

Income/Franchise:

Oklahoma Supreme Court Says Refund Claims Permitted 3 Years from Payment with Proper Extension

Case No. 116358, Okla. (4/5/22). The Oklahoma Supreme Court reversed the Oklahoma Tax Commission to hold that a corporation's Oklahoma corporate income tax refund claim was valid as filed within three years from the date such taxes were paid while simultaneously filing a proper extension for purposes of its Oklahoma corporate income return. Under the facts, the taxpayer's 2012 Oklahoma corporate income tax return was originally due on March 15, 2013, but the taxpayer filed its return on September 27, 2013, after securing a statutorily authorized extension. The taxpayer subsequently discovered that the return erroneously overstated its annual income. The taxpayer then filed an amended 2012 Oklahoma corporate income return on September 27, 2016, claiming a refund based on the error. The Oklahoma Tax Commission denied the refund claim, reasoning that the taxpayer submitted its demand more than three years after paying the taxes, and an administrative law judge similarly found the refund claim was barred under 68 Okla. Stat. § 2373. Having paid taxes to the Oklahoma Tax Commission when filing its Oklahoma corporate income tax return with a proper extension on September 27, 2013, the Oklahoma Supreme Court held that a timely claim for a refund was submitted on September 27, 2016, when the taxpayer filed its Oklahoma amended corporate income tax return under 68 Okla. Stat. § 2373. Please contact us with any questions.

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