax-library).

## Senate Enrolled Acts (SEA)

### **SEA 164: St. Joseph County Innkeeper Tax**

Authorizes St. Joseph County fiscal body to adopt an ordinance to increase the county innkeeper tax rate to no more than 8%.

### **SEA 188: Revised Uniform Unclaimed Property Act**

Provides that if an apparent owner of unclaimed property is subject to a tax warrant issued under IC 6-8.1-8-2, DOR may levy on the unclaimed property by filing a claim with the attorney general.

### **SEA 234: Withholding Tax Remittance**

Requires DOR to provide electronic notice to each employer registered in INTIME, whose monthly withholding tax report or withholding tax remittance is past due.

Requires each payroll service provider (PSP) to register with DOR beginning Jan. 1, 2022, annually. Provides that DOR may charge an annual PSP registration fee for purposes of the registration program. Provides that a PSP shall be permitted to retain any income generated on business client funds while held in a PSP's legal possession pending remittance to authorized payees if the client agreement expressly allows it and the PSP complies with certain rules.

Provides that a PSP contract must include a provision that specifies that if the PSP fails to deposit or remit a business client's employer withholding taxes when due, and the failure is caused by an error or omission of the PSP and not by the business client, the PSP shall be required to reimburse the business client for the business client's payment of any penalties or interest assessed by DOR as a result of the failure. Provides that if a PSP knowingly or intentionally fails to remit taxes withheld, it is liable, and responsible persons shall be personally liable for such taxes that were withheld

and not remitted, along with penalties and interest. Provides that a responsible person of the PSP who knowingly or intentionally fails to remit taxes that were withheld commits a Class A misdemeanor and increases the penalty depending on the amount of not remitted taxes. Provides that the liability shall not be construed to relieve the liability of the employer or any person otherwise with a duty to withhold.

### **SEA 381: Innkeeper's Tax**

Increases the maximum rate for the Daviess County innkeeper's tax from 5% to 9%. Provides for collection procedures of a county innkeeper's tax by DOR if a county fiscal body adopts an ordinance making a change concerning the imposition of the innkeeper's tax.

### **SEA 383: DOR Agency Bill**

Utility-Scale Battery Exemption: Creates a new exemption from sales and use tax for transactions involving utility-scale battery energy storage systems acquired by a public utility or a power subsidiary. A utility-scale battery energy storage system is defined as a system that is capable of storing and releasing greater than 1MW of electrical energy for a minimum of one hour utilizing an AC inverter and DC storage, or equipment that receives, stores and delivers energy using batteries, compressed air, pumped hydropower, hydrogen storage (including hydrolysis), thermal energy storage, regenerative fuel cells, flywheels, capacitors and superconducting magnets, but does not include foundations or property used to directly or indirectly connect the AC inverter or DC storage of such system to electrical energy production equipment or the customer's meter.

Public Safety Equipment Exemption: Codifies previous guidance concerning the exemption for public safety equipment and materials purchased by contractors and predominately used in public works construction or maintenance. Defines "public safety equipment and materials" and provides examples of items that do not meet that definition.

Partnership Audit Adjustment: Provides certain procedures for reporting federal partnership audit adjustments for purposes of the state adjusted gross income tax and financial institutions tax to conform with changes in federal law. Provides that DOR may prescribe procedures:

1. By which a pass-through entity remits tax.
2. For persons or entities that are otherwise subject to withholding but may have circumstances such that standard tax computation may result in excess withholding.
3. For individuals and trusts that are residents for part of the taxable year and nonresidents for part of the taxable year.
4. By which an entity may request alternative withholding arrangements.

Revision of Fuel Tax Factors: Sets a floor on the computed fuel tax indexes each year of not less than the rate in the preceding year.

Mandatory Electronic Filing for Corporations: Requires a corporation with gross annual revenue of at least \$1 million to file its income tax electronically. Mandatory electronic filing for corporations simplifies the tax process and cuts down on costs associated with traditional paper returns. Paper returns are processed much slower and require significantly more work than electronic filings. The new INTIME system can handle the increase in the volume of electronically filed returns where DOR's legacy system did not have this capability.

Motor Carrier Trailer Registration Fees: Under current practice, registration fees for full trailers registered under the International Registration Plan (IRP), should be prorated based on the percentage of miles driven in Indiana. This was not clear in Indiana Code after the overhaul of Title 9 in 2016, and SEA 383 remedies this by confirming that the registration fees are allowed to be prorated.

Add Remote Seller Nexus Provisions to Other Similar Taxes: Adds economic nexus language to the following taxes: fireworks public safety fee, prepaid wireless service charge and the waste tire management fee.

Reporting requirement for One-to-one Meter Changes: Requires a utility provider to maintain records sufficient to document each one-to-one meter change. Allows a person to request that DOR reissue an exemption certificate with a new meter number in the event of a one-to-one meter change.

Registered Retail Merchant Certificate (RRMC) Registration Information Made Available to the Public: Customers need verification that an Indiana RRMC is issued to a particular business and is valid. Electronic purchases make it even more relevant today since the RRMC is posted only in a

brick-and-mortar store but not on an electronic site. This allows DOR to release this information to the public.

Cleanup of Electronic Funds Transfer (EFT) Language: Over the last few years, various updates to the EFT area of code have been updated. This technical correction removed duplicate language and outdated provisions from the various updates in past legislation.

Cleanup of Estimated Tax Provisions: Cleans up language on several pieces of legislation regarding estimated tax provisions was needed. Brings clarity to these provisions for taxpayers and tax practitioners.

Credit for Out-of-state Taxes: Clarifies the procedure to claim the credit for out-of-state tax paid. There was some ambiguity around this, specifically for foreign-sourced income. This technical provision clarifies that language.

### ***SEA 384: Professional Sports and Convention Development Areas (PSCDA)***

Allen County PSCDA: Increases the maximum amount of covered taxes that may be captured in the Allen County PSCDA from \$3 million to \$5 million. Provides for distribution of the covered taxes in the Allen County PSCDA as follows:

1. The first \$2.6 million to the Allen County War Memorial Coliseum.
2. The next \$0.4 million to the Allen County-Fort Wayne Capital Improvement Board for the Grand Wayne Center.
3. The remaining amount to the Allen County-Fort Wayne Capital Improvement Board to be split evenly between the Allen County War Memorial Coliseum and the Grand Wayne Center.

Evansville PSCDA: Provides that the Evansville PSCDA is renewed after June 30, 2021, for an additional 20 years. Also adds the downtown convention center hotel to the Evansville PSCDA.

South Bend PSCDA: Provides that the South Bend PSCDA is renewed after June 30, 2021, for an additional 20 years. Also adds three downtown hotels, the Howard Park event center and facilities located at the Indiana University South Bend campus to the South Bend PSCDA. Provides that the maximum amount of covered taxes that may be captured in the renewed South Bend PSCDA is \$2 million per year.

### ***SEA 385: Additional Professional Sports Development Areas (PSDA)***

Extends the deadline for establishing an additional PSDA in Marion County from July 1, 2022 to July 1, 2024. Provides that taxes may not be collected in the additional PSDA until after the earlier of certain conditions having been met or June 30, 2023.

## **SEA 400: Statewide Electronic Lien and Title (ELT) System**

Requires the Bureau of Motor Vehicles (BMV) to implement a statewide ELT system to process: (a) vehicle titles; (b) certificate of title data in which a lien is notated; and (c) the notification, maintenance and release of security interests in vehicles; through electronic means instead of paper documents.

## **House Enrolled Acts (HEA)**

### **HEA 1001: Biennial Budget**

Electronic Cigarette Tax and Closed System Cartridge Tax: Imposes an excise tax, known as the electronic cigarette tax, on the retail sale of vapor products and consumable material in Indiana at a rate of 15% of the gross retail income received by the retail dealer for sale (does not include closed system cartridges). Imposes a separate wholesale tax, known as the closed system cartridge tax, on the distribution of closed system cartridges at a rate of 25%.

Nashville Food and Beverage Tax Sunset: Extends the expiration date of the Nashville Food and Beverage Tax.

Internal Revenue Code (IRC): Provides certain add-backs and subtractions used in determining Indiana adjusted gross income. Changes the definition of “Internal Revenue Code” in the adjusted gross income tax law to mean the Internal Revenue Code of 1986 as amended and in effect on March 31, 2021. Provides that in the case of an amendment to a federal statute that is made outside of Title 26 of the United States Code and affects federal adjusted gross income, federal taxable income, federal tax credits or other federal tax attributes, the federal statute shall be considered to be part of the Internal Revenue Code as amended and in effect on March 31, 2021.

Venture Capital Investment Tax Credit: Amends the venture capital investment tax credit to apply to taxpayers that provide qualified investment capital to certain qualified Indiana investment funds. Provides that the Indiana Economic Development Corporation (IEDC) may only certify a fund as a qualified fund if the fund meets the definition of a venture capital fund under federal regulations and the fund makes investments according to specified policy requirements and priorities. Provides that a taxpayer may not claim a credit concerning a qualified fund before July 1, 2023. Specifies the maximum available tax credits in a calendar year concerning a qualified fund. Increases the maximum available tax credits in a calendar year with regard to qualified Indiana businesses under current law, including an additional increase in the maximum amount if the qualified Indiana business is a minority business enterprise or a women’s business

enterprise. Caps the total amount of credits that IEDC may award in a calendar year at \$20 million, provided that not more than \$7.5 million is awarded for proposed investments in a qualified fund.

Hoosier Business Investment Tax Credit: Provides that, in the case of the Hoosier business investment tax credit, IEDC may under a written agreement accelerate payment (at a discounted amount) of any unused excess tax credit that certain taxpayers would otherwise be eligible to carry forward to a subsequent tax year. Provides that a written agreement for an accelerated payment may include a provision for liquidated damages:

1. For failure to comply with the terms and conditions for the tax credit.
2. That are in addition to any tax assessment DOR may make for noncompliance.
3. In a partnership, S corporation or similar pass-through entity, the partners personally guarantee shareholders or pass-through entity members.

Also provides that the total amount of accelerated tax credits that IEDC may approve may not exceed \$17 million in a state fiscal year.

Aviation Fuel Tax: Provides that, beginning July 1, 2021, all aviation fuel excise tax revenue is transferred to the Airport Development Grant Fund.

School Scholarship Tax Credit: Increases the total amount of tax credits that taxpayers can claim for contributions to a scholarship granting organization from \$16.5 million for FY21 to \$17.5 million for FY22 and \$18.5 million for FY23.

Foster Care Support Tax Credit: Provides a tax credit against adjusted gross income tax and financial institutions tax liability for monetary contributions to a qualifying foster care organization equal to 50% of the amount of the contribution, but not to exceed \$10,000 for a taxable year. Defines a “qualifying foster care organization.” Caps the total amount of the tax credits allowed in any state fiscal year to \$2 million and sunsets the tax credit on July 1, 2025.

Local Income Tax: Adds certain procedural, accounting and reporting requirements regarding the local income tax. Increases the special purpose local income tax rate imposed in a county that is a member of a regional development authority.

Wine Excise Tax: Repeals the deposit of a part of the Wine Excise Tax rate collected on each gallon of wine in the Wine Grape Market Development Fund and requires DOR to instead deposit that part of the Wine Excise Tax in the state General Fund.

Indiana Career Accelerator Fund: Establishes the Indiana Career Accelerator Fund to be administered by INvestED

Indiana. Provides that INvestED Indiana may award financial assistance awards from the fund to assist individuals in obtaining credentials from qualified education programs. Defines “qualified education program” for purposes of an award. Directs DOR to calculate for 10 years any increased adjusted gross income over the base year earned by graduates of INvestED-approved programs and annually transfer the collective increase to the appropriate state fund for INvestED’s use.

### **HEA 1009: Temporary Assistance for Needy Families (TANF) Program**

Increases the state earned income tax credit beginning in tax year 2022 to an amount equal to 10% (instead of 9%) of the Indiana-modified federal earned income tax credit that an individual claimed for a taxable year.

### **HEA 1055: Tribal-State Compact**

Codifies the Tribal-State Compact with the Pokagon Band of Potawatomi Indians. Asserts that nothing in the Compact authorizes the state to impose any tax, fee, charge or assessment upon the Band or any Band gaming operation or Gaming Facility except for the reimbursement of expenses expressly authorized under the Compact. Confirms that to the extent that the Band is required under federal law to withhold federal income tax from the gaming winnings of non-tribal patrons, the Band agrees to withhold state individual income tax from gaming winnings of non-tribal patrons. Requires the Band to maintain Band taxes on retail sales, food and beverage service and hotel occupancy, which taxes shall be in an amount that is equal to or greater than any corresponding state and local taxes which would apply to the Band’s Class III gaming operation if it were not located on the South Bend site. Requires the Band to remit amounts withheld for State individual income tax together with Form WH-1 to DOR. Requires the Band to annually submit Form WH-3 to DOR to reconcile the total amounts remitted and submitted on Form WH-1 and the details of the amounts withheld per individual.

### **HEA 1115: Interfering with Public Safety**

Provides that any person who removes, alters, defaces or covers a sign posted by DOR that states no retail transactions or sales can be made at a retail merchant’s location now commits a Class C infraction. A retail merchant shall notify DOR of any such violation that occurs on the retail merchant’s premises. A retail merchant who fails to give the required notice within two business days after the violation occurs now commits a Class B infraction.

### **HEA 1150: Overweight Divisible Loads**

Provides that a person who transports a vehicle or combination of vehicles with an overweight divisible load is subject to overweight divisible load permitting. Removes certain requirements regarding the transportation of commodities.

Provides that INDOT may not issue a permit for an overweight divisible load if the owner or operator of the vehicle has not provided DOR with full payment for the permit prior to transporting the overweight divisible load.

Provides that DOR shall determine the extent of civil penalties for overweight divisible loads under certain conditions.

Provides that the civil penalty for each permitting violation for transporting overweight divisible loads is not more than \$10,000 for each violation. Provides criminal or civil defenses in certain circumstances. Permits DOR to determine whether a civil penalty should be assessed or reduced pursuant to a defense at an administrative hearing. Provides that DOR may not assess a penalty on a citation for an oversize load after more than one year has passed from the date the person receives the citation.

### **HEA 1169: Cybersecurity Incidents**

Requires a state agency to report any cybersecurity incident using their best professional judgment to the IOT without unreasonable delay and not later than two business days after discovery of the cybersecurity incident in a format prescribed by the chief information officer; and provide the office with the name and contact information of any individual who will act as the primary reporter of a cybersecurity incident before Sept. 1, 2021, and before September 1 of every year thereafter.

### **HEA 1190: Overweight Truck Permits**

Removes the list of commodities and the specific weight limitations for certain commodities from the definition of “overweight divisible load.” The gross vehicle weight limit is more than 80,000 pounds but not exceeding 120,000 pounds.

Provides that INDOT may issue an overweight permit for transporting overweight vehicles and loads carrying resources on certain highways in the state highway system.

Provides that no more than 8,500 single trip permits may be issued annually for applicants with a total equivalent single axle load calculation of more than 2.40 equivalent single axle load credit. Provides that the trip permit limit and trip weight limit do not include overweight divisible load permits obtained by shippers and carriers that obtained permits before Jan. 1, 2021. Provides that INDOT may temporarily increase

the number of overweight divisible load permits issued by order of the commissioner in response to an emergency or changes in market conditions. Provides that INDOT may limit the number of overweight divisible load permits issued to an individual applicant. Requires INDOT to adopt rules due to lack of transportation options for certain resources, supply chain interruptions or supply dock backlogs. No later than Oct. 1, 2021, INDOT shall recalculate and apply permit fees for annual and trip permits based on the Joint Transportation Research Program publication JTRP-2014/14.

Provides that INDOT shall issue a report to the legislative council and the interim study committee on roads and transportation regarding the fee structure of overweight divisible load permits and the impact of overweight divisible loads on roads and highways on July 1, 2023. Provides that INDOT shall issue an annual report to the legislative council and the interim study committee on roads and transportation regarding market fluctuation in the number of overweight divisible load permits issued during the previous year. Provides that the state police shall issue an annual report to the legislative council and the interim study committee on roads and transportation regarding the number of accidents involving applicants permitted for overweight divisible loads.

Provides that a local authority may grant permits for transporting overweight divisible loads on local streets under local authority control. A deviation from that route constitutes a violation subject to a civil penalty under IC 9-20-18-14.5.

Provides an increase in the fines for violations of overweight divisible loads by \$500 for each violation type (initial and subsequent violations).

### ***HEA 1238: Northeast Indiana Development Commission***

Establishes the Northeast Indiana strategic development commission as a body corporate and politic. Provides for the appointment of members of the commission and specifies the purposes of the commission.

### ***HEA 1271: Department of Local Government Finance***

Adds that the sale of aviation fuel is exempt from the aviation fuel excise tax if made to a current Federal Aviation Administration 14 CFR Part 137 certified aerial applicator performing agricultural operations.

### ***HEA 1285: Bureau of Motor Vehicles***

Provides that the Bureau of Motor Vehicles (BMV) shall remit certain taxes not more than 21 days after the collection of the tax. Provides that in the first year an amended surtax or wheel tax rate is effective, the prior surtax or wheel tax rate (as

applicable) for the previous calendar year applies to vehicle registrations.

### ***HEA 1356: Permanent Trailer Registration***

Provides that the owner of a trailer that weighs 3,000 pounds or less may apply to the BMV for a permanent registration for a fee of \$82. Requires the owner of a trailer that applies to the BMV for a permanent registration to pay twice the amount of the surtax otherwise due when the owner obtains a permanent registration. Provides that the owner of a trailer that obtains a permanent registration is not subject to additional surtax payments.

### ***HEA 1396: Alcoholic Beverages and Tobacco***

Amends the definition of “beer” to include beverages obtained by the fermentation of cereal byproducts. Amends the definition of “flavored malt beverage” to remove the restriction that the beverage cannot be distributed in aluminum or other metal containers. Requires a municipality to notify the Chairman of the Alcohol and Tobacco Commission of any retailer or dealer premises annexed into the municipality to ensure the correct distribution of excise funds. Not later than 10 days after an annexation ordinance is filed under IC 36-4-3-22, or the second of two approvals of an annexation is filed under IC 36-3-2-7, the annexing municipality shall provide notice to the chairman of the commission of any retailer’s or dealer’s premises located within the annexed territory. The notice shall be in writing, sent by certified mail and must include the effective date of the annexation and the business name and street address of the retailer’s or dealer’s premises. The distribution from the excise fund shall continue to be paid to the jurisdiction on record with the commission until the chairman of the commission receives the notice under this section that the retailer’s or dealer’s premises have been annexed into the city or town. An annexing city or town shall be paid distributions that accrue after the date the chairman receives notice and is not entitled to retroactive payment of any distributions accruing before the date the chairman receives notice.

### ***HEA 1436: State and Local Administration***

Requires the addback for purposes of Indiana adjusted gross income of any exemption for unemployment benefits taken on a taxpayer’s federal return. Makes technical changes to the preexisting partial state income tax deduction for unemployment compensation.

# AUDIT DEPARTMENT STATISTICAL STUDY

The Audit Department Statistical Study addresses requirements set forth by IC 6-8.1-14-4(2). The information presented is based on 100% of the audits completed by Audit Operations (field audit) as well as Business Tax Compliance (BTC) and Individual Tax Compliance (ITC) units.

This data is segregated by tax type for presentation in this report. The statute calls for reporting on the statute or rule violated most frequently, the amount of tax involved and the industry sector of the taxpayers. A typical audit encompasses three tax periods, although more targeted adjustments made by DOR's compliance teams are usually for a single tax period. The BTC and ITC units are now separate from Audit Operations, but because they use the same software applications to manage workflow, the efforts of those units are reflected in the larger statistical analysis.

Due to DOR's ongoing modernization project and the implementation of ITS, data for this report needed to be extracted from both the legacy database and the current one. Small discrepancies may result from this change. The exhibits provide detail of all the citations and industry sectors from which audit adjustments were recorded. Where an industry sector was not known by existence of a North American Industrial Classification System (NAICS) code, the column has been marked as unidentified.

## **Amount of Tax Assessed**

The Audit team gathers the data for this report directly from audit working papers and posted audit results. Every effort is made to remove assessment dollars that might have been reported in prior periods. Any tax refund amounts are netted against gross tax assessments. Exhibits on pages following this recap detail all the assessed amounts sorted by the cited rule (statute) violated and by industry sector.

The largest Audit Operations team primarily audits business taxpayers for compliance with income tax and trust tax obligations. This encompasses sales tax, payroll withholding tax and various related taxes such as food & beverage, county innkeepers and motor vehicle rental. Several members of this team specialize in large corporate audits and financial institutions.

The following tables represent the largest violations of regulations and statutes in terms of tax dollars assessed for each of the major tax groups. Violations and assessments for miscellaneous trust taxes such as those mentioned above are not detailed separately.

For Indiana sales/use tax, the most prominent violations during FY21 related to reporting of retail sales tax and the failure of retail merchants to provide evidence of valid exemption where tax was not collected from customers. In terms of tax assessed, the third most commonly violated rule pertains to the misapplication of exemptions for items used in manufacturing.

For corporate income taxes and financial institutions tax (FIT), the rules violated most frequently relate to the calculation of adjusted gross income and the allocation/apportionment of that income to Indiana. Specifically for FIT, the adjustments usually involve identifying whether a filing entity is a "taxpayer" as defined by FIT statutes. When an entity is erroneously included in a financial institutions tax return, that entity may be subject to corporate adjusted gross income tax instead, or not subject to tax in Indiana at all. The composition of an affiliated group for both corporate income tax and financial institutions tax is often the subject of audit adjustments.

***Average number of years in the audit period: 3***

<b>SALES/USE TAX</b>	
<b>Citation of Violation</b>	<b>Amount Assessed</b>
IC 6-2.5-7-3	5,046,063
45 IAC 2.2-2-1	4,695,213
45 IAC 2.2-5-8	890,374

<b>CORPORATE INCOME TAX</b>	
<b>Citation of Violation</b>	<b>Amount Assessed</b>
IC 6-3-2-2	19,580,138
IC 6-3-1-3.5	14,013,962
IC 6-3-4-6	1,228,601

<b>FINANCIAL INSTITUTIONS TAX</b>	
<b>Citation of Violation</b>	<b>Amount Assessed</b>
IC 6-5.5-1-17	1,794,387
45 IAC 17-2-6	100,010
IC 6-5.5-4-10	49,592

The Audit Operations unit includes a team of auditors dedicated to “Special Tax” which is essentially all the excise taxes on tobacco, alcohol and fuel imposed by Indiana law. The heaviest focus for this group is ensuring compliance in payment of Cigarette tax (abbreviated CIG in the exhibits). Additionally, DOR’s compliance efforts in auditing cigarette distributors are mandated by the state’s agreement with the tobacco industry, known as the Master Settlement Agreement. Failure to comply with the agreement by auditing the subject taxpayers could result in Indiana losing an annual distribution.

<b>CIGARETTE TAX</b>	
<b>Citation of Violation</b>	<b>Amount Assessed (net of appeals)</b>
IC 6-7-1-12	268,000.88

Another subset of the Audit Operations team is Motor Carrier Audit Operations (MCAO). These auditors are specifically trained to audit trucking companies and other operators subject to Indiana motor carrier tax or that come under the authority of IFTA and IRP. DOR’s compliance efforts are mandated by minimum audit quotas required by these associations for Indiana to receive federal highway funding. These audits cover all jurisdictions in which the taxpayer is registered, so results are allocated among the other states as required by the agreements.

<b>MOTOR CARRIER TAXES - IFTA &amp; IRP</b>	
<b>Citation of Violation</b>	<b>Amount Assessed</b>
IFTA Non-Indiana Adequate Rating	451,648.43
IFTA Non-Indiana Inadequate Rating	254,818.13
IFTA Indiana Inadequate Rating	242,795.15
IRP Article X-1015	128,668.54

## Voluntary Disclosure Agreements (VDA) and Voluntary Compliance Initiatives (VCI)

The VCI program involves work with the BTC unit to identify and contact remote sellers and others who are likely to be retail merchants operating in Indiana under the economic nexus thresholds enacted that became enforceable after the US Supreme Court decision in *South Dakota v. Wayfair*. In FY21, this program generated the following, previously unreported tax dollars:

Program	Income Tax Generated	Sales Tax Generated	Authority
VDA	6,717,447.42		IC 6-3-1-3.5
VDA		3,938,860.01	IC 6-2.5-2-1
VCI		3,423,477.06	IC 6-2.5-2-1

With the implementation of DOR’s new integrated tax system, DOR has expanded functionality (known as “Discovery” in the audit system) in analyzing filed returns and various tax accounts, as well as external data sources related to tax registrations and transactions. This allows DOR to select audits based on a query of certain criteria, including industry sector, determined by known areas of non-compliance. Several of these Discoveries are directed at various industries where reported information is out of the ordinary for those industries.

DOR identifies industry sectors using the NAICS Code, which is a 6-digit number. The first digit of the code identifies the general activity of a business, as illustrated in the following table.

EXHIBITS		
<b>North American Industrial Classification System (NAICS)</b>	Exhibit A	Page 35
<b>Trust Tax and Excise Tax Dollars Assessed by Industrial Code</b>	Exhibit B	Pages 36-38
<b>Corporate Income Tax and Financial Institutions Tax Dollars Assessed by Industrial Code</b>	Exhibit C	Page 39

# NORTH AMERICAN INDUSTRIAL CLASSIFICATION SYSTEM (NAICS)

## Exhibit A

Class	Explanation
1	Agricultural; Forestry
2	Mining; Oil and Gas Extraction; Construction
3	Manufacturing
4	Wholesale; Retail; Transportation
5	Information; Publishing; Telecommunications; Finance; Retail Insurance; Real Estate; Leasing; Professional Services
6	Education; Health Services
7	Arts; Entertainment; Recreation; Food Services; Accommodations
8	Repair; Personal Services; Other Services
9	Public Administration; Unrelated Business Activities; Individuals

# TRUST TAX AND EXCISE TAX ADJUSTMENTS

Dollars Assessed by Industrial Codes

## Exhibit B

(NAICS)										
Citation*	Unidentified Industry	1	2	3	4	5	6	7	8	Grand total
<b>CIGARETTE (CIG)</b>										
IC 6-7-1-12	8,385.66				379,799.28			4,034.76	3,411.82	395,631.52
Supp IC 6-7-1-12					(127,630.64)					(127,630.64)
<b>CIG TOTAL</b>	8,385.66				252,168.64			4,034.76	3,411.82	268,000.88
<b>FOOD AND BEVERAGE (FAB)</b>										
IC 6-9-12-2								2,282.01		2,282.01
IC 6-9-27-4								8,737.90		8,737.90
IC 6-9-33-3								285.71		285.71
IC 6-9-35-5					22,525.64			1,508.57		24,034.21
<b>FAB TOTAL</b>					22,525.64			12,814.19		35,339.83
<b>INTERNATIONAL FUEL TAX (IFT)</b>										
IFTA Non-Indiana Assessment Adequate Rating			4,004.52	73.87	445,672.75				1,897.29	451,648.43
IFTA Non-Indiana Assessment Inadequate Rating					263,442.08	15,924.32				279,366.40
IRP Article X-1005			486.51	31.85	(4,064.87)				348.19	(3,198.32)
IRP Article X-1015					128,668.54					128,668.54
Indiana IFTA Assessment Adequate Rating			3,499.94	802.94	327.53				830.67	5,461.08
Indiana IFTA Assessment Inadequate Rating					186,188.06	56,607.09				242,795.15
Supp IFTA Indiana Assessment Inadequate Rating					76.00	6,179.48				6,255.48
Supp IFTA Non-Indiana Assessment Inadequate Records					(835.11)	(23,713.16)				(24,548.27)
Supplemental Adjustment					(1,514.61)					(1,514.61)
Supplemental Adjustment, Second					(877.05)					(877.05)
<b>IFT TOTAL</b>			7,990.97	908.66	1,017,083.32	54,997.73			3,076.15	1,084,056.83
<b>INTERNATIONAL REGISTRATION PLAN (IRP)</b>										
IRP Article X-1015			272.57		3,219.66					3,492.23
<b>IRP TOTAL</b>			272.57		3,219.66					3,492.23
<b>RETAIL SALES TAX (RST)</b>										
45 IAC 2.2-2-1					252,723.27	0.07			7,625.66	260,349.00
45 IAC 2.2-2-2				6,884.38	65,705.02			3,008.81		75,598.21
45 IAC 2.2-3-4				(22,719.36)	141,062.32	22,356.97				140,699.93

\* To view the 45 IAC citation, visit [www.state.in.us/legislative/iac/title45.html](http://www.state.in.us/legislative/iac/title45.html)

\* To view the IC citation, visit [www.in.gov/legislative/ic/code](http://www.in.gov/legislative/ic/code)

# TRUST TAX AND EXCISE TAX ADJUSTMENTS

Dollars Assessed by Industrial Codes

*Exhibit B, Cont.*

(NAICS)										
Citation*	Unidentified Industry	1	2	3	4	5	6	7	8	Grand total
45 IAC 2.2-3-8			2,273.01							2,273.01
45 IAC 2.2-3-9					153.51					153.51
45 IAC 2.2-3-12			14,561.23		8,378.08	447.38				23,386.69
45 IAC 2.2-3-13					942.47					942.47
45 IAC 2.2-3-20	1,474.20	554.79	46,562.81	24,355.36	47,235.12	1,497.01	3,495.87	8,265.89	13,046.73	146,487.78
45 IAC 2.2-3-22	857.15									857.15
45 IAC 2.2-3-3	2,450.00									2,450.00
45 IAC 2.2-3-4	85,212.73	1,117.48	3,112.91	38,312.34	213,338.66	997.00	7,042.79	3,624.52	8,245.29	361,003.72
45 IAC 2.2-3-5	34,059.69									34,059.69
45 IAC 2.2-3-8			(203,344.95)							(203,344.95)
45 IAC 2.2-3-9			677.14							677.14
45 IAC 2.2-4-1				229.34	686.01					915.35
45 IAC 2.2-4-2						(75,802.17)				(75,802.17)
45 IAC 2.2-4-1			3.50	319.57	9,163.07					9,486.14
45 IAC 2.2-4-13				(113,204.42)				21,729.78		(91,474.64)
45 IAC 2.2-4-2		1,500.21		3,865.26	840.00	(106,675.07)			840.00	(99,629.60)
45 IAC 2.2-4-27				3,047.78	18.52	55,566.07		1,087.90	330.19	60,050.46
45 IAC 2.2-4-8								194,316.03		194,316.03
45 IAC 2.2-5-8				889,657.02	(668.64)			1,386.00		890,374.38
45 IAC 2.2-5-10				44,614.45						44,614.45
45 IAC 2.2-5-12				(197.02)						(197.02)
45 IAC 2.2-5-14				2,349.28						2,349.28
45 IAC 2.2-5-15			(5,448.31)	(254.22)	(2,110.61)	(106.51)		(2,504.46)	(1,421.35)	(11,845.46)
45 IAC 2.2-5-16				(675.38)						(675.38)
45 IAC 2.2-5-26					33.18				6.16	39.34
45 IAC 2.2-5-3	84.52									84.52
45 IAC 2.2-5-36							19,105.77			19,105.77
45 IAC 2.2-5-4	18,929.64									18,929.64
45 IAC 2.2-5-6	403.19									403.19
45 IAC 2.2-5-70				(11,900.00)						(11,900.00)
45 IAC 2.2-5-8				301,959.37	28,882.01					330,841.38
45 IAC 2.2-6-8			2,569.26	39,699.28	427,386.50			8,511.08		478,166.12
45 IAC 2.2-6-8			(2,574.18)	9,400.92	459,327.51			60,944.70		527,098.95
45 IAC 2.2-8-12			3,977.93	37,379.14	11,814.89	15,018.52		3,020.03	3,200.04	74,410.55
IC 6-2.5-1-5				3,468.22		(3,763.21)				(294.99)
IC 6-2.5-1-24				11,122.32	1,647.92					12,770.24
IC 6-2.5-3-8			7,098.40	1,829.04	72,925.07	337.78		137.73	16.72	82,344.74
IC 6-2.5-4-6						10,072.87				10,072.87
IC 6-2.5-4-9			1,218.67	3,519.03						4,737.70

\* To view the 45 IAC citation, visit [www.state.in.us/legislative/iac/title45.html](http://www.state.in.us/legislative/iac/title45.html)

\* To view the IC citation, visit [www.in.gov/legislative/ic/code](http://www.in.gov/legislative/ic/code)

# TRUST TAX AND EXCISE TAX ADJUSTMENTS

Dollars Assessed by Industrial Codes

*Exhibit B, Cont.*

(NAICS)										
Citation*	Unidentified Industry	1	2	3	4	5	6	7	8	Grand total
IC 6-2.5-4-10						40,851.69				40,851.69
IC 6-2.5-5-20					30,844.24					30,844.24
IC 6-2.5-6-1					88,392.47				28,332.00	116,724.47
IC 6-2.5-6-9						29,372.91				29,372.91
IC 6-2.5-7-3					5,046,063.36					5,046,063.36
IC 6-8.1-5-4									22,409.17	22,409.17
IC 6-2.5-1-24			87.15	25,392.16	1,205.62	21,689.37		175.00		48,549.30
IC 6-2.5-1-5					86.10					86.10
IC 6-2.5-3-5	1,639.75		(1,496.93)	13.57						156.39
IC 6-2.5-3-8		2,878.47	244,570.55	8,779.28	21,528.21		16,055.25	122,372.12	2,022.24	418,206.12
IC 6-2.5-4-1			478.80							478.80
IC 6-2.5-4-10					924.00					924.00
IC 6-2.5-4-17			219.24	1,471.08	1,799.49				94.85	3,584.66
IC 6-2.5-4-9				137.76	262.85					400.61
IC 6-2.5-5-13						(590,926.50)				(590,926.50)
IC 6-2.5-5-20					41,552.86					41,552.86
IC 6-2.5-5-39	12,608.33				10,465.07					23,073.40
IC 6-2.5-5-40				(330.75)						(330.75)
IC 6-2.5-5-5.1				(10,153.03)						(10,153.03)
IC 6-2.5-6-1					19,604.44			15,785.55	1,534.61	36,924.60
IC 6-2.5-9-3								491,794.93		491,794.93
Supp 45 IAC 2.2-2-2				(360.01)						(360.01)
Supp 45 IAC 2.2-3-4						(37,551.22)				(37,551.22)
Supp 45 IAC 2.2-3-12					(7,699.99)					(7,699.99)
Supp 45 IAC 2.2-5-8				(183,289.07)						(183,289.07)
Supp 45 IAC 2.2-6-8					(375,775.26)					(375,775.26)
Supp 45 IAC 2.5-5-45.8				(152,534.39)						(152,534.39)
Supp IC 6-2.5-7-3					(1,679,703.17)					(1,679,703.17)
<b>RST TOTAL</b>	157,719.20	6,050.95	114,546.23	962,188.30	4,939,034.17	(616,617.04)	45,699.68	933,655.61	86,282.31	6,628,559.41
WITHHOLDING (WTH)										
IC 6-3-4-8			6,860.43		39,703.56			14,219.95		60,783.94
<b>WTH TOTAL</b>			6,860.43		39,703.56			14,219.95		60,783.94
<b>GRAND TOTAL</b>	1,597,407.86	6,050.95	129,670.20	963,096.96	6,273,734.99	(561,619.31)	45,699.68	964,724.51	92,770.28	9,511,536.12

\* To view the 45 IAC citation, visit [www.state.in.us/legislative/iac/title45.html](http://www.state.in.us/legislative/iac/title45.html)  
 \* To view the IC citation, visit [www.in.gov/legislative/ic/code](http://www.in.gov/legislative/ic/code)

# CORPORATE INCOME TAX AND FINANCIAL INSTITUTIONS TAX ADJUSTMENTS

Dollars Assessed by Industrial Codes

## Exhibit C

(NAICS)									
Citation*	Unidentified Industry	2	3	4	5	6	7	8	Grand total
IC 6-3-2-2			2,570,776.00	17,009,362.00					19,580,138.00
IC 6-3-1-3.5	1,520,355.00	16,101.00	1,977,978.00	1,724,691.00	82,069.00	2,908.00	8,494,842.00	195,018.00	14,013,962.00
IC 6-5.5-1-17	1,794,387.00								1,794,387.00
IC 6-3-4-6	168,923.00				709,984.00			349,694.00	1,228,601.00
IC 6-3-4-12	590,865.00			1,627.00	38,885.00	51,082.00			682,459.00
IC 6-3.1-4-2			556,938.00						556,938.00
IC 6-3.1-4-1	193,420.00		218,648.00						412,068.00
IC 6-3-4-13	282,100.00			1,775.00	3,275.00			55,358.00	342,508.00
IC 6-3-2-1.5			232,184.00						232,184.00
IC 6-8.1-9-1	144,802.00								144,802.00
IC 6-3.1-7-3	134,410.00								134,410.00
45 IAC 3.1-1-8	128,320.00			(2,003.00)					126,317.00
IC 6-3-1-20	116,816.00								116,816.00
45 IAC 17-2-6	100,010.00								100,010.00
45 IAC 3.1-1-110	73,842.00								73,842.00
IC 6-3-2-1	(555.00)		(4,498.00)	48,254.00	(6,549.00)		18,162.00		54,814.00
IC 6-5.5-4-10	49,592.00								49,592.00
IC 6-5.5-1-2	38,702.00								38,702.00
IC 6-3-2-20				27,268.00					27,268.00
45 IAC 3.1-1-50								16,111.00	16,111.00
IC 6-3.1-4-7			6,965.00						6,965.00
45 IAC 3.1-1-5				5,979.00					5,979.00
45 IAC 3.1-1-94	5,684.00								5,684.00
45 IAC 3.1-1-53								3,812.00	3,812.00
IC 6-5.5-6-6	1,883.00								1,883.00
45 IAC 3.1-1-79								1,000.00	1,000.00
IC 6-5.5-2-4	(53,676.00)								(53,676.00)
45 IAC 3.1-1-52	179,543.00			(252,521.00)					(72,978.00)
IC 6-5.5-2-1	(133,908.00)								(133,908.00)
IC 6-3-4-14	(143,939.00)								(143,939.00)
45 IAC 3.1-1-51	(43,708.00)		241,079.00		(55,199.00)		2,006.00	(422,745.00)	(278,567.00)
IC 6-3-2-2.6	(6,881.00)		1,588.00	56,433.00	(768,153.00)		2,986.00		(714,027.00)
<b>GRAND TOTAL</b>	<b>5,140,987.00</b>	<b>16,101.00</b>	<b>5,801,658.00</b>	<b>18,620,865.00</b>	<b>4,312.00</b>	<b>53,990.00</b>	<b>8,517,996.00</b>	<b>198,248.00</b>	<b>38,354,157.00</b>

\* To view the 45 IAC citation, visit [www.state.in.us/legislative/iac/title45.html](http://www.state.in.us/legislative/iac/title45.html)

\* To view the IC citation, visit [www.in.gov/legislative/ic/code](http://www.in.gov/legislative/ic/code)

# INDIANA TAX RECEIPTS

## All Dollar Amounts in Thousands

Tax Type	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	\$ incr (decr)	% incr (decr)
Aircraft License Excise Tax	\$4921.9	\$557.3	\$43.8	\$1,187.1	\$237.0	\$572.5	\$450.6	\$448.7	(\$1.9)	0%
Aircraft Registration Fee	\$79.2	\$87.7	\$22.8	\$64.5	\$40.8	\$45.5	\$49.1	\$50.7	\$5.1	3%
Alcoholic Beverage Tax	\$45,954.7	\$46,063.6	\$48,309.7	\$49,402.8	\$51,577.9	\$52,107.0	\$52,895.1	\$58,541.6	\$5,646.5	11%
Alt Fuel Decal Fee	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$233.8	\$239.1	\$282.5	\$43.4	18%
Alternative Fuel	\$232.4	\$872.1	\$698.3	\$364.7	(\$0.6)	\$0.0	\$0.0	\$1.0	\$1.0	N/A
Auto Rental Excise Tax	\$12,511.3	\$12,543.8	\$13,175.1	\$13,912.1	\$13,738.8	\$14,949.9	\$14,052.9	\$11,748.6	(\$2,304.3)	-16%
Aviation Fuel Tax	\$1,501.9	\$1,720.3	\$1,705.2	\$1,842.6	\$3,832.1	\$3,854.4	\$3,470.2	\$3,304.3	(\$165.8)	-5%
Base Plate Registration Fees	N/A	\$2,287.5	\$2,287.5	N/A						
Brown County Admission Tax	N/A	N/A	N/A	N/A	N/A	N/A	\$27.9	\$0.0	(\$27.9)	-100%
Charity Gaming Excise Tax	\$1,138.7	\$1,085.2	\$1,137.7	\$1,050.0	\$1,250.4	\$1,206.1	\$1,025.1	\$1,229.3	\$204.2	20%
Cigarette/Other Tobacco Tax	\$447,561.4	\$439,264.5	\$443,209.9	\$434,350.7	\$418,341.3	\$404,879.0	\$409,248.4	\$410,382.3	\$1,133.9	0%
Commercial Vehicle Excise Tax								\$53,186.9	\$53,186.9	N/A
Controlled Substance Tax	\$0.2	\$0.2	\$0.9	\$0.2	\$0.0	\$0.4	\$3.2	\$7.6	\$4.4	135%
Corporate Adjusted Gross Income Tax	\$764,355.1	\$777,777.5	\$699,192.6	\$730,919.4	\$390,631.5	\$603,018.6	\$437,546.0	\$994,935.4	\$557,389.4	127%
County Adjusted Gross Income Tax	\$619,385.6	\$728,955.2	\$777,201.6	\$399,052.1	N/A	N/A	N/A	N/A	N/A	N/A
County Economic Development Income Tax	\$304,800.3	\$326,601.9	\$336,123.7	\$171,657.2	N/A	N/A	N/A	N/A	N/A	N/A
County Innkeeper's Tax	\$51,566.0	\$61,084.4	\$60,545.2	\$60,915.8	\$64,738.1	\$68,661.2	\$61,765.2	\$42,161.6	(\$19,603.6)	-32%
County Option Income Tax	\$805,742.9	\$882,188.9	\$935,027.7	\$477,079.5	N/A	N/A	N/A	N/A	N/A	N/A
DOR Pilot Program (Louisiana)	N/A	\$390.0	\$390.0	N/A						
DOR Service Charge	\$0.0	\$0.0	\$0.0	\$0.0	\$36.7	\$60.5	\$55.7	\$61.5	\$5.8	10%
Electric Rail	\$0.0	\$0.0	\$152.3	\$143.9	\$201.0	\$172.9	\$207.7	\$280.3	\$72.6	35%
Employment Agency Licensing Fee	\$30.8	\$27.6	\$23.9	\$17.7	\$29.3	\$30.2	\$28.5	\$25.7	(\$2.9)	-10%
Enhanced Prepaid Wireless Telecommunication Fee	\$5,454.0	\$5,772.1	\$11,555.4	\$13,321.3	\$14,274.0	\$14,310.7	\$14,886.5	\$15,577.8	\$691.3	5%
Financial Institutions Tax	\$102,391.6	\$125,795.4	\$120,198.3	\$100,966.5	\$105,943.7	\$165,086.7	\$131,507.3	\$234,893.3	\$103,386.0	79%
Fireworks Public Safety Fee	\$2,270.5	\$2,625.9	\$2,796.5	\$2,842.4	\$2,745.8	\$2,672.2	\$2,603.0	\$5,092.7	\$2,489.7	96%
Fish and Wildlife	\$117.7	\$98.5	\$105.7	\$101.8	\$131.6	\$164.9	\$179.8	\$225.6	\$45.9	26%
Food and Beverage Tax	\$73,039.5	\$86,119.7	\$87,079.6	\$88,007.5	\$91,628.6	\$100,810.9	\$95,456.1	\$97,600.7	\$2,144.5	2%
Gasoline Tax	\$527,290.1	\$540,082.5	\$556,824.2	\$559,484.9	\$852,320.3	\$896,324.5	\$871,460.0	\$916,860.2	\$45,400.2	5%
Heavy Equipment Rental Excise Tax	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$2,115.9	\$9,115.5	\$10,931.4	\$1,816.0	20%
Historic Hotel District Community Support Fee	\$0.0	\$0.0	\$2,500.0	\$2,500.0	\$2,500.0	\$2,500.0	\$2,500.0	\$2,500.0	\$0.0	0%
IMS Admissions Fee	\$295.1	\$1,312.3	\$1,446.3	\$1,561.9	\$1,326.5	\$1,227.4	\$884.3	\$380.5	(\$503.9)	-57%
Independent Contractor Fee	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$56.2	\$55.7	(\$0.5)	-1%
Independent Contractor Fee - Workers Comp	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$168.7	\$167.2	(\$1.6)	-1%
Individual Adjusted Gross Income Tax	\$4,896,316.5	\$5,232,989.3	\$5,218,165.8	\$5,435,292.5	\$5,816,071.7	\$6,056,960.3	\$5,271,814.1	\$7,531,532.3	\$2,259,718.2	43%
Inheritance Tax	\$87,712.2	\$4,594.7	\$871.8	\$784.4	\$347.0	\$224.5	\$127.5	\$289.2	\$161.7	127%
Intercept Collection Fees	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1,326.9	\$1,088.3	(\$238.6)	-18%
International Registration Plan (IRP) Licensing Fee	\$96,099.9	\$103,792.9	\$104,384.2	\$104,859.7	\$128,466.3	\$154,243.2	\$142,495.0	\$156,298.7	\$13,803.7	10%
K-12 Check-Off	\$0.0	\$0.0	\$56.1	\$41.6	\$108.3	\$113.2	\$121.7	\$170.0	\$48.2	40%
Local Income Tax	\$0.0	\$0.0	\$0.0	\$1,139,622.1	\$2,383,681.0	\$2,535,093.7	\$2,728,453.5	\$2,919,853.4	\$191,399.9	7%

# INDIANA TAX RECEIPTS CONT.

## All Dollar Amounts in Thousands

Tax Type	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	\$ incr (decr)	% incr (decr)
LOIT/LIT Reserve	\$200,798.4	\$180,844.0	\$215,367.0	\$210,379.2	\$275,166.5	\$308,156.7	\$303,010.8	\$127,542.8	(\$175,467.9)	-58%
Marion County Admissions Fee	\$14,151.7	\$13,166.5	\$12,963.9	\$13,620.5	\$14,904.5	\$15,598.1	\$13,477.1	\$3,426.8	(\$10,050.3)	-75%
Marion County Supplemental Auto Rental Excise Tax	\$6,486.2	\$7,654.5	\$6,928.6	\$7,190.2	\$7,899.8	\$8,369.2	\$7,652.7	\$5,204.2	(\$2,448.6)	-32%
Military Relief Check-Off	\$0.0	\$0.0	\$0.0	\$1.2	\$0.0	\$0.0	\$102.6	\$142.4	\$39.8	39%
Miscellaneous Tax	\$151.5	\$54.5	(\$2.3)	(\$0.1)	(\$0.1)	\$0.0	(\$15.0)	\$0.0	\$15.0	-100%
Motor Carrier Fuel Tax	\$433.1	\$315.2	\$422.5	\$490.2	\$433.6	\$48,534.8	\$47,431.9	\$59,810.3	\$12,378.4	26%
Motor Carrier Permit Fees	\$363.2	\$255.9	\$319.1	\$251.9	\$334.3	\$729.3	\$831.2	\$938.3	\$107.0	13%
Motor Carrier Regulation	\$9,818.1	\$9,073.3	\$9,014.6	\$9,188.3	\$11,902.6	\$925.3	\$0.0	\$0.0	\$0.0	N/A
Motor Carrier Surcharge Tax	\$99,272.1	\$91,690.5	\$91,147.8	\$92,767.6	\$252,536.1	\$19,593.2	\$0.0	\$0.0	\$0.0	N/A
Motor Vehicle Excise Tax	\$2.8	\$0.5	\$0.6	\$0.3	\$1.2	\$1.7	\$0.9	\$0.0	(\$0.9)	-100%
Non-Game	\$343.7	\$320.3	\$153.7	\$146.6	\$224.8	\$192.6	\$150.7	\$220.1	\$69.4	46%
Oversize/Overweight Permit Fee	\$18,200.3	\$20,963.5	\$21,774.4	\$21,328.1	\$22,168.1	\$25,084.2	\$22,683.0	\$24,176.8	\$1,493.8	7%
Pari Mutual Breakage	N/A	\$277.7	\$277.7	N/A						
Pari Mutual Wagering	\$1,963.2	\$1,879.4	\$1,702.1	\$1,619.0	\$1,524.4	\$1,434.9	\$865.4	\$999.2	\$133.8	15%
Petroleum Severance Tax	2,500.3	\$2,015.1	\$1,012.8	\$1,011.4	\$1,073.5	\$1,118.1	\$852.2	\$767.8	(\$84.4)	-10%
Public Utility Tax	\$8,051.7	\$8,618.2	\$10,547.1	\$12,107.1	\$12,726.1	\$13,052.0	\$13,673.1	\$13,596.0	(\$77.1)	-1%
Racino Slot Machine Wagering Tax	\$110,829.1	\$110,663.7	\$110,752.8	\$114,068.2	\$114,887.6	\$119,030.9	\$90,409.0	\$126,219.5	\$35,810.5	40%
Riverboat Admissions Tax	\$58,190.6	\$55,007.2	\$51,287.9	\$46,740.9	\$43,683.9	\$977.3	\$0.0	\$0.0	\$0.0	N/A
Riverboat Wagering Tax	\$485,331.9	\$452,301.9	\$446,408.4	\$429,709.9	\$433,883.5	\$427,013.7	\$295,028.1	\$386,893.9	\$91,865.8	31%
Sales and Use Tax	\$7,003,425.5	\$7,227,731.5	\$7,305,631.9	\$7,557,142.3	\$7,795,586.4	\$8,088,343.2	\$8,234,288.4	\$9,266,006.5	\$1,031,718.1	13%
Special Fuel Dealers Bond	(\$13.2)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A
Special Fuel Tax	\$177,617.5	\$189,026.3	\$186,164.5	\$190,658.9	\$298,984.2	\$505,042.6	\$526,016.4	\$564,854.8	\$38,838.4	7%
Sports Wagering Tax	N/A	N/A	N/A	N/A	N/A	N/A	\$7,448.1	\$21,732.3	\$14,284.2	192%
Supplemental Wagering Tax	\$0.0	\$0.0	\$0.0	\$0.0	\$3,115.4	\$44,359.7	\$32,796.9	\$44,383.4	\$11,586.5	35%
Transportation Improvement Fee	\$0.0	\$0.0	\$0.0	\$0.0	\$250.7	\$410.2	\$428.3	\$439.3	\$10.9	3%
Type II Gaming (Taverns)	\$403.5	\$414.4	\$437.9	\$477.5	\$507.7	\$557.9	\$486.8	\$759.0	\$272.2	56%
Underground Storage Tank Fee	\$50,568.7	\$50,987.4	\$50,261.6	\$52,584.6	\$46,144.7	\$44,918.7	\$43,322.5	\$43,547.3	\$224.9	1%
Unified Carrier Registration	\$2,476.3	\$2,560.4	\$2,442.5	\$2,459.7	\$2,388.0	\$2,391.1	\$2,392.2	\$2,389.1	(\$3.1)	0%
Utility Services Use Tax	\$14,084.7	\$12,453.4	\$7,214.0	\$8,526.3	\$6,940.3	\$6,032.2	\$4,656.5	\$5,119.0	\$462.5	10%
Utility Receipts Tax	\$219,406.9	\$218,597.1	\$207,762.2	\$185,087.0	\$195,208.9	\$217,376.7	\$183,155.9	\$202,813.0	\$19,657.1	11%
Vehicle Sharing Excise Tax	N/A	\$26.3	\$26.3	N/A						
Waste Tire Management Fee	\$1,467.6	\$1,533.0	\$1,559.1	\$1,580.1	\$1,616.1	\$1,600.4	\$1,545.2	\$1,824.5	\$279.3	18%
<b>Grand Total</b>	<b>\$17,332,664.9</b>	<b>\$18,090,140.7</b>	<b>\$18,163,828.9</b>	<b>\$18,750,483.8</b>	<b>\$19,888,291.9</b>	<b>\$20,982,583.7</b>	<b>\$20,086,912.2</b>	<b>\$24,376,952.9</b>	<b>\$4,290,040.7</b>	<b>21%</b>

Detailed tax descriptions can be found online by visiting [dor.in.gov/about-dor/indiana-tax-descriptions](http://dor.in.gov/about-dor/indiana-tax-descriptions).

# AREAS OF RECURRING TAXPAYER NON-COMPLIANCE

## Calculation Errors

When a calculation error is detected, the tax return is flagged for review by a DOR tax analyst. During FY21, 101,553 returns were flagged for calculation errors. For each case, research is performed and calculations are checked to determine the root cause of the error and to make the correction. Possible errors include incorrect calculations from the filer or capture process errors and data being submitted on the incorrect tax return line. After the error has been analyzed and corrected, the return is successfully processed. The increase in electronic filing and improvements in high-speed imaging and data capture continue to improve data accuracy and reduce the occurrences of these mistakes.

## Claiming Credits Incorrectly

A small percentage of taxpayers claim incorrect tax credits or do not have the proper documentation included with the return for a specific credit. This results in the credit being put on hold and worked manually by a DOR tax analyst. In many cases, the tax analyst contacts the customer to correct the filing, which may include obtaining the necessary information. In FY21, 203,448 tax returns required this manual processing correction. DOR works to continuously improve tax preparation education and drive improvements in this area.

## Duplication of Filing

Duplicate filing usually occurs when a taxpayer files a return electronically and then sends DOR a paper-filed copy of the return. In FY21, DOR received 13,513 duplicate returns. After a duplicate return is received and identified as a duplicate, a tax analyst must perform manual steps to mark the second filing as “information only” to avoid processing errors. Customer education by both DOR and tax software companies continue to reduce this error.

## Miscellaneous

The following taxpayer filing errors required manual review, data entry and processing:

- **47,246 unidentified checks:** These are checks that arrive without the required information for high-speed processing, typically missing a voucher. This requires manual research and processing by DOR tax analysts.
- **14,579 paper-filed returns requiring manual processing:** This is often a result of older or incorrect forms being utilized.



**101,553**  
Tax Returns Flagged  
for a Calculation Error  
Review

**203,448**  
Tax Returns Requiring  
Manual Credit  
Processing Correction

**13,513**  
Duplicate Returns  
Received

**47,246**  
Checks Requiring  
Manual Intervention

**14,579**  
Paper-filed Returns  
Requiring Manual  
Processing

# LEGISLATIVE REQUIREMENTS

## In accordance with IC 6-8.1-14-4, the Indiana Department of Revenue Annual Report must include the following:

1. Areas of recurring taxpayer noncompliance, **page 40.**
2. A statistical study under IC 6-8.1-7-2 from DOR's audit process, including the following, **pages 30-37:**
  - A. The statute or rule violated by the taxpayers.
  - B. The amount of tax involved.
  - C. The industry or business of the taxpayers.
  - D. The number of years in the audit period.
  - E. The use of professional tax preparation assistance by the taxpayers.
  - F. The filing of appropriate tax returns by the taxpayers.
3. Recommendations for improving taxpayer compliance and DOR administration by the following:
  - A. The adoption of new or amended statutes and rules, **pages 25-29.**
  - B. Improvements in the training of DOR team members, **page 16.**
  - C. Improvements in taxpayer communication and education, **page 17.**
  - D. Increases in the enforcement capability of DOR, **pages 17.**
4. The certification required under IC 6-8.1-3-2.6, **page 2.**
5. The following information, **page 12:**
  - A. The number of taxpayers: **4,844,515**
  - B. The amount of gross collections: **\$25,777,751,046**
  - C. The amount of net collections: **\$24,376,952,885**
  - D. The amount of refunds: **-\$1,400,798,161**
  - E. The amount of customer retained collection allowances: **\$31,481,465**
  - F. The amount of administrative costs: **\$69,461,370**
  - G. The amount of delinquencies by type of tax collected by DOR: **\$392,733,000**

# FY21 Employee of the Month Winners



# FY21 Employee of the Month Winners



*Jan. - June 2021 Winners*

**#WeAreDOR**

 **NextLevel**

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