

422.73 Correction of errors refunds, credits, and carrybacks.

1. If it appears that an amount of tax, penalty, or interest has been paid which was not due under division II, III or V of this chapter, then that amount shall be credited against any tax due on the books of the department by the person who made the excessive payment, or that amount shall be refunded to the person or with the person's approval, credited to tax to become due. A claim for refund or credit that has not been filed with the department within three years after the return upon which a refund or credit claimed became due, or within one year after the payment of the tax upon which a refund or credit is claimed was made, whichever time is the later, shall not be allowed by the director. If, as a result of a carryback of a net operating loss or a net capital loss, the amount of tax in a prior period is reduced and an overpayment results, the claim for refund or credit of the overpayment shall be filed with the department within the three years after the return for the taxable year of the net operating loss or net capital loss became due. Notwithstanding the period of limitation specified, the taxpayer shall have six months from the day of final disposition of any income tax matter between the taxpayer and the internal revenue service with respect to the particular tax year to claim an income tax refund or credit.

The department shall enter into an agreement with the internal revenue service for the transmission of federal income tax reports on individuals required to file an Iowa income tax return who have been involved in an income tax matter with the internal revenue service. After final disposition of the income tax matter between the taxpayer and the internal revenue service, the department shall determine whether the individual is due a state income tax refund as a result of final disposition of such income tax matter. If the individual is due a state income tax refund, the department shall notify the individual within thirty days and request the individual to file a claim for refund or credit with the department.

2. Notwithstanding subsection 1, a claim for credit or refund of the income tax paid is considered timely if the claim is filed with the department on or before June 30, 1999, if the taxpayer's federal income tax was refunded due to a provision in the federal Taxpayer Relief Act of 1997, Pub. L. No. 105-34, which affected the federal adjusted gross incomes of individuals or estates and trusts, or affected the taxable incomes of corporate taxpayers.

3. Notwithstanding subsection 1, a claim for credit or refund of the income tax paid on the gain realized from the involuntary conversion of property due to a condemnation action is timely filed with the department as provided in this subsection if the taxpayer's claim is the result of the reacquisition by the taxpayer, as the prior owner, of the property condemned pursuant to section 6B.56, subsection 2, or section 6B.56A. The claim under this subsection shall be timely filed only if the claim is made prior to the end of the sixth month following the month in which the reacquisition occurs.

[C35, § 6943-f60; C39, § **6943.097**; C46, 50, 54, 58, 62, 66, §422.66; C71, 73, 75, 77, 79, 81, § 422.73; 81 Acts, ch 138, § 1]

83 Acts, ch 154, § 1, 2; 83 Acts, ch 155, § 1, 2, 3; 84 Acts, ch 1155, § 1; 85 Acts, ch 230, § 11; 86 Acts, ch 1194, § 3; 86 Acts, ch 1237, § 26; 87 Acts, 2nd Ex, ch 1, § 12; 89 Acts, ch 285, §8; 91 Acts, ch 221, §1, 2; 94 Acts, ch 1023, §51; 98 Acts, ch 1078, §9, 13; 99 Acts, ch 156, §4, 23; 2003 Acts, 1st Ex, ch 2, §185, 205; 2006 Acts, 1st Ex, ch 1001, §43, 49

Subsection 3 takes effect July 14, 2006, and applies to reacquisitions of property occurring on or after that date; 2006 Acts, 1st Ex, ch 1001, §49