

Indiana Security Deposit Laws: Limits, Deductions and Deadlines

Summary for landlords and property managers. Last reviewed October 29, 2026. Full guide: <https://www.generationadvisory.com/laws/indiana-security-deposit-laws>

Indiana does not cap security deposits, but the landlord must send an itemized list of damages and any refund within 45 days after the tenant moves out. A landlord who skips the list is treated as agreeing that no damages are owed.

Key points

- The landlord must return the deposit, less lawful deductions, with a written itemized notice no later than 45 days after the lease ends and the tenant gives up possession. The landlord is not liable until the tenant gives a mailing address in writing.
- The itemized list must show the estimated repair cost for each damaged item, and a landlord who fails to send it is treated as agreeing that no damages are due and must refund the full deposit.
- A landlord who does not follow the notice and refund rules owes the tenant the part of the deposit withheld plus reasonable attorney fees and court costs.
- Indiana law generally does not set a dollar or months limit on security deposits.

Indiana at a glance

Rule	Indiana	Law
Deposit limit	Indiana law generally does not set a dollar or months limit on security deposits.	IC 32-31-3
Deadline to return the deposit	The landlord must return the deposit, less lawful deductions, with a written itemized notice no later than 45 days after the lease ends and the tenant gives up possession. The landlord is not liable until the tenant gives a mailing address in writing.	IC 32-31-3-12 and IC 32-31-3-14
Itemized deductions	The itemized list must show the estimated repair cost for each damaged item, and a landlord who fails to send it is treated as agreeing that no damages are due and must refund the full deposit.	IC 32-31-3-14 and IC 32-31-3-15

Rule	Indiana	Law
Penalty for wrongful withholding	A landlord who does not follow the notice and refund rules owes the tenant the part of the deposit withheld plus reasonable attorney fees and court costs.	IC 32-31-3-16

Mistakes to avoid

- Skipping a dated move-in condition report with photos, then having nothing to compare against at move out.
- Charging for normal wear and tear.
- Missing the return deadline, even by a few days.
- Not asking for a forwarding address before the tenant leaves.
- Losing track of deposit money by mixing it with operating funds without a ledger.

Verify current law

Laws named in this summary:

- IC 32-31-3
- IC 32-31-3-12 and IC 32-31-3-14
- IC 32-31-3-14 and IC 32-31-3-15
- IC 32-31-3-16

Official sources:

- Indiana Code, Title 32 (Indiana General Assembly): <https://iga.in.gov/laws/2025/ic/titles/32>
- Indiana Judicial Branch: <https://www.in.gov/courts/>

General information, not legal advice. Check current law and talk to a Indiana attorney before you act. Last reviewed October 29, 2026.