

Letter of Findings: 47-20231089
Indiana Proportional Use Credit
For The Year 2022

NOTICE: [IC 6-8.1-3-3.5](#) and [IC 4-22-7-7](#) require the publication of this document in the Indiana Register. 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. This document is effective on its date of publication and remains in effect until the date it is superseded or deleted by the publication of another document in the Indiana Register. The "Holding" section of this document is provided for the convenience of the reader and is not part of the analysis contained in this Letter of Findings.

HOLDING

Taxpayer did not establish that it submitted its Proportional Use Credit refund claim on time.

ISSUE

I. Motor Carrier Fuel Tax - Proportional Use Credit.

Authority: [IC 6-6-4.1-4.8](#); [IC 6-6-4.1-10](#); [IC 6-8.1-6-3](#); [IC 6-8.1-6-7](#); [IC 6-8.1-1-9](#); *Dept. of State Revenue v. Caterpillar, Inc.*, 15 N.E.3d 579 (Ind. 2014).

Taxpayer argues it timely filed a refund claim based on its Proportional Use Credit.

STATEMENT OF FACTS

Taxpayer is an out-of-state trucking company that operates in several states and has passed through Indiana in the course of its business. On November 1, 2022, Taxpayer filed for a Proportional Use Credit ("PUC") refund through both paper and electronic communication. The Department denied Taxpayer's claim on December 5, 2022.

Taxpayer protested the denial of refund. The Department held an administrative hearing. This Letter of Findings results. Additional facts will be provided as necessary.

I. Motor Vehicles - Proportional Use Credit.

DISCUSSION

The issue is whether Taxpayer has established that it timely filed its refund claim with the Department. In its initial refund review, the Department determined that Taxpayer's claim was untimely. Taxpayer protests the denial of refund. Taxpayer argues that the submittal of both paper and electronic correspondence for filing on November 1, 2022, did not violate the statutory requirement of "on or before the due date of the corresponding quarterly return for the taxable period for which the proportional use credit is claimed." See [IC 6-6-4.1-4.8](#). The corresponding due date, per statute, was October 31, 2022. In the course of its protest, Taxpayer acknowledged that the Department does in fact need a steadfast, hardened cutoff relative to quarterly returns; however, Taxpayer also argued that the Department's administration was not reasonable when comparing electronic versus paper submission because paper submission would arrive later than electronic, regardless of the day submitted upon.

The Department notes that, "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 shall be entitled to deference.

[IC 6-6-4.1-4.8](#) provides that a PUC "claim must be submitted on a form prescribed by the department and must be filed with the quarterly return for the taxable period for which the proportional use credit is claimed."

[IC 6-6-4.1-10](#) requires that a "carrier shall submit each quarterly report required under this subsection on or before the last day of the month immediately following that quarter."

[IC 6-8.1-6-7](#) permits the department to consider electronically filed documents; "notwithstanding any other provisions of this title, the commissioner may permit the filing of any return or document by electronic data submission."

[IC 6-8.1-6-3](#) provides that:

- (a) 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.
- (b) If a document is sent through the United States mail by registered mail, certified mail, or certificate of mailing, then the date of the registration, certification, or certificate, as evidenced by any record authenticated by the United States Post Office, is considered the postmark date.
- (c) If a document is mailed to the department through the United States mail and is physically received after the appropriate due date without a legible correct postmark, the person who mailed the document will be considered to have filed the document on or before the due date if the person can show by reasonable evidence to the department that the document was deposited in the United States mail on or before the due date.
- (d) If a document is mailed to, but not received by, the department, the person who mailed the document will be considered to have filed the document on or before the due date if the person can show by reasonable evidence to the department that the document was deposited in the United States mail on or before the due date and if the person files with the department a duplicate document within thirty (30) days after the date the department sends notice that the document was not received.
- (e) If a document is received after the deadline, the department shall consider the document to be received on time if the postmark date is up to three (3) business days (not including a day falling on Saturday, Sunday, a national legal holiday recognized by the federal government, or a statewide holiday) after the date of the deadline.

Here, the prescribed date for the PUC claim was the last day of the quarterly taxable period. The last day of the quarterly taxable period was October 31, 2022. Taxpayer submitted its PUC refund claim through both paper and electronic correspondence for filing on November 1, 2022, a day after the statutorily required deadline.

Taxpayer raises the issue of electronic communication compared to paper filing. See [IC 6-8.1-6-7](#). However, Taxpayer's concern regarding electronic compared to paper correspondence filing is not central to or dispositive of the Department's findings. The timeframe and ease of doing business electronically do not affect the analysis here.

During the hearing, Taxpayer provided context and operational issues surrounding the protest. The Department recognizes that Taxpayer's arguments are made in good faith; however, the problem in the present protest is due to the timely submission on the due date. Timing is vital for the calculation and disbursement of PUC to eligible filers. Calculations and disbursements are based on timely filing, which allows the Department to adhere to applicable law.

The Department may receive electronic or paper submissions after the quarterly deadline. See [IC 6-6-4.1-4.8](#). The claim will still be considered timely, providing that the postmark date is prior to the statutory deadline. Taxpayer acknowledges this scenario, stating that if it had filed the proportional use credit claim by mail, on or before the due date, the correspondence would have been received after the statutory end of the quarter and the claim would have been processed by the Department. The deadline for claiming the proportional use credit, however, is established by statute and is unmovable to any individual regardless of the circumstances. Relevant exceptions for holidays are provided but said exceptions do not apply here. See [IC 6-8.1-1-9\(a\)](#). Taxpayer has not

referred to any statute, regulation, or court case which would allow the Department to ignore the statutory deadline. Taxpayer has not proven that it timely filed a Proportional Use Credit. Therefore, the protest is respectfully denied.

FINDING

Taxpayer's protest is denied.

January 24, 2024

Replaces Finding Document at: New

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An [html](#) version of this document.