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**DEPARTMENT OF STATE REVENUE**  
**Commissioner's Directive #34**  
**January 2007**

**DISCLAIMER:** Commissioner's Directives are intended to provide non-technical assistance to the general public. Every attempt is made to provide information that is consistent with the appropriate statutes, rules and court decisions. Any information that is not consistent with the law, regulations, or court decisions is not binding on either the Department or the taxpayer. Therefore the information provided herein should serve only as a foundation for further investigation and study of the current law and procedures related to the subject matter covered herein.

**SUBJECT:** Excess Tax Payments Procedure for Refund and Payment of Interest

**REFERENCE:** [IC 6-8.1-9-2](#)

**INTRODUCTION:**

P.L.111-2006 amended [IC 6-8.1-9-2](#) concerning the procedures for when interest will begin to accrue on a claim for refund. The change is effective for interest accruing on refund claims paid after December 31, 2006.

**PROCEDURES:**

When it is determined that a person has paid more tax than is legally due, the Department shall apply the amount of the overpayment against any outstanding liability for a listed tax as listed in [IC 6-8.1-1-1](#). If any excess remains after the Department has applied the overpayment against other outstanding liabilities, the Department shall either refund the amount to the person, or at the person's request, credit the amount to the person's future tax liabilities.

If an excess tax payment is not refunded or credited against a current or future tax liability within 90 days after the date the refund claim is filed, the date the tax was due, or the date the tax was paid, whichever is latest, the excess payment accrues interest from the date the refund claim is filed. The term "refund claim" includes an amended return that indicates an overpayment of tax.

The change in the statute will provide that a claim for refund that was filed on November 1, 2007 for an overpayment from calendar year 2004 where the refund is issued on March 1, 2008 will accrue interest from November 1, 2007.

In the above scenario under previous statutory provisions, if the due date of the return had been April 15, 2005, the interest would have been calculated back to April 15, 2005 instead of November 1, 2007.

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Commissioner

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