

Memorandum of Decision: 01-20200153R
Individual Income Tax
For the Tax Year 2015

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

Individual was granted an extension at the Federal level and therefore had a filing extension in Indiana. Due to this extension, Individual timely filed his 2015 Indiana Income Tax Return and is entitled to the claimed refund.

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).

Taxpayer protests the denial of his refund claim.

STATEMENT OF FACTS

Taxpayer is an individual who previously lived in Indiana as a lawful permanent resident. In 2014, Taxpayer abandoned his lawful permanent resident status and returned to living in Canada. Taxpayer's employer did not successfully record this change of residence and withheld Indiana income tax for the 2015 tax year. Taxpayer discovered this error and filed his 2015 Indiana income tax return in October 2019, claiming a refund of all money erroneously withheld. The Indiana Department of Revenue ("Department") denied Taxpayer's claim for refund because he filed his return beyond the three-year period required to file a refund claim. Taxpayer protested the denial and an administrative hearing was held. This Memorandum of Decision results. Additional facts will be provided as necessary.

I. Tax Administration - Statute of Limitations.

DISCUSSION

Taxpayer's 2015 Indiana tax return was initially due April 18, 2016. Taxpayer filed a Form 4868 Automatic Extension for his 2015 Federal return. The Internal Revenue Service ("IRS") therefore granted an extension through October 15, 2016. Taxpayer filed his 2015 Indiana income tax return in October 2019, which was processed on November 8, 2019.

"[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 shall be entitled to deference.

The Indiana Code provides guidance on filing a refund claim. 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 . . . [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. . . .

IC § 6-8.1-6-1(c) provides:

The following apply only to a person's Indiana adjusted gross income tax return or a person's financial institutions tax return:

(1) *If the Internal Revenue Service allows a person an extension on the person's 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.*

(2) If a person petitions the department for a filing extension for the person's Indiana adjusted gross income tax return or financial institutions tax return without obtaining an extension for filing the person's federal income tax return, the department shall extend the person's due date for the person's Indiana adjusted gross income tax return or financial institutions tax return for the same period that the person would have been allowed under subdivision (1) if the person had been granted an extension by the Internal Revenue Service.

(Emphasis added).

Taxpayer provided documentation establishing that he was no longer living or working in Indiana in 2015 and that the IRS had granted an extension on his income tax return through October 15, 2016. He also included a copy of his Form 4868 Automatic Extension along with his IT-40 income tax return. Therefore, based on the automatic extension established under IC § 6-8.1-6-1(c)(1) and on the three-year window to claim a refund provided by IC § 6-8.1-9-1(a), Taxpayer had until November 14, 2019 to file the refund at issue.

Based on the documentation provided during the protest, Taxpayer demonstrated that he did not owe Indiana income tax in 2015 and that his Indiana income tax return for that year was timely filed. Therefore, he is entitled to the claimed refund.

FINDING

Taxpayer is sustained.

September 8, 2020

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