

DEPARTMENT OF STATE REVENUE

01-20211022.MOD

Memorandum of Decision: 01-20211022
Individual Income Tax
For the 2016 Tax Year

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 demonstrated attempts to file a refund claim prior to the three-year statute of limitations. The Department's records also support Individual's claimed refund. The refund is granted.

ISSUE

I. Tax Administration - Statute of Limitations.

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

Taxpayer protests the imposition of Indiana individual income tax for the 2016 tax year.

STATEMENT OF FACTS

Taxpayer was an individual who was living in Illinois but required to file Indiana income taxes. Taxpayer filed her 2016 returns timely, was due a refund, and received a refund. In March 2020, Taxpayer filed a refund claim which was not processed due to government closure in the wake of the COVID-19 pandemic. Taxpayer repeatedly contacted the Department of Revenue and provided updated returns in an attempt to obtain a refund, but the returns were never processed. In July 2021, Taxpayer received a letter denying her refund claim due to the three-year statute of limitations. Taxpayer timely protested the denial and waived her right to an administrative hearing. This memorandum of decision results. Additional facts will be provided as necessary.

I. Tax Administration - Statute of Limitations.

DISCUSSION

Taxpayer argues that her refund claim was filed within three years of the due date of her 2016 income tax return and that the Department's failure to timely process that return should not prohibit her filing.

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

The Department's records show that the Taxpayer timely filed her initial 2016 income tax return on April 15, 2017. This means her amended return was due on or before April 15, 2020. Taxpayer began trying to file her amended return in March 2020, meaning her amended return would be timely. Moreover, a review of the Department's records show that Taxpayer is owed a refund in the amount requested. Because Taxpayer demonstrated that she timely requested a refund, even if the refund request was not processed at that time, and because the Department's records support Taxpayer's claim, the refund in this case is granted.

FINDING

Taxpayer is sustained.

January 31, 2022

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