

## ITAS Clean-up Procedures Corporate – Overpaid Accounts

The following are guidelines in working accounts with credit balances (overpaid accounts) in ITAS for Corporation Franchise Tax. These accounts need to be reviewed and investigated to determine if a credit (overpayment) exists and if the credit on the account can be cleared.

1. Research each account to determine the reason for the credit balance.
  - Need to determine why overpayment exists
  - Review ITAS
  - Review Assessment System
  - Pull reports if available
  - Review AMS
  - Contact auditors
2. If determine the credit is not real and legitimate, adjust the credit balance to zero.
  - If can adjust the account to balance, make the adjustments to balance the account and add appropriate notes in ITAS. Adjustments may consist of making line item adjustments and/or moving payments to the proper year.
  - If determine that the credit is not real and legitimate, but do not have the information to make a line item adjustment, you can force a penalty to balance the account. Notes must be added to support this adjustment with the reason and why this was done.
3. ITAS Note if force a penalty: Researched account and determined overpayment does not exist due to \_\_\_\_\_. Line item adj. could not be made so forced a penalty to balance account. (Put reason on blank part – Audit, Amended Report, etc.)
4. If the credit is legitimate or you can not determine, DO NOTHING in ITAS, regardless of whether the credit is within statute or not.
5. Do **not** issue any overpayments at this time. Instructions for any potential refunds will be addressed at a later date.
6. Make the appropriate notations on the Excel spreadsheet using the codes and notations listed below. The spreadsheet contains 3 columns (Reason Code, Potential Refund, Comments) where information is to be added.

## 7. Reason Code Column

Enter the appropriate number (1-7) from the list below based on your review.

1. Payments / CRCs not claimed - This is where a taxpayer did not take credit for all of the payments or credit carryforward.
2. Pending Refunds (ITAS Glitch) - This is where ITAS was setting refunds back to pending status as well as by an agent. This glitch was discovered in 2009.
3. Audit Settlements / Netting - This is where the Audit Division made settlements on audit findings and settled on a dollar amount. In other situations, the Audit Division would net balance dues against refunds among years as well as among companies within a combination.
4. Amended Reports - This is where amended reports were filed on a consolidated basis, which is incorrect. Separate reports should have been filed, but the amended reports were processed.
5. Data Entry Errors - This is where taxpayers carried the wrong numbers from one schedule to another which makes the amount keyed not match the actual liabilities and payments made. Certain lines are keyed for calculation purposes for ITAS. Sometimes data entry errors are made by our department which makes the tax not match the payments made.
6. Other – For any situations that do not fall into one of the above categories or cleared. Please enter a note in the ‘Comment’ column based on your review.
7. Cleared – This is where you cleared the account by doing a line item adjustment or forcing a penalty. Enter a ‘7’ in the added ‘Cleared’ column and in the ‘Reason Code’ column, enter one of the above numbers based on your research. If none of the above fits the criteria, enter a brief note in the ‘Comment’ column.

## 8. Potential Refund Column

After your research, indicate in the appropriate column if a refund could exist and is in statute. Enter ‘X’ to indicate there is a potential refund. Below are some examples of potential refunds.

- Pending Refunds (ITAS Glitch)
- Year-end prior to 2008 if any payments are in statute
- Year-end 2008 depending on when the report or payment was filed
- Year-end 2009 and after - all

9. Comment Column – For your use to enter notes based on your research.

10. See your supervisor for any unique or questionable situations.