

**Memorandum of Decision: 01-20191520**  
**Individual Income Tax**  
**For the 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 filing jointly obtained an extension on their 2014 individual income taxes at the Federal level. Therefore, their Indiana amended return requesting a refund was timely filed.

**ISSUE**

**I. Tax Administration - Statute of Limitations.**

**Authority:** IC § 6-8.1-6-1; IC § 6-8.1-9-1; *Dept. of State Revenue v. Caterpillar, Inc.*, 15 N.E.3d 579 (Ind. 2014); Income Tax Information Bulletin #18 20140827 Indiana Register 045140324NRA (August 2014).

Taxpayers protest the denial of their refund claim.

**STATEMENT OF FACTS**

Taxpayers permanently moved from Indiana to California in 2008 but continued paying Indiana income tax. In 2015, Taxpayers filed multiple amended returns to obtain refunds on taxes paid to Indiana for years they lived and worked in California. The Indiana Department of Revenue ("Department") granted refunds on all but the 2014 tax year. For the 2014 tax year, the Department denied the Taxpayers' refund because the amended return was filed beyond the three year period required to file a refund claim. Taxpayers protested the denial and a hearing was held. This Memorandum of Decision results. Additional facts will be provided as necessary.

**I. Tax Administration - Statute of Limitations.**

**DISCUSSION**

Taxpayers' 2014 amended tax return requesting a refund was filed on October 4, 2018. Typically, this would be more than three years after the due date or payment of a 2014 tax liability. Taxpayers claim that they requested and obtained an extension from the Internal Revenue Service ("IRS"), which automatically extends their Indiana refund request deadline.

As a threshold issue, "when [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 are entitled to deference.

IC § 6-8.1-9-1(a) provides a limitation on requesting a refund 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 . . . [I]n 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 . . . .

Due dates for income tax returns can be extended automatically, however, as IC § 6-8.1-6-1(c) provides in part:

If the Internal Revenue Service allows a person an extension on his federal income tax return, the corresponding due dates for the person's Indiana income tax returns are automatically extended for the same period as the federal extension, plus thirty (30) days.

Generally, a copy of the federal extension request, IRS Form 4868, is necessary to demonstrate that a taxpayer has applied for a federal extension. Information Bulletin #18, 20140827 Indiana Register 045140324NRA (August 2014). Taxpayers could not provide this form as part of their protest. After the hearing, however, Taxpayers provided a transcript showing that the IRS extended Taxpayers' deadline for filing 2014 Federal income tax returns to October 15, 2015. Such an extension would not be given without a Form 4868. Thus, by statute, Taxpayers' deadline to file Indiana returns was automatically extended. Taxpayers' 2014 amended returns were therefore filed within three years of the due date of their original 2014 returns.

The Department previously agreed that the Taxpayer had permanently left Indiana by 2014. Because of this, the Department accepted the Taxpayers' other amended returns, filed concurrently with the 2014 amended return, and subsequently issued refunds for those tax years. Now that Taxpayers have shown the IRS extended their filing deadline in 2014, the 2014 Indiana amended return should be accepted as well. Taxpayers are therefore entitled to a refund.

### **FINDING**

Taxpayers are sustained.

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