

Administrative:

Tennessee: Agreements Did Not Extend Limitations Period for Filing Refund Claim Action in Court

Case No. M2020-00171-COA-R3-CV, Tenn. Ct. App. (7/19/21). In a matter relating to a sales and use tax refund claim, the Tennessee Court of Appeals (Court) affirmed the Chancery Court's dismissal of the taxpayer's complaint on grounds that the court lacked subject matter jurisdiction. The taxpayer had filed suit in Chancery Court shortly before the last extension contained within three consecutive extension agreements it had executed with the Tennessee Department of Revenue (Department) under Tenn. Code Ann. sections 67-1-1501 and -1802 had expired and before the Department had made a determination on its refund claim. In affirming the Chancery Court's dismissal, the Court reasoned that Tennessee's applicable one-year statute of limitations to file a lawsuit challenging the denial or deemed denial of a refund claim was not extended by the extension agreements, which only extended the limitations period for the Department to assess taxes and refund overpayments. Please contact us with any questions.

URL: https://www.tncourts.gov/sites/default/files/zimmer_usinc.opn_.pdf

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