

#### 422.73 Correction of errors — refunds, credits, and carrybacks.

1. For purposes of [this section](#), “*federal adjustment*”, “*final determination date*”, and “*final federal adjustment*” all mean the same as defined in [section 422.25](#).

2. *a.* If it appears that an amount of tax, penalty, or interest has been paid which was not due under [subchapter 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.

*b.* Notwithstanding the period of limitation specified in paragraph “*a*”, the taxpayer shall have one year from the final determination date of any final federal adjustment arising from an internal revenue service audit or other similar action by the internal revenue service with respect to the particular tax year to claim an income tax refund or credit arising from that final federal adjustment.

3. Notwithstanding [subsection 2](#), a claim for refund or credit of the individual income tax paid which resulted from a reduction in a person’s federal adjusted gross income due to section 1106 of the FAA Modernization and Reform Act of 2012, Pub. L. No. 112-95, shall be considered timely if the claim is filed with the department on or before June 30, 2013.

4. 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 the final determination date of the income tax matter that involves a final federal adjustment 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 that final federal adjustment from 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.

[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 – 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; 2007 Acts, ch 186, §18; 2011 Acts, ch 25, §143; 2012 Acts, ch 1110, §14; 2013 Acts, ch 1, §13 – 15; 2020 Acts, ch 1062, §94; 2020 Acts, ch 1118, §69 – 71

Referred to in §99G.30A, 257.22, 421.65, 422.16, 422.25, 422.25A, 422.91, 422D.3, 423.37, 423.42, 423B.6, 423C.4, 428A.8, 453B.14  
2020 amendments by 2020 Acts, ch 1118; 2020 Acts, ch 1118 to subsections 1, 2, and 4 apply to federal adjustments and federal partnership adjustments that have a final determination date after July 1, 2020; 2020 Acts, ch 1118, §71