



March 9, 2026

Tax deductions and penny rounding

Recent tax legislation approved by the Indiana General Assembly addresses the growing shortage of pennies due to the federal phaseout of the penny.

Retail transactions: Businesses may decide whether to round up or down to the next nickel for cash transactions. The rounding must take place on the total price plus tax. The rounding impacts the businesses' income. Taxes must be paid in full to the State.

Taxes due to government entities who accept cash: If the tax amount does not end in 0 or 5, the total amount must be rounded down to the nearest nickel.

Another provision affected by this legislation (effective Jan. 1, 2027) includes:

- Tax deductions for the 2026 tax year will allow deductions for tips and overtime, and interest on certain vehicles assembled in the U.S.

Other provisions included in this legislation will be highlighted in future Tax Bulletin articles.

For more information, see [Senate Enrolled Act 243](#).

Information Bulletins & Departmental Notices

First time filers webpage now available

DOR's [new webpage for first-time filers](#) provides resources for those who may be unfamiliar with the tax filing process. Whether filing electronically or choosing the right form to file a paper return, choosing a payment plan or submitting a return by mail, everything is covered on this page. Access it from the left-side menu under the "I Am a... Individual" drop-down.

Request an extension of time to file

The deadline for filing 2025 Indiana Individual income tax returns is April 15, 2026.

Taxpayers who need additional time can request an extension of time to file their return via [INTIME](#). Indiana will automatically grant an extension if they have a federal extension of time to file from the IRS. However, if they expect to owe state taxes, at least 90% of the amount due will need to be paid by April 15 to avoid a penalty. They will still need to file an extension request.

Filers can request an extension electronically via [INTIME](#) before the April 15 deadline without having to log in to request or make

- Departmental Notice 2: Gasoline Use Tax

the payment. The [INTIME Guide to Requesting an Extension of Time to File](#) provides instructions on this process.



Indiana Department of Revenue

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