

**October 26, 2009**

**ALERT: Corporations with lower income or losses in 2009 tax year  
may benefit from "quick refund" opportunity;  
losses could generate refunds**

Due to the past year's economic conditions, some corporations' income for the 2009 tax year may be lower than was expected, or losses may have been incurred. If either situation (lower income or loss) was true for your corporation, you may want to consider two tax-related issues.

**Quick-refund request for earlier refunds**

**Corporations paying income tax (primarily C corporations) may want to consider using IRS Form 4466, "Corporation Application for Quick Refund of Overpayment of Estimated Tax" if they believe they overpaid estimated income tax for 2009.** The form must be filed BEFORE the 16<sup>th</sup> day of the third month after your tax-year end. It **does not change your tax liability, but can speed up a refund significantly** if you are owed one.

If you believe you have made a federal estimated tax overpayment of at least 10% of the tax liability, you may use Form 4466 file to receive a "quick refund." The IRS must respond within 45 days from the date it is filed. Corporations with Dec. 31 year-ends whose tax returns are typically extended to September and receive their refunds 30-60 days after that may be able to receive any refunds owed them as early as February, instead of waiting until the fall.

Once your federal tax return for 2009 is filed, any refund generated from the Form 4466 is subtracted from the total refund due you. If you filed for a quick refund and were not in fact due one or were due a lower refund amount based on your tax return information, you may be subject to an "addition to tax." Note that filing for an extension on your income tax return does not extend the time allowed to file Form 4466.

**Loss carryover to prior tax years**

If you did incur a loss for your 2009 tax year, you will file Form 1139 after you file your federal income tax return to establish a loss which can offset federal taxes paid in prior years. A loss will generally "carry" back to two prior years, so that if you paid taxes in either of those years, you may become eligible for a refund. Once Form 1139 has been filed, the IRS has 90 days to respond with any refund due you for prior tax years.

If you would like additional information about these tax issues and how they may affect your situation, please contact your AGH tax professional at (316) 267-7231.

*NOTE: Pursuant to federal regulations imposed on practitioners who render tax advice ("Circular 230"), we are required to inform you that any discussion of tax matters contained herein is not intended or written to be tax advice, and cannot be relied upon as such, nor can it be used for the purpose of: (i) avoiding tax penalties that may be imposed by the IRS or states, or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein. If you seek definitive tax advice on a matter, please request a written tax memorandum from your AGH tax advisor.*