Indiana Adopts “Market-Based” Sourcing for Sales of Services & Intangible Properties Retroactive to 1-1-2019.

A new law signed by the governor on May 1, 2019 revised Indiana’s sourcing rules for apportionment of services and intangible products moving from a “Cost of Performance” sourcing method to a “Market-Based” sourcing method. With regard to corporations (including pass through entities) and nonresident persons:

“...income derived from Indiana shall be taxable to the fullest extent permitted by the Constitution of the United States and federal law, regardless of whether the taxpayer has a physical presence in Indiana.”

Therefore, the sale of a service is attributed to Indiana to the extent the benefit of the service is received in Indiana rather than where the service is performed. The new law also includes authorizing the Department of Revenue emergency rulemaking to implement the new market-based sourcing provisions. Receipts from telecommunication services and broadcast services (as defined) are NOT sourced under the new market-based sourcing rules for service receipts.

This is a significant change for service-based businesses operating in multiple states. Please see your Somerset advisor for assistance in determining how this may impact your business.

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2019 Annual Salary and Benefits Survey Results

Each year, ACEC Indiana surveys member firms on salary information for engineering and other staff positions as well as benefit packages. 32 firms responded to the survey, which was an increase from 2018 participation. With the strong economy and robust transportation funding, it was no surprise that overall, salaries continue to trend up with hundreds of P.E.’s and new engineering graduate positions reportedly sought. The results include Indiana employment size, revenue by firm size and fields of engineering practice, plus salary and total compensation for approximately 70 engineering and other professional positions common in the industry.

Participating firms received the survey results for free, and non-participating member firms are able to purchase the findings for $500 and $1000 for non-member firms. To purchase survey results, visit ACEC Indiana’s website at: acecindiana.org and check under the “Resources” tab.