Schedule
IT-40PNRA
State Form 49059
(R19 / 9-21)

Indiana Department of Revenue

Indiana Apportioned Income
for Nonresident Individuals

Prepare a separate schedule IT-40PNRA for each entity with multistate business activity.

Tax Year [   ]

Enclosure
Sequence No. 17

File with Form IT-40PNR

Your first name, middle initial and last name	E	Social Security Number	A
Name of Business	DR	FEIN or SSN (if different from above)	D$

Part 1 Taxpayer Information

Check box where income was reported on Federal Return (*entries must be included in the amount reported on lines 7A, 9A and 12a through 16a of Schedule A of Form IT-40PNR*): ☐ Federal Schedule C or CEZ   ☐ Federal Schedule E   ☐ Federal Schedule F   ☐ Federal Form 4797

Part 2 Adjusted Gross Business Income Subject to Apportionment

Round all entries

1. Enter the net federal income (loss) reported for the business activity _____ **1** [   ] 00

2. Enter an amount for each deduction (or income item) used in arriving at Federal Net Income:

    a) Bonus depreciation / other: see instructions _____ **2a** [   ] 00

    b) U.S. Gov't bond interest and other nontaxables _____ **2b** [   ] 00

3. Net modifications: subtract 2b from 2a. _____ **3** [   ] 00

4. Total income, as modified (add lines 1 and 3) _____ **4** [   ] 00

Part 3 Apportioned Income for Nonresident Individuals for the 2021 tax year

Use this apportionment formula to apportion income received by the business from sources both within and outside Indiana. *Note: Interstate transportation entities must use Schedule E-7*, available at www.in.gov/dor/7102.htm

	Column A Total within Indiana	Column B Total within and outside Indiana	Column C Indiana percentage
1. Receipts Factor - Enter total business gross receipts (sales) __	1a [ ] 00	1b [ ] 00	

2. Divide line 1a by line 1b, enter result here (*or enter percent from Interstate Transportation Schedule E-7*) _____ **2c** [.] %

3. Multiply total income amount in Part 2, line 4 by percent in Part 3, line 2c _____ **3** [   ] 00

    Combine Indiana Apportioned Income on line 3 with amounts from other IT-40PNRA schedules, if any. Carry grand total to line 19B of Form IT-40PNR Schedule A.

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Instructions for Completing Schedule IT-40PNRA
Indiana Apportionment Income for Nonresident Individuals

Who Should File
A nonresident person or proprietor, including an entertainer, independent contractor and other unincorporated individuals, who derive business income from Indiana sources is subject to Indiana adjusted gross income tax on that income. On the U.S. income tax return this type of income is reported on Form 1040/1040-SR Schedules C, C-EZ, E, F, and 4797 (disposition of business property used both within and outside Indiana). Nonresidents with adjusted gross income derived from Indiana sources must file Form IT-40PNR, Indiana Part-Year or Nonresident Individual Income Tax Return. If the nonresident is conducting the trade or business both within and outside Indiana, this income must be apportioned by completing this schedule. Part 3 outlines Indiana's formula for apportioning business income. Using this schedule will determine the taxable portion of business income to carry over to line 19B of Form IT-40PNR, Schedule A.

Note: If Indiana and your resident state of domicile tax the same business income, an offsetting credit may be available on the Indiana return based on existing agreements Indiana may have with your state. See instructions for credits for taxes paid to other states in the individual income tax return instruction booklet.

How to Report Business Income
Business income means adjusted gross income from transactions and activity in the regular course of taxpayers' trade or business. Business income would include income from tangible property if the acquisition, management, or dispositions of the property are integral parts of the taxpayer's regular trade or business.

Adjusted gross income derived from sources within Indiana includes: (1) income from real or tangible personal property in this state; (2) income from doing business in this state; (3) income from a trade or profession conducted in this state; (4) compensation for labor or services rendered within this state; and (5) income from stocks, bonds, notes, bank deposits, patents, copyrights, secret processes and formulas, good will, trademarks, trade brands, franchises, and other intangible personal property having a location in Indiana. If income is derived solely from an Indiana business or profession or is totally derived from outside Indiana, it must be assigned (allocated) to that source and reported on lines 7, 9 and 12 through 16 on Form IT-40PNR Schedule A. Only the apportioned business income from this schedule is to be reported on line 19 on Form IT-40PNR Schedule A.

Caution: Multistate business income received from an S corporation, limited liability company, partnership, limited liability partnership, trust and estate is separately apportioned at the entity's level. Nonresidents must report their distributive shares of income (including modifications) as apportioned by those entities, on lines 12B through 15B on Form IT-40PNR Schedule A.

Part 1 Complete all necessary boxes to identify source and type of business income received.

Part 2
Line 2 – a) A listing of required Indiana add-backs can be found in the Form IT-40PNR instruction booklet (www.in.gov/dor/7101.htm). Look for the section titled Schedule B: Add-Backs. Combine the amounts of any of these add-backs associated with this business income (loss); enter the total on this line. DO NOT also enter these add-backs on Indiana's Schedule B; b) Enter interest from certain obligations of the United States Government included as income on the federal return (refer to Income Tax Information Bulletin #19 for a listing of eligible items), and other nontaxable income (such as Indiana lottery prize receipts authorized by I.C. 4-30).

Part 3
Indiana generally follows the Uniform Division of Income for Tax Purposes Act for attributing income. Nonresidents who derive income from a business which operates both within and outside the state of Indiana must apportion the business income. This is accomplished by completing Part 3.

Note: Nonbusiness income is all income other than business income. It is allocable income and not part of a business's gross receipts in the apportionment formula.

Line 3 – Multiply your total modified net business income in Part 2, line 4 by the Indiana apportionment percentage on line 2c. Enter the result here and on line 19B on Form IT-40PNR, Schedule A.

Note: If you are filing a return for a year other than the current year, get the Schedule IT-40PNRA for that specific year at www.in.gov/dor/3488.htm.