

**Memorandum of Decision: 01-20181677R
Individual Income Tax
For Tax Year 2014**

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 Memorandum of Decision.

HOLDING

Individuals provided sufficient documentation to establish that they submitted an amended income tax return before the statute of limitations had expired. The claimed refund is therefore granted.

ISSUE

I. Individual Income Tax—Refund.

Authority: IC § 6-8.1-6-2; IC § 6-8.1-6-3; IC § 6-8.1-9-1; *Dept. of State Revenue v. Caterpillar, Inc.*, 15 N.E.3d 579 (Ind. 2014).

Taxpayer protests the denial of a claim for refund.

STATEMENT OF FACTS

Taxpayers are Indiana residents and are a married couple. In April 2018, Taxpayers filed an amended return for their 2014 Indiana individual income tax. The amended return claimed a refund of income tax for that year. After review, the Indiana Department of Revenue ("Department") determined that Taxpayers had filed the amended return past the statute of limitations for filing a claim for refund. The Department therefore denied Taxpayers' claim. Taxpayers protested that denial. An administrative hearing was held and this Memorandum of Decision results. Further facts will be supplied as required.

I. Individual Income Tax—Refund.

DISCUSSION

Taxpayers protest the denial of a claim for refund of Indiana individual income tax for the year 2014. The Department denied the claim on the basis that Taxpayers filed their amended 2014 Indiana individual income tax return past the statute of limitations for filing such a claim. Taxpayers protest that they did not miss the deadline imposed under the statute of limitations and that they are properly due the claimed refund.

As an initial point, the Department notes that, "[W]hen [courts] examine a statute that an agency is 'charged with enforcing . . . [courts] defer to the agency's reasonable interpretation of [the] statute even over an equally reasonable interpretation by another party.'" *Dept. of State Revenue v. Caterpillar, Inc.*, 15 N.E.3d 579, 583 (Ind. 2014). Thus, all interpretations of Indiana tax law contained within this decision, as well as the initial refund determination, shall be entitled to deference.

IC § 6-8.1-9-1(a) provides:

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 (f) and (g), 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.*

For purposes of this section, the due date for a return filed for the state gross retail or use tax, the gasoline tax, the special fuel tax, the motor carrier fuel tax, the oil inspection fee, or the petroleum severance tax is the end of the calendar year which contains the taxable period for which the return is filed. The claim must set forth the amount of the refund to which the person is entitled and the reasons that the person is entitled to the

refund.
(*Emphasis added*).

Therefore, if a person has paid more tax than he or she believes was properly due, the person may claim a refund of the excess payment. In this case, Taxpayers claimed a refund of their 2014 income tax which had an original filing date of April 15, 2015. Therefore, the three-year deadline for filing a claim for refund of 2014 income tax was April 15, 2018.

IC § 6-8.1-6-2 provides:

If any due date falls on a Saturday, a Sunday, a national legal holiday recognized by the federal government, or a statewide holiday, the act that must be performed by that date is timely if performed by the next succeeding day that is not a Saturday, a Sunday, or one of those holidays.

Since April 15, 2018 fell on a Sunday, under IC § 6-8.1-6-2 the next succeeding day which was not a Saturday, Sunday, or holiday was Monday, April 16, 2018. This means that Taxpayers' deadline for submitting their amended return claiming a refund of 2014 Indiana income tax was April 16, 2018.

In the course of the protest process, Taxpayers were able to provide documentation in support of their claim for refund. The most relevant documentation was confirmation that they mailed their amended 2014 Indiana individual income tax return on April 3, 2018. IC § 6-8.1-6-3 provides:

- (a) A document, including a form, a return, a payment, or a writing of any type, which must be filed with the department by a prescribed date, is considered filed:
 - (1) in cases where it is mailed through the United States mail, on the date displayed on the post office cancellation mark stamped on the document's wrapper;
 - (2) in cases where it is delivered to the department in any manner other than through the United States mail, on the date on which the department physically receives the document; or
 - (3) in cases where a payment is made by an electronic fund transfer, on the date the taxpayer issues the payment order for the electronic fund transfer.
- (b) If a document is sent through the United States mail by registered mail, certified mail, or certificate of mailing, then the date of the registration, certification, or certificate, as evidenced by any record authenticated by the United States Post Office, is considered the postmark date.
- (c) If a document is mailed to the department through the United States mail and is physically received after the appropriate due date without a legible correct postmark, the person who mailed the document will be considered to have filed the document on or before the due date if the person can show by reasonable evidence to the department that the document was deposited in the United States mail on or before the due date.
- (d) *If a document is mailed to, but not received by, the department, the person who mailed the document will be considered to have filed the document on or before the due date if the person can show by reasonable evidence to the department that the document was deposited in the United States mail on or before the due date and if the person files with the department a duplicate document within thirty (30) days after the date the department sends notice that the document was not received.*
(*Emphasis added*).

Therefore, Taxpayers have met the requirements of IC § 6-8.1-6-3(d) by establishing by reasonable evidence that they mailed the 2014 amended return before the three-year deadline provided under IC § 6-8.1-9-1(a). Since the statute of limitations was the only reason given by the Department in denying the claim for refund, and since Taxpayers have established that they did not miss that deadline, Taxpayers have established that they are eligible for the refund claimed on their amended 2014 Indiana individual income tax return.

FINDING

Taxpayers' protest is sustained.

August 31, 2018

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