

FINAL ORDER DENYING REFUND: 01-20232303
Indiana Individual Income Tax
For the Tax Year 2018

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

The Department had no authority to grant a refund because Individual's amended 2018 tax return was submitted outside the three-year statute of limitations which bound both the Department and Individual.

ISSUE

I. Indiana Individual Income Tax - Statute of Limitations

Authority: [IC 6-8.1-9-1](#); *Indiana Dep't of State Revenue v. Caterpillar, Inc.*, 15 N.E.3d 579 (Ind. 2014); *Scopelite v. Indiana Dep't of Local Gov't Fin.*, 939 N.E.2d 1138 (Ind. Tax Ct. 2010).

Taxpayer argues that the Department of Revenue should exercise its authority, enabling him to receive a refund of 2018 Indiana income tax.

STATEMENT OF FACTS

Taxpayer is an Indiana resident who files Indiana income tax returns. Taxpayer filed an amended income tax return for the year 2018. The return was filed in response to the Indiana Department of Revenue's ("Department") decision to issue a 2018 "proposed assessment" of Indiana income tax based on the "best information available."

The amended return was intended to resolve two issues. The first was to address the then pending "proposed assessment," and the second was to generate a refund of approximately \$50.

The Department received the return. As intended, the amended return resolved the proposed assessment. However, the Department denied the \$50 refund. In a letter dated May 2023, the Department explained the reason the refund was denied.

Indiana Code § 6-8.1-9-1 states in order to receive a refund, a claim must be filed within three years of the due date of the return or date of payment, whichever is later. Your request and claim for a refund was filed outside of the time frame and thus must be denied for the following period: December 31, 2018.

Taxpayer disagreed with Department's decision denying the refund and submitted a protest to that effect. The protest asked for a "[f]inal determination without a hearing." This Final Order Denying Refund was prepared as a response to the protest and is based on Taxpayer's protest and on information available to the Department.

I. Indiana Individual Income Tax - Statute of Limitations

DISCUSSION

The issue is whether Taxpayer has established that the Department's decision denying the refund was wrong.

Taxpayer explains that he was unable to timely file the 2018 return, explaining as follows:

I was not able to file said taxes when I should have due to several things going on at the time and I did not know there was a time limit to file. If I had known then I would have made time to file.....With only one income, I really need the money.

The issue, therefore, is whether Taxpayer sufficiently demonstrated that he was entitled to the refund because the Department erred in denying that refund. In addressing Taxpayer's protest, the Department notes that poorly

developed and non-cogent arguments are subject to waiver. *Scopelite v. Indiana Dep't of Local Gov't Fin.*, 939 N.E.2d 1138, 1145 (Ind. Tax Ct. 2010). In assessing the facts and law, and because the Department is charged with enforcing a statute, the jurisprudence defers to the Department's reasonable interpretation of the statute "over an equally reasonable interpretation by another party." *Indiana Dep't of State Rev. v. Caterpillar, Inc.*, 15 N.E.3d 579, 583 (Ind. 2014).

For most refund claims, "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. [or] (2) The date of payment." [IC 6-8.1-9-1\(a\)](#). However, "[i]f a taxpayer's federal income tax liability for a taxable year is modified by the Internal Revenue Service, and the modification would result in a reduction of the tax legally due," a claim for refund may be filed as much as "one hundred eighty (180) days after the date on which the taxpayer is notified of the modification by the Internal Revenue Service." [IC 6-8.1-9-1\(j\)](#). Therefore, a general three-year statute of limitations applies to all refund claims except those in which "a taxpayer's federal income tax liability for a taxable year is modified by the Internal Revenue Service . . ." [IC 6-8.1-9-1\(a\)](#) and (j).

In this instance, the plain words of [IC 6-8.1-9-1\(a\)](#) lead to the conclusion that Taxpayer's refund claim is barred because Taxpayer requested the refund more than three-years after the date the 2018 refund was due and because the refund was not attributable to an intervening adjustment to Taxpayer's "federal income tax liability."

Taxpayer believes he has presented good, relevant, and mitigating reasons sufficient to justify granting the refund. Although the Department is not unsympathetic to Taxpayer's circumstances, and although the amended return accomplished much of what Taxpayer intended, the Department has no statutory authority to grant the refund. In this instance, both the Department and Taxpayer are bound by the plain meaning of [IC 6-8.1-9-1\(a\)](#).

FINDING

Taxpayer's protest is respectfully denied.

November 30, 2023

Finding Replaces: New

Posted: 01/31/2024 by Legislative Services Agency
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