

**Letter of Findings Number: 02-20150453P  
Corporate Income Tax-Penalty  
For The 2014 Tax Year**

**NOTICE:** IC § 6-8.1-3-3.5 and IC § 4-22-7-7 require the publication of this document in the Indiana Register. This document provides the general public with information about the Department's official position concerning a specific set of facts and issues. This document is effective on its date of publication and remains in effect until the date it is superseded or deleted by the publication of another document in the Indiana Register. The "Holding" section of this document is provided for the convenience of the reader and is not part of the analysis contained in this Letter of Findings.

**HOLDING**

Company is sustained on its request of penalty waiver.

**ISSUE**

**I. Tax Administration - Failure to File Penalty.**

**Authority:** IC § 6-8.1-6-1; C § 6-8.1-10-2.1.

Taxpayer requests that the Department abate the penalty for failure to timely file its Indiana corporate income tax return.

**STATEMENT OF FACTS**

Taxpayer is a company doing business in Indiana. Prior to 2014, Taxpayer was part of a group of corporations filing a consolidated Indiana income tax return. For the 2014 tax year, Taxpayer filed a separate Indiana corporate income tax return. When Taxpayer filed its return, Taxpayer reported no tax due. However, Taxpayer was assessed a \$250 penalty for failure to timely file its return. Taxpayer protested the penalty assessment.

The protest is decided on records available to the Department. This Letter of Findings results. Further facts will be provided as necessary.

**I. Tax Administration - Failure to File Penalty.**

**DISCUSSION**

The Department's assessment imposed a \$250 penalty for failure to timely file its corporate tax return the tax period in question. Taxpayer requested that the Department abate the penalty.

Pursuant to IC § 6-8.1-10-2.1(g):

A person who fails to file a return for a listed tax that shows no tax liability for a taxable year, other than an information return (as defined in section 6 of this chapter), on or before the due date of the return shall pay a penalty of ten dollars (\$10) for each day that the return is past due, up to a maximum of two hundred fifty dollars (\$250).

In this case, Taxpayer's corporate parent filed a federal extension to file its federal corporate income tax return. Taxpayer was included in that federal income tax return. Accordingly, under IC § 6-8.1-6-1(c)(1), Taxpayer was permitted an extension on its Indiana corporate income tax return to file no later than the federal extended due date plus thirty days. Taxpayer filed its Indiana corporate income tax return prior to the expiration of the extended due date for that return. Accordingly, Taxpayer did not fail to file a return on or before the due date for that return within the meaning of IC § 6-8.1-10-2.1(g). Therefore, no penalty should have been assessed.

**FINDING**

Taxpayer's protest of the imposition of the failure to file penalty is sustained.

*Posted: 03/30/2016 by Legislative Services Agency*  
An [html](#) version of this document.