

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

TAX REFUND CLAIM AMENDMENTS
2024 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Steve Eliason
Senate Sponsor: Stephanie Pitcher

LONG TITLE

General Description:

This bill modifies the procedures for challenging a penalty or interest.

Highlighted Provisions:

This bill:

- ▶ allows a person to object to a penalty or interest by paying the penalty or interest and requesting a refund even if the person did not previously challenge the assessment of a penalty or interest; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides retrospective operation.

Utah Code Sections Affected:

AMENDS:

- 59-1-501**, as last amended by Laws of Utah 2009, Chapter 212
- 59-1-1410**, as last amended by Laws of Utah 2014, Chapter 24

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **59-1-501** is amended to read:

59-1-501 . Procedure for obtaining redetermination of a deficiency -- Claim for refund.

(1) As used in this section:

- (a) "Legal holiday" [~~is as~~] means the same as that term is defined in Section 59-10-518.
- (b) "Tax, fee, or charge" [~~is as~~] means the same as that term is defined in Section 59-1-1402.

- 29 (2) A person may file a request for agency action, petitioning the commission for
30 redetermination of a deficiency.
- 31 (3) Subject to Subsections (4) through (6), a person shall file the request for agency action
32 described in Subsection (2):
- 33 (a) within a 30-day period after the date the commission mails a notice of deficiency to
34 the person in accordance with Section 59-1-1405; or
- 35 (b) within a 90-day period after the date the commission mails a notice of deficiency to
36 the person in accordance with Section 59-1-1405 if the notice of deficiency is
37 addressed to a person outside the United States or the District of Columbia.
- 38 (4) If the last day of a time period described in Subsection (3) is a Saturday, Sunday, or
39 legal holiday, the last day for a person to file a request for agency action is the next day
40 that is not a Saturday, Sunday, or legal holiday.
- 41 (5) A person that mails a request for agency action shall mail the request for agency action
42 in accordance with Section 59-1-1404.
- 43 (6) For purposes of Subsection (3), a person is considered to have filed a request for agency
44 action:
- 45 (a) if the person mails the request for agency action, on the date the person is considered
46 to have mailed the request for agency action in accordance with Section 59-1-1404; or
- 47 (b) if the person delivers the request for agency action to the commission by a method
48 other than mail, on the date the commission receives the request for agency action.
- 49 (7) A person [~~who~~] that has not previously filed a timely request for agency action in
50 accordance with Subsection (3) may object to a final assessment issued by the
51 commission by:
- 52 (a) paying the tax, fee, or charge, penalty accrued in accordance with Section 59-1-401,
53 or interest accrued in accordance with Section 59-1-402; and
- 54 (b) filing a claim for a refund as provided in Section 59-1-1410.
- 55 Section 2. Section **59-1-1410** is amended to read:
- 56 **59-1-1410 . Action for collection of tax, fee, or charge -- Action for refund or**
57 **credit of liability -- Denial of refund claim under appeal -- Appeal of denied**
58 **refund claim.**
- 59 (1) (a) Except as provided in Subsections (3) through (7) and Sections 59-5-114,
60 59-7-519, 59-10-536, and 59-11-113, the commission shall assess a tax, fee, or
61 charge within three years after the day on which a person files a return.
- 62 (b) Except as provided in Subsections (3) through (7), if the commission does not assess

- 63 a tax, fee, or charge within the three-year period provided in Subsection (1)(a), the
64 commission may not commence a proceeding to collect the tax, fee, or charge.
- 65 (2) (a) Except as provided in Subsection (2)(b), for purposes of this part, a return filed
66 before the last day prescribed by statute or rule for filing the return is considered to
67 be filed on the last day for filing the return.
- 68 (b) A return of withholding tax under Chapter 10, Part 4, Withholding of Tax, is
69 considered to be filed on April 15 of the succeeding calendar year if the return:
70 (i) is for a period ending with or within a calendar year; and
71 (ii) is filed before April 15 of the succeeding calendar year.
- 72 (3) The commission may assess a tax, fee, or charge or commence a proceeding for the
73 collection of a tax, fee, or charge at any time if:
74 (a) a person:
75 (i) files a:
76 (A) false return with intent to evade; or
77 (B) fraudulent return with intent to evade; or
78 (ii) fails to file a return; or
79 (b) the commission estimates the amount of tax, fee, or charge due in accordance with
80 Subsection 59-1-1406(2).
- 81 (4) The commission may extend the period to [~~make an assessment~~] assess a tax, fee, or
82 charge or to commence a proceeding to collect a tax, fee, or charge if:
83 (a) the three-year period under Subsection (1) has not expired; and
84 (b) the commission and the person sign a written agreement:
85 (i) authorizing the extension; and
86 (ii) providing for the length of the extension.
- 87 (5) The commission may make an assessment as provided in Subsection (6) if:
88 (a) the commission delays an audit at the request of a person;
89 (b) the person subsequently refuses to agree to an extension request by the commission;
90 and
91 (c) the three-year period under Subsection (1) expires before the commission completes
92 the audit.
- 93 (6) An assessment under Subsection (5) shall be:
94 (a) for the time period for which the commission could not make the assessment because
95 of the expiration of the three-year period; and
96 (b) in an amount equal to the difference between:

- 97 (i) the commission's estimate of the amount of tax, fee, or charge the person would
98 have been assessed for the time period described in Subsection (6)(a); and
99 (ii) the amount of tax, fee, or charge the person actually paid for the time period
100 described in Subsection (6)(a).
- 101 (7) If a person erroneously pays a liability, overpays a liability, pays a liability more than
102 once, or the commission erroneously receives, collects, or computes a liability, the
103 commission shall:
- 104 (a) credit the liability against any amount of liability the person owes; and
105 (b) refund any balance to:
- 106 (i) the person; or
107 (ii) (A) the person's assign;
108 (B) the person's personal representative;
109 (C) the person's successor; or
110 (D) a person similar to Subsections (7)(b)(ii)(A) through (C) as determined by the
111 commission by rule made in accordance with Title 63G, Chapter 3, Utah
112 Administrative Rulemaking Act.
- 113 (8) (a) Except as provided in Subsection (8)(b) or Section 19-12-203, 59-7-522,
114 59-10-529, or 59-12-110, the commission may not make a credit or refund unless a
115 person files a claim with the commission within the later of:
- 116 (i) three years from the due date of the return, including the period of any extension
117 of time provided in statute for filing the return; or
118 (ii) two years from the date the tax was paid.
- 119 (b) The commission shall extend the time period for a person to file a claim under
120 Subsection (8)(a) if:
- 121 (i) the time period described in Subsection (8)(a) has not expired; and
122 (ii) the commission and the person sign a written agreement:
123 (A) authorizing the extension; and
124 (B) providing for the length of the extension.
- 125 (9) If the commission denies a claim for a credit or refund, a person may request a
126 redetermination of the denial by filing a petition or request for agency action with the
127 commission:
- 128 (a) (i) within a 30-day period after the day on which the commission mails a notice of
129 denial for the claim for credit or refund; or
130 (ii) within a 90-day period after the day on which the commission mails a notice of

131 denial for the claim for credit or refund, if the notice is addressed to a person
132 outside the United States or the District of Columbia; and

133 (b) in accordance with:

134 (i) Section 59-1-501; and

135 (ii) Title 63G, Chapter 4, Administrative Procedures Act.

136 (10) The action of the commission on a person's petition for redetermination of a denial of a
137 claim for credit or refund is final 30 days after the day on which the commission sends
138 the commission's decision or order, unless the person seeks judicial review.

139 Section 3. **Effective date.**

140 This bill takes effect on May 1, 2024.

141 Section 4. **Retrospective operation.**

142 This bill has retrospective operation to January 1, 2024.