

## Income/Franchise:

### Indiana: Updated Bulletin on Local Income Taxes Addresses State Law Changes Involving Mobile Workforce

*Information Bulletin No. 32: General Information on Local Income Taxes*, Ind. Dept. of Rev. (rev. 1/24). The Indiana Department of Revenue (Department) issued an updated bulletin covering general information on Indiana local income taxes that reflects Indiana legislation enacted in 2023 [see S.B. 419 (2023), and *State Tax Matters*, Issue 2023-19 for more details on these Indiana tax law changes] addressing the Indiana tax liability and withholding requirements for some nonresident individuals earning wages in Indiana. The updated bulletin reflects an income tax exemption for certain nonresident employees who work in Indiana for 30 or fewer days per year, as well as a “safe harbor” related to county tax imposition for individuals working second jobs or part-time jobs in Indiana, with some listed exceptions. The bulletin explains how this exemption does *not* apply to an individual who receives compensation as a professional athlete, professional sports team member, race team member, professional entertainer, and/or public figure. Moreover, the exemption for nonresident employees does *not* extend to income other than wages, salaries, tips, and similar compensation as an employee. In addition, the exemption does *not* extend to deferred compensation unless, and only to the extent, the underlying compensation was exempt from taxation under the 30-day rule during a prior year and the individual is not an Indiana resident at the time the individual receives the deferred compensation. Please contact us with any questions.

**URL:** <https://www.in.gov/dor/files/ib32.pdf>

**URL:** <https://iga.in.gov/legislative/2023/bills/senate/419>

**URL:** [https://dhub.deloitte.com/Newsletters/Tax/2023/STM/230512\\_5.html](https://dhub.deloitte.com/Newsletters/Tax/2023/STM/230512_5.html)

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