

Instructions for Completing Schedule 8-D

Who May File a Consolidated Tax Return

An election must be made by an affiliated group wishing to file a consolidated income tax return. An annual return, including Schedule 8-D or an acceptable substitute schedule, is deemed an election to file a consolidated return by the corporations listed in the return. Prior permission from the department to file a consolidated return is not necessary. However, an affiliated group must obtain permission in writing from the department to discontinue filing on a consolidated basis. In such a case, the group must make a separate application showing good cause why the filing change should be permitted on or before the date the returns are filed. The request for permission to discontinue filing consolidated must include the reasons for desiring the discontinuance and should be addressed to:

**Indiana Department of Revenue
Tax Policy Division
100 N Senate Ave, N248, MS 102
Indianapolis, IN 46204-2253**

Adjusted Gross Income Tax Act

An affiliated group (as defined under I.R.C. Sec. 1504) has the privilege of filing a consolidated adjusted gross income tax return as provided in Indiana Code (IC) 6-3-4-14. The Indiana consolidated adjusted gross income tax return must include any member of the affiliated group having income or loss attributed to Indiana during the year.

Utility Receipts Tax Act

The utility receipts tax was repealed effective July 1, 2022. However, this form may be used to file or amend a consolidated utility receipts tax returns for tax years that include periods prior to that date.

Corporations may file a consolidated **utility receipts tax** return if they are incorporated or qualified to do business in Indiana, are affiliated as defined in IC 6-2.3-6-5, and **elect** to file a consolidated return at the time the first annual return is filed. *Affiliated* for utility receipts tax purposes means 1 corporation owns at least 80% of the voting stock of another corporation, exclusive of directors' qualifying shares. An *affiliated group* is a group of such corporations linked together by the 80% ownership of 1 with another. This definition does not include an S corporation.

Example:

- (1) Corporation A owns 80% of the voting stock of Corporation B. Corporation B owns 80% of Corporation C. Corporations A, B, and C are members of an affiliated group.
- (2) Corporation A owns 80% of Corporation B. Corporation A also owns 80% of Corporation C. Corporations A, B, and C are members of an affiliated group.

Each member of an affiliated group is deemed affiliated with every other member. Brother-sister corporations (having a common owner that is not a parent corporation but themselves owning no stock in each other) do not satisfy the 80% ownership requirement and are therefore not permitted to file a consolidated return.

Liability of Each Corporate Member for Returns and Tax

The fact that a certain member corporation is designated and approved to make the consolidated return for the group will not relieve any member of liability for filing the return and paying tax for the group. The group and each member thereof is jointly and severally liable. The corporation chosen to file the affiliated group's first consolidated return will continue to file the return and pay the tax due with the return unless permission is granted by the department to change filing members.

Enclose completed Schedule 8-D when filing a consolidated tax return with Form IT-20 or Form URT-1.

