

## Income/Franchise:

### Indiana: New Law Addresses Consolidated Filing Elections within Context of Reorganizations

S.B. 382, signed by gov. 3/15/22. New law provides that in the case of a sale of a corporation, the filing status of the remaining members of the consolidated group generally “shall continue absent an election by those consolidated members to file separately or on a combined basis” for Indiana adjusted gross income tax purposes. To “remove ambiguity in the filing status of an entity after change in its ownership status,” the legislation proceeds to clarify the conditions under which after a sale, merger or acquisition the election to file an Indiana consolidated return or a combined return continues to the new entity absent an election by those consolidated members to file separately – “provided, however, that if a consolidated election is discontinued as a result of sale, merger, acquisition, or any other reason, nothing in this section shall be construed to prevent a new election to file a consolidated return under this section.”

**URL:** <http://iga.in.gov/legislative/2022/bills/senate/382#document-dcfc6e18>

The legislation also makes “technical and clarifying changes” to the Indiana procedures for reporting federal partnership audit adjustments, as well as provides that a marketplace facilitator generally is deemed a retail merchant under Indiana sales and use tax law regardless of whether the marketplace facilitator has a contractual relationship with a seller. Furthermore, the legislation establishes a specific apportionment method to compute the Indiana taxable income of certain qualified taxpayers that elect to apply for an alternate method. Please contact us with any questions.

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