

Indiana Department of Revenue
**Employment of Individuals with
Disability Tax Credit Worksheet**

Tax Year

Taxpayer Name

Federal Employer Identification Number

Part A

Enter the code for which you are claiming the credit.

Enter the maximum number of employees during the year.

Part B

If you have employees under an Federal Employer Identification Number (FEIN) other than yours, please list the FEIN and Numbers of Employees under all FEINs.

| Federal Employer Identification Number | Number of Employees |
|--|---------------------|
| 1. | |
| 2. | |
| 3. | |
| 4. | |
| 5. | |
| 6. | |

Part C

For each employee for whom you are claiming a credit, complete all items in the row associated with the employee.

| Column A Name | Column B Social Security Number | Column C If Employee Replaced Another Employee, Enter Reason | Column D Hire Date (MM/DD/YYYY) | Column E Employer Designation Code (See Instructions) | Column F Enter Wages | Column G Enter Applicable Percentage | Column H Credit (Multiply Column F by Column G) |
|-------------------------------------|---------------------------------------|--|---------------------------------------|--|-------------------------|---|--|
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| Amounts from additonal sheets | | | | | | | |
| Total | | | | | | | |

Instructions for Employment of Individuals with Disability Tax Credit Worksheet

Tax Year. Enter the year in which your taxable year started. For instance, if you have a taxable year from July 1, 2025, to June 30, 2026, enter "2025" in this box.

For purposes of these instructions, "employee" refers generally to your employees and includes both credit-eligible employees and noncredit-eligible employees. "Credit-eligible employee" means an employee who meets all of the following criteria:

- The employee was referred to you for employment through a vocational rehabilitation services program for individuals with a disability.
- The employee was first hired by you in 2025 or later.
- The employee works at least twenty hours per week and at a rate comparable to your other employees performing the same or similar tasks.
- If the employee is replacing a former employee, the former employee departed:
 - For misconduct in connection with that employee's employment, or
 - Voluntarily left that employee's position.

If you are filing a consolidated or combined return with multiple corporations, complete this worksheet separately for each corporation.

If you are a taxpayer reporting on a taxable year other than a calendar year, report to the employer(s) based on the expected reporting of Form W-2s as of the date this worksheet is completed. If the ultimate reporting of Form W-2s changes, such as a merger or acquisition, submit a revised copy of this worksheet reporting the revised reporting.

Part A

If you are claiming the credit allowable for a benefit corporation with 50 or fewer employees and a majority of your employees are credit-eligible employees, enter 881. For all other taxpayers, enter 877.

Enter the maximum number of employees you had at any time during the taxable year for which you are claiming the credit. For instance, if you had 60 employees during the taxable year but never had more than 45 employees at one time, enter 45 in this box. This includes employees that are listed in Part B below.

Part B

If you had employees whose Indiana copy of Form W-2 was submitted by another entity, such as a professional employer organization or a common paymaster, list the FEIN of the entity reporting the Form W-2 in the "Federal Employer Identification Number" and the number of employees that are reported under that FEIN in the "Number of Employees" column.

If you have an employee listed under two different FEINs, include the employee in the "Number of Employees" column only if the employee was not employed directly by you during the taxable year. If the employee would be included for two or more employers in Part B, include the employee only for the first FEIN listed in Part B.

If your employees are listed on more than six different FEINs during the taxable year, include the information for each additional employer on a separate sheet.

Part C

If you are claiming a credit for wages paid to a credit-eligible employee issued Form W-2 on your behalf under multiple FEINs, complete a separate row for each FEIN that issued a Form W-2 to the credit-eligible employee and duplicate columns A through D for that employee. The only exception is that if multiple Form W-2s were issued to a credit-eligible employee and not provided to the department, aggregate these Form W-2s. In addition, if you are completing more than six rows, include additional sheets with the required information.

Column A. List the name of the credit-eligible employee for whom you are claiming the credit. If the credit-eligible employee changed names during the taxable year, list the name of the credit-eligible employee as listed on the employee's Form W-2.

Column B. Enter the credit-eligible employee's Social Security number or Individual Taxpayer Identification Number. Include the full nine-digit number.

Column C. Enter the following codes if the credit-eligible employee replaced another employee. If the credit-eligible employee was hired for a newly created position, enter "00".

- 01 Credit-eligible employee is replacing another employee who changed positions, including promotion, demotion, or transfer.
- 02 Credit-eligible employee is replacing an employee who resigned voluntarily.
- 03 Credit-eligible employee is replacing an employee who was terminated for employment-related misconduct. Misconduct can include any violation of company policies, whether criminal or otherwise.
- 04 Credit-eligible employee is replacing an employee who was terminated without cause. This includes employees who resigned in lieu of termination without cause.

Column D. List the credit-eligible employee's first hire date. The date must be listed as MM/DD/YYYY.

Column E. List the two-digit code associated with the credit-eligible employee and employer providing the Form W-2 to the credit-eligible employee. For Codes 00 through 98, list those codes only if the credit-eligible employee's Form W-2 was supplied by, or on behalf of, the employer to the department.

- 00 – The Form W-2 is supplied to the department by the taxpayer.
- 01 through 98 – The Form W-2 is supplied to the department by the employer listed on that line on Part B. For instance, if a Form W-2 is supplied to the department by the employer listed on Part B, line 1, enter "01", and so forth.
- 99 – Enter this code if the credit-eligible employee has been issued a Form W-2 but the credit-eligible employee's Form W-2 was not supplied to the department. If the credit-eligible employee has been issued multiple Forms W-2 that are not

supplied to the department, enter code "99" once and enter the total wages in Column F.

Column F. List the wages paid to the credit-eligible employee during the taxable year. If listing the credit-eligible employee multiple times, list the amount reported by each FEIN separately.

Column G. Enter the credit percentage for the credit-eligible employee. The credit percentage must be determined separately for each credit-eligible employee. The credit percentage generally is:

- First year of credit 20%
- Second year of credit 30%
- Third and later years of credit 40%

For benefit corporations with fifty or fewer employees and with a majority of employees being credit-eligible employees, the percentages are increased from 20%, 30%, and 40% to 30%, 40%, and 50%, respectively.

If an employee is not a credit-eligible employee for a particular year, that year is not counted. For instance, if an employee is a credit-eligible employee for 2025, 2027, and 2028, but not a credit-eligible employee for 2026 due to working insufficient hours,

- 2025 is the first credit year
- 2027 is the second credit year
- 2028 is the third credit year

Column H. Enter the amount of Column F times Column G. Include any amounts from additional sheets. Enter the total of all rows on the "Total" line. The total is your credit for this taxable year.