

Re: Fw: Sales Tax Overpayment Business Rules

From: CN= [REDACTED]
To: CN= [REDACTED]
CC: 1. [REDACTED]
2. [REDACTED]
3. [REDACTED]
Subject: Re: Fw: Sales Tax Overpayment Business Rules
Sent: 2012-08-09 14:35:54.480000 UTC

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Discussion

Main Topic

Vickie Atkinson/Sales/SOT/TAX

Yesterday 01:30 PM

Subject:

Sales Tax Overpayment Business Rules

Category:

Sales and Use Tax

Sales/Use tax overpayments moved to future period

vs.

Advising the Taxpayer to file for a refund

Overpayment can be moved

Original return filed (not amended), EFT payments exceed the amount due on the original return or TP issued check for more money than what was due.

If the taxpayer advises the agent to move the overpayment to a specific period, the agent can do so but they need to advise the TP they are forfeiting their interest by not filing for a refund. The agent needs to put a note on the overpaid period including the TP name, phone#, where the money was moved to and TP was advised of forfeited interest.

Overpayment **CANNOT be moved**

NOTE: If any adjustments are made on lines 1-6 of the return, the overpayment cannot be moved. You must advise the taxpayer to file an application for refund (ST-AR) with the Sales and Use Tax refund unit.

Taxpayer calls and wants to amend their previously filed return by increasing their exempt sales or decreasing their gross sales. They also have requested the overpayment be moved to a future period. The agent should advise the taxpayer they must file the amended return with the refund application (form ST-AR, which can be located on the Departments Website). The refund request should be filed by the taxpayer along with the amended return and supporting documentation as to why the return is being amended.

Taxpayer calls inquiring as to why they have not received their sales/use tax refund. The TP filed an amended return 3 months ago (via OBG, paper, eforms, etc,), which created an overpayment on ITAS. The agent should advise the taxpayer that in order to receive a refund for sales/use tax they must file a refund application (form ST-AR, which can be located on the Departments Website) with the sales tax refund unit. The refund request should be filed by the taxpayer along with the backup documentation verifying why the return was amended.

Please note the following:

4 year statute of limitations for Sales and Use tax: Administrative rule 5703-9-07 (A)(4) states: An application for refund of sales or use tax must be filed no later than **four years after the date of the illegal or erroneous payment** of the tax. Tax is paid on the date it is remitted to the state and not on the date it is collected by a vendor or seller from a consumer. If a taxpayer does not contact us within 4 years of the illegal or erroneous payment the money cannot be moved/nor would the refund be approved.

Moving the taxpayer's money to a future and/or underpaid period is essentially approving a refund request.

When moving money, you should use the "in date" of the original payment being moved, and not use the "in date" of when you are actually moving the money.

If you have a taxpayer on the phone that disagrees and wishes to appeal this decision then the taxpayer must be advised to file a refund request (ST-

Exhibit 12

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AR) in order to go thru the appeal process. The refund will be denied and the taxpayer at that point can appeal the denial and request a hearing.

Sales tax is a trust tax. The refund unit must obtain various back up documents to verify the refund is actually due and verify that the tax was refunded to the customer who actually paid the tax in error and is due the tax refund.

While reviewing a taxpayer's account and you notice a period is overpaid. Please do not inform the taxpayer that they are overpaid. Even though the period might be overpaid, it may not be a true overpayment.

If there is any question as to whether a sale/use tax overpayment should be moved or not, please call or e-mail the Sales/Use tax refund unit.

Phone: 614-466-8391

E-mail: SUTREF