

**Final Order Denying Refund: 01-20181761R
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 document.

HOLDING

Individual was not entitled to a refund of individual income tax because the refund request was filed outside the three-year statute of limitations.

ISSUE

I. Individual Income Tax - Refund Statute of Limitations.

Authority: IC § 6-3-4-3; IC § 6-8.1-6-2; IC § 6-8.1-6-3; IC § 6-8.1-9-1; *Indiana Dep't of State Revenue, Inheritance Tax Div. v. Estate of Smith*, 460 N.E.2d 1263 (Ind. Ct. App. 1984).

Taxpayer argues that his claim for a refund of individual income tax should not be barred by the three-year statute of limitations.

STATEMENT OF FACTS

Taxpayer is an individual residing in Indiana. On April 17, 2018, Taxpayer filed his 2014 individual income tax return requesting a refund of the overpayment. The Indiana Department of Revenue ("Department") denied Taxpayer's refund because the return—and thus the refund claim—was filed outside of the three-year statute of limitations.

Taxpayer disagreed and submitted a protest to that effect. Taxpayer waived his right to an administrative hearing and requested that the Department issue a final determination based upon the documents submitted with the protest. This Final Order Denying Refund results.

I. Individual Income Tax - Refund Statute of Limitations.

DISCUSSION

Taxpayer requests a refund of an overpayment of income tax withheld during tax year 2014. The issue is whether the 2014 refund request was barred by the three-year statute of limitations in effect for the tax year at issue. Taxpayer acknowledges the three-year statute of limitations for filing a refund claim; however, Taxpayer argues that the three-year statute of limitations should not apply based upon the "spirit of the law."

The statute of limitations for requesting a refund of excess income tax paid during the tax year at issue is found in IC § 6-8.1-9-1(a), which states:

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 later of the following:

- (1) **The due date of the return.**
- (2) The date of payment. (**Emphasis added**).

The due date of individual income tax returns is "[t]he 15th day of the fourth month following the close of the taxable year." IC § 6-3-4-3(1). However, "[i]f 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." IC § 6-8.1-6-2.

IC § 6-8.1-6-3(a) sets forth the date which a form is considered to be "filed":

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. (**Emphasis added**).

In accordance with IC § 6-3-4-3(1), the due date of Taxpayer's 2014 income tax return was April 15, 2015. April 15, 2015, was a Wednesday; therefore, IC § 6-8.1-6-2 would not apply to extend the due date under these circumstances. Taxpayer filed his 2014 return on April 17, 2018, as evidenced by the postmark stamp on the envelope in which the return was mailed to the Department. Because the due date of the 2014 return is later than the date of the payment(s) of the tax, the three-year statute of limitations began to run on April 15, 2015, and ended on April 15, 2018.

Taxpayer argues that, because the due date for 2017 income tax returns was April 17, 2018, the Department should follow the "spirit of the law" to extend the due date for the 2014 return to April 17, 2015, which would extend the statute of limitations to April 17, 2018. However, Indiana statutes clearly set forth the due date of the return, circumstances under which that due date may be extended, and the statute of limitations for refund claims. When a statute is unambiguous on its face there is no need to apply other principles of statutory interpretation. *See Indiana Dep't of State Revenue, Inheritance Tax Div. v. Estate of Smith*, 460 N.E.2d 1263, 1265 (Ind. Ct. App. 1984) ("If the language used in a statute is clear and unambiguous, a court may not substitute language which it feels the legislature may have intended.") Therefore, the Department was correct when it denied the 2014 refund claim on the ground that the claim was submitted after the running of the three-year statute of limitations.

FINDING

Taxpayer's protest is respectfully denied.

August 9, 2018

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