DEPARTMENT OF STATE REVENUE

01-20160711R.ODR

Final Order Denying Refund: 01-20160711R
Indiana Individual Income Tax
For the Years 2011 and 2012

NOTICE: IC § 4-22-7-7 permits the publication of this document in the Indiana Register. The publication of this document provides the general public with information about the Indiana Department of Revenue's official position concerning a specific set of facts and issues. The "Holding" section of this document is provided for the convenience of the reader and is not part of the analysis contained in this Final Order Denying Refund.

HOLDING

Despite the Individual's personal circumstances, the Department was bound by the letter of the law to deny Individual's request for a refund of income taxes withheld on her behalf during 2011 and 2012 because the returns for those years were not timely filed.

ISSUE

I. Individual Income Tax - Statute of Limitations.

Authority: IC § 6-8.1-9-1(a).

Taxpayer argues she is entitled to a refund of individual income taxes withheld on her behalf and that the Department's decision to the contrary was wrong.

STATEMENT OF FACTS

Taxpayer is an individual living in Indiana on whose behalf Indiana income tax returns were filed. Included were income tax returns for 2011 and 2012. The 2011 return claimed a refund of $504; the 2012 return claimed a refund of $165. The returns were filed in April and May of 2016.

In a letter to Taxpayer dated June 2016, the Indiana Department of Revenue ("Department") stated that the refund was denied on the ground that the returns were not timely filed.

Taxpayer disagreed with the decision denying the refund and submitted a protest to that effect. An administrative hearing was conducted by telephone during which Taxpayer's representative explained the basis for the protest. This Final Order Denying Refund results.

I. Individual Income Tax - Statute of Limitations.

DISCUSSION

Taxpayer's representative argues that extenuating circumstances prevented the filing of the 2011 and 2012 tax returns and that the Department should grant the two refunds "due to [Taxpayer's] medical situation and not being able to handle her own financial affairs." Taxpayer's representative further explains that Taxpayer's ill health has "made her incapable of handling her own financial [a]ffairs." Taxpayer's representative states that she belatedly discovered that the 2011 and 2012 returns had not timely filed and that Taxpayer had been ill-served by Taxpayer's previous representative.

The issue is whether, under Indiana law, Taxpayer is entitled to a refund of the amounts of tax withheld on her behalf.

IC § 6-8.1-9-1(a) provides in relevant part as follows:

> If a person has paid more tax than the person determines is legally due for a particular taxable period, the person may file a claim for a refund with the department. Except as provided in subsections (j) and (k), in order to obtain the refund, the person must file the claim with the department within three (3) years after the latter of the following:
> (1) The due date of the return.
> (2) The date of payment.

The 2011 tax return was due April 17, 2012. Taxpayer's own 2011 return was postmarked April 7, 2016. In order to qualify for the refund under IC § 6-8.1-9-1(a), the latest date the 2011 return could have been submitted was April 15, 2015.

The 2012 tax return was due April 15, 2013. Taxpayer's own 2012 return was postmarked May 15, 2016. In order to qualify for the refund under IC § 6-8.1-9-1(a), the latest date the 2012 return could have been submitted was April 18, 2016.

The Department is not unsympathetic to Taxpayer's personal circumstances but is bound to honor the letter of the law. Taxpayer's request for a refund of the taxes withheld on her behalf must be denied because - for both 2011 and 2012 - the returns were not timely filed. Therefore, the refunds claimed on those returns were not timely claimed pursuant to IC § 6-8.1-9-1(a).

FINDING

Taxpayer's protest is respectfully denied.

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