

Income/Franchise:

Indiana: Updated Bulletin Clarifies DOR's Positions on Apportionment and Business Versus Nonbusiness Income

Information Bulletin #12, Ind. Dept. of Rev. (10/23). The Indiana Department of Revenue (Department) issued an updated bulletin, which has been changed to clarify the Department's positions on "apportionment and business/nonbusiness income." In it, the Department explains that for tax years ending before January 1, 2019, receipts from the provision of services and most intangible personal property are apportioned to Indiana if the greater portion of the income-producing activity is performed in Indiana than in any other state, based on the cost of performance. However, for tax years beginning after December 31, 2018, receipts from the provision of services and most intangible personal property, other than telecommunications and broadcast services, are apportioned based on the extent the market for those sales were in Indiana. Regarding business income, the bulletin provides that business income is all income that is apportionable to Indiana under the US Constitution and that all income earned by a business "shall be presumed to be apportionable business income unless it clearly does not relate to the operation of the taxpayer's unitary business." Please contact us with any questions.

URL: <https://www.in.gov/dor/files/reference/ib12.pdf>

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