



DEPARTMENT OF REVENUE
INDIANA GOVERNMENT CENTER NORTH
100 N. SENATE AVE

DEPARTMENTAL NOTICE #36 JANUARY 2013

SUBJECT: ELECTRONIC FILING AND PAYMENT MANDATES

REFERENCE: IC 4-36-9-3; IC 4-36-9-4; IC 6-2.5-6-1; IC 6-3-4-8.1; 6-3-4-16.5; IC 6-6-1.1-515; IC 6-6-2.5-72; IC 6-6-4.1-10; IC 36-8-16.6-12

DISCLAIMER: Departmental notices are intended to provide nontechnical assistance to the general public. Every attempt is made to provide information that is consistent with the appropriate statutes, rules, and court decisions. Any information that is not consistent with the law, regulations, or court decisions is not binding on either the department or the taxpayer. Therefore, the information provided herein should serve only as a foundation for further investigation and study of the current law and procedures related to the subject matter covered herein. This document does not meet the definition of a "statement" required to be published in the Indiana Register under IC 4-22-2-7.

Forms Required to Be Filed Electronically

Pursuant to Indiana Code, taxpayers and/or practitioners are required by law to file and/or pay all associated taxes electronically for the following forms:

- Consolidated Special Fuel Monthly Tax Return (SF-900)
- Gasoline Distributor's Consolidated Monthly Tax Return (MF-360)
- Indiana Metered Pump Sales and Use Tax Return (ST-103MP)
- Motor Carrier Fuel Tax/IFTA Returns
- Prepaid 911 Enhancement Fee (WPC-103)
- Prepaid Sales Tax on Gasoline (ST-103P)
- Sales and Use Tax Voucher (ST-103)
- Terminal Operator's Monthly Return (FT-501)
- Transporter's Monthly Tax Return (SF-401)
- Type II Gaming (TTG-103)
- Withholding Tax Annual Recap (WH-3)
- Withholding Tax Voucher (WH-1)

Tax Practitioner E-Mandate

Pursuant to IC 6-3-4-1.5, all practitioners who filed more than 50 individual income tax returns in Indiana on behalf of their clients during calendar year 2012 are required to file individual income tax returns electronically in calendar year 2013. The threshold is reduced in 2013 and calendar years thereafter, when all practitioners who file 10 or more individual income tax returns in Indiana on behalf of their clients will be required to file individual income tax returns electronically in the immediately following calendar year. A professional preparer is not required to file a return in an electronic format if the taxpayer requests in writing that the return not be

filed in an electronic format. Returns filed by a professional preparer where the client has instructed that the return not be filed in an electronic format shall not be counted in determining the professional preparer's requirement to file returns in an electronic format. A professional preparer who does not comply with these requirements is subject to a penalty of \$50 per each return not filed in an electronic format, with a maximum penalty of \$25,000 per calendar year.

Business E-Mandates

During the 2012 legislative session, the Indiana General Assembly enacted laws that change the way business taxpayers will be required to file and remit sales and withholding taxes. The changes are as follows:

- Pursuant to IC 6-2.5-6-1, all retail merchants will be required to report and remit sales tax electronically as of Jan. 1, 2013.
- Pursuant to IC 6-3-4-8.1, all withholding agents will be required to report and remit withholding taxes electronically as of Jan. 1, 2013. This requirement applies to WH-1 withholding tax vouchers.
- Pursuant to IC 6-3-4-8, quarterly withholding filings will be eliminated as of Jan. 1, 2013.
- Pursuant to IC 6-3-4-16.5, an employer or any person or entity acting on behalf of an employer who is required to file more than 25 W-2, W-2G, 1099-R, or WH-18 statements with the department in a calendar year must file all the forms, including WH-3 annual withholding tax reports, electronically.

Example #1:

An employer withholds on wages of its employees, using a withholding account location of 001. The company has 27 employees and 27 W-2s. This exceeds the 25-statement threshold; therefore, all withholding statements, including the WH-3, must be filed electronically.

The same employer also withholds on distributions made to its nonresident partners/shareholders, using a separate withholding account location of 002. The company (partnership/S corp) has 15 partners/shareholders. Because the company has 27 employees and 27 W-2s, the 25-statement threshold has been exceeded; therefore, the company must file the withholding statements related to its partners/shareholders, including the WH-3, electronically.

Example #2:

An employer withholds on wages of its employees, using a withholding account location of 001. The company has 20 employees and 20 W-2s. The same employer also withholds on distributions made to its nonresident partners/shareholders, using a separate withholding account location of 002. The

company (partnership/S corp) has 15 partners/shareholders. Because the company has 20 W-2s and 15 WH-18s, the company has 35 total withholding statements. Even though the W-2s and WH-18s do not individually exceed 25 forms, the 25-statement threshold has been exceeded by the aggregate number of forms; therefore, the company must file the withholding statements related to its employees and its partners/shareholders, including the WH-3s, electronically.

E-Mandate Exception Policy

The department recognizes that, due to special circumstances, not all businesses will be able to comply with the electronic filing mandates. With that in mind, limited exceptions will be allowed, including

- Religious beliefs;
- Policy of an organization that prohibits electronic filing and/or electronic payment; and
- No computer/Internet access.

If a taxpayer notifies the department that he or she is unable to comply with the law, and if the reason appears to be one of the acceptable exceptions, then a department analyst will collect the taxpayer's

- Full name;
- TID number;
- Business name;
- Mailing address;
- Phone number; and
- Reason for requesting an exception.

The department will send the taxpayer a Business Exception Form (BT-EX). After the taxpayer has submitted the exception form to the department, a committee will approve or deny the request and notify the taxpayer via letter.

INtax – Indiana's Free Online Program

Taxpayers or practitioners who are required to report and pay sales, withholding, and certain other taxes electronically can do so via the department's INtax application or an electronic funds transfer (EFT). INtax provides 24/7 access to business tax records, allows taxpayers to file and pay online, and enables secure communication with the department. Once taxpayers have received an INtax Access Code, the *INtax QuickStart Guide* can be downloaded at www.in.gov/dor/4336.htm. Additionally, taxpayers who are required to file their taxes electronically can do so by using vendors certified by the department.



Michael J. Alley
Commissioner