

May 11, 2009

ALERT: June 15 deadline to claim sales or use tax refunds

Issue/Background:

The Kansas Senate and House have passed a bill that would **reduce the time period for filing a sales or use tax refund from three years from the due date of the return to one year from the due date of the return.** Governor Mark Parkinson is expected to sign the bill as well. This change would take effect June 15.

Effectively, unless you file a refund claim for any overpayments of sales or use tax during the past three years by June 15, you lose any potential refunds you would have been eligible for during two tax years. Depending on the size of the company and the dollar volume of purchases made annually, refunds can range from the thousands into literally millions.

Action needed:

Allen, Gibbs & Houlik, L.C. (AGH) recommends that you consult with your AGH tax professional or other AGH contact to set up an initial scoping meeting with AGH's state and local tax group. This initial scope can help **determine the potential benefits and costs related to a sales and use tax review, and whether meeting the June 15 deadline will result in significant refund opportunities for you.**

If you have any questions about this alert or other sales and use tax matters, please contact your AGH professional at (316) 267-7231 or Jerry Capps, AGH vice president of state and local tax, at jerry.capps@aghlc.com.

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 (including any attachments unless expressly stated otherwise) 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.