

Final Order Denying Refund: 03-20210052
Withholding Tax
for the Tax Year 2019

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

Corporation was not entitled to a refund of withholding tax paid during 2019 because overpayment was applied to other existing tax liabilities.

ISSUE

I. Corporate Withholding Tax - Claim for refund.

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

STATEMENT OF FACTS

Taxpayer is an Indiana entity which filed a refund claim in February 2021 for withholding tax it paid for the period ending May 31, 2019. The Indiana Department of Revenue ("Department") granted Taxpayer's refund claim in part and denied its claim in part. Taxpayer protested the denial and requested a final determination without hearing. This Final Order Denying Refund results. Additional facts will be provided as necessary.

I. Corporate Withholding Tax - Claim for refund.

DISCUSSION

Taxpayer protests the Department's decision to partially deny its claim for refund of withholding tax for the period ending May 31, 2019. The Department partially denied Taxpayer's claim for refund because no overpayment existed for the period at issue when the refund claim was submitted. Taxpayer argues that it submitted a duplicate payment to the Department in error and therefore is entitled to a refund of the overpayment. To support its position, Taxpayer provided a copy of its payment history from the Department's INTime customer portal which showed payments totaling approximately twice the standard monthly amount Taxpayer remits to the Department for the period ending May 31, 2019.

As a threshold issue, a taxpayer is required to provide documentation explaining and supporting his or her challenge that the Department's position is wrong. "[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).

IC § 6-8.1-9-1(a) affords a taxpayer a statutory right to file a claim for refund. IC § 6-8.1-9.5-2 allows the department to offset a taxpayer's refund to resolve an outstanding liability. A review of the Department's records confirms that Taxpayer overpaid withholding tax for the period ending May 31, 2019, and that Taxpayer timely filed its refund claim under IC § 6-8.1-9-1(a). However, by the time Taxpayer submitted the refund claim in February 2021, part of the overpayment for the period at issue had been applied to offset Taxpayer's outstanding withholding tax liabilities for other periods. Taxpayer's refund claim was granted to the extent overpaid funds from May 2019 were still available. The Department did not err in denying the remainder of Taxpayer's refund claim.

FINDING

Taxpayer's request for refund is denied.

July 20, 2022

Posted: 05/03/2023 by Legislative Services Agency
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