



2024 Individual Income Tax Administrative Highlights

Add-Backs and Modifications

- **Tax Add-Back**

The portion of wagering taxes required to be added back as a tax based on or measured by income is being phased out. The percentage of taxes required to be added back for 2024 is 25%.

- **Net Operating Loss Modification**

- New Schedule NOL-MOD and 400 series modification codes added for reporting current year net operating loss modification information.
- Add-back code 155 has been added to report net operating loss reduction due to debt discharge.

Credits

- **Indiana ABLE 529A Account Credit (3-digit code 872)**

- A nonrefundable credit is now available for contributions to Indiana ABLE accounts.
- Credit is the lesser of 20% of the amount of the total contributions to an Indiana ABLE 529A savings plan during the taxable year or \$500.
- Credit must be repaid for nonqualified withdrawals.
- This credit must be reported on new Schedule IN-ABLE.

- **Attainable Homeownership Tax Credit (3-digit code 875; 4-digit code 1875)**

- Allows a nonrefundable credit for contribution to an affordable housing organization approved by the Indiana Economic Development Corporation (IEDC).
- Amount of credit is limited to the lesser of 50% of qualified contribution or \$10,000.
- Total amount of credit is limited to \$4 million each fiscal year.
- This credit must be reported on Schedule IN-OCC.

- **Employer Child Care Expenditure Credit (3-digit code 876)**

- Nonrefundable credit for employers with 100 or fewer employees for capital expenses related to establishing childcare facilities for their employees.
- Maximum amount of credit is the lesser of 50% of the employer's qualified expenditures or \$100,000.
- Total amount of the credit allowed is limited to \$2.5 million in a fiscal year.

- **Employment of Individuals with Disability Tax Credit (3-digit code 877; 3-digit code 881 for benefit corporation only)**

- A nonrefundable credit is available for employers who employ an individual who is referred to the employer for employment through a vocational rehabilitation services program for individuals with a disability and was initially hired by the taxpayer after Dec. 31, 2023.
- For a benefit corporation that employs no more than 50 individuals, and the majority of the employees are eligible individuals, the amount of credit is: First year of credit is 30%, second year of credit is 40%, third and later years of credit is 50%.

- For employers who do not meet the definition of a benefit corporation and employ 500 or fewer employees, the amount of credit is: First year of credit is 20%, second year of credit is 30%, third and later years of credit is 40%.
- **Health Reimbursement Arrangement Credit (3-digit code 878)**
 - A nonrefundable credit has been established for an employer that is a corporation, a limited liability company, a partnership, or another entity and has adopted health reimbursement arrangements in lieu of a traditional employer provided health insurance plan.
 - Amount of credit for a qualified contribution for a qualified taxpayer with less than 50 employees, is up to \$400 in the first year per covered employee.
 - The credit decreases to \$200 per covered employee in the second year.
 - Total tax credits granted are limited to \$10 million in any taxable fiscal year.
 - This credit must be reported on Schedule IN-OCC.
- **Historic Rehabilitation Tax Credit (3-digit code 879; 4-digit code 1879)**
 - Nonrefundable tax credit is available for the rehabilitation of qualified historic structures.
 - IEDC awards this credit when a qualified taxpayer completes restoration and preservation of a qualified historic structure, and the total amount of qualified rehabilitation expenditures equals \$5,000 or more.
 - This credit must be reported on Schedule IN-OCC.
- **Physician Practice Ownership Credit (3-digit code 880)**
 - Nonrefundable credit is available for an individual who is a physician practicing as a primary care physician, has an ownership interest in a physician medical practice established after Dec. 31, 2023, has billed for primary health care services for at least six months of that taxable year and is not employed by a health system.
 - Amount of the credit is limited to \$20,000.
 - Credit must be repaid if DOR determines within five years of a tax credit that the taxpayer has sold, transferred, granted, or otherwise relinquished the taxpayer's ownership interest in an entity and is employed by a health system or another non-physician owned medical practice.
 - This credit must be reported on Schedule IN-OCC.

Deductions

- **Active Military Pay Deduction Change**
 - Beginning taxable year 2024, 100% of military pay earned by members of an active component of the armed forces is exempt from Indiana income tax.
- **30 Days or Less Nonresident Employee Wage Deduction (3-digit code 644)**
 - A deduction is available for most non-resident workers who worked no more than 30 days in a calendar year in Indiana.
 - New line added to Schedule H and IT-40RNR to report the number of days employed in Indiana.

- **Health Care Sharing Ministry Deduction (3-digit code 643)**
 - An individual who is an Indiana resident and a member of a health care sharing ministry is entitled to an adjusted gross income tax deduction equal to the total amount of qualified health care sharing expenses paid by the qualified individual during the taxable year.

Miscellaneous

- **IRC Update**
Line 1 of Form IT-40 assumes conformity with the Internal Revenue Code of 1986, as amended and in effect on Jan. 1, 2024. If the 2024 Indiana General Assembly does not conform to the most current changes to the Internal Revenue Code, you may have to amend your 2024 tax return at a later date to reflect any differences between Indiana and federal law. You may wish to periodically check DOR’s homepage at www.in.gov/dor/ for updates.
- **Individual Income Tax Rate Change**
Individual income tax rate is lowered to 3.05% for tax year 2024.
- **Schedule IN-OCC**
Form has been modified to add new fields for reporting credits that are carried forward from a previous taxable year, any credits that first became available during the taxable year and were not used during the taxable year, and/or any research expense credits not reflected on a Schedule IN K-1 or IT-41 Schedule IN K-1.

Various IND Due Dates

2024 IND Tax Returns; 2024 IND Extension of Time to File; 2025 Estimated Tax Installment Payments; Safe Harbors

Date	Form Type/Payment/Filing Activity
01/15/25	Farmer/fisherman (² / ₃ rd rule): only one estimated payment due; IT-40ES/ES-40 2024 fourth estimated installment payment due
01/31/25	File 2024 IND return, pay all tax due, no fourth installment payment due
03/03/25	Farmer/fisherman (² / ₃ rd rule): file 2024 IND return/pay by March 3, 2025, no estimated tax due
04/15/25	Filing due date for: 2024 IT-40, IT-40PNR, IT-40RNR, SC-40, IT-9 (extension of time to file) IT-40ES/ES-40 2025 first estimated tax installment payment due
06/16/25	IT-40ES/ES-40 2025 second estimated tax installment payment due
09/15/25	IT-40ES/ES-40 2025 third estimated tax installment payment due
11/17/25	IND return filing due date if filing under extension (federal Form 4868; State Form IT-9; online)
01/15/26	IT-40ES/ES-40 2025 fourth estimated tax installment payment due