

myStateTaxOffice

A Washington National Tax Services (WNTS)
Publication

May 11, 2011

Uncertainty on reduced statute of limitations for certain Indiana sales tax refund claims

Follow us

@PwC_mySTO 

Authored by: Ferdinand Hogoian

On May 10, 2011, Indiana Governor Mitch Daniels signed legislation, [H.B. 1004](#), that includes provisions limiting the period for which a refund may be claimed under the Ind. Code. Sec. 6-2.5-5-5.1 exemption for tangible personal property acquired for direct consumption in the production of other tangible personal property in manufacturing, processing, and certain other businesses types. These provisions, found in Section 50 of the legislation, provide that a refund claim based on this exemption may not cover transactions that occurred more than **18 months** before the date of the refund claim, if the tangible personal property acquired is electrical energy, natural or artificial gas, water, steam, and steam heat. This limitation to 18 months (rather than the generally-applicable three-year statute of limitations) is effective July 1, 2011.

However, another portion of the legislation, Section 89, makes similar changes to the statute -- Ind. Code Sec. 6-8.1-9-1 -- governing the limitations period (Section 50 instead amends the exemption statute). While Section 89 essentially provides the same 18-month limitations period for refund claims based on the exemption as Section 50, Section 89 is "effective upon passage," rather than on July 1, 2011. The effective date is important, as a July 1, 2011 effective date would allow taxpayers to file refund claims prior to that date for the 2008 and 2009 calendar years, which, for the most part, would otherwise be barred on or after that date. However, if the



restriction is "effective upon passage," then it is already in effect and these periods are closed, as Governor Daniels signed the legislation on May 10. The Indiana Department of Revenue has indicated that it is reviewing the bill and has not yet come to a conclusion as to the correct effective date.

For more information, please do not hesitate to contact:

Mike Ralston (317) 940-7301 michael.ralston@us.pwc.com

Rich Boer (317) 940-7302 richard.e.boer@us.pwc.com

Ferdinand Hogroian (202) 414-1798 ferdinand.hogroian@us.pwc.com

For more information on PwC' state legislative tracking service, [click here](#).

This document is for general information purposes only, and should not be used as a substitute for consultation with professional advisors.

SOLICITATION

© 2011 PricewaterhouseCoopers LLP. All rights reserved. In this document, "PwC" refers to PricewaterhouseCoopers LLP, a Delaware limited liability partnership, which is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.