

**CHAPTER 8050**  
**DEPARTMENT OF REVENUE**  
**INCOME AND FRANCHISE TAXES**  
**OVERPAYMENTS**

8050.0100 OVERPAYMENTS; CREDITS AND REFUNDS.

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Subpart 1. **Authority to make credits or refunds.** The commissioner, within the applicable period of limitations, may credit any overpayment of tax, including interest thereon, against any outstanding liability for any tax (or for any interest, additional amount, addition to the tax, or assessable penalty) owed by the taxpayer making the overpayment, and the balance, if any, shall be refunded to such taxpayer by the commissioner.

Subp. 2. **Credit against estimated tax properly executed.** An income, corporate franchise, or estate tax return shall, at the election of the taxpayer, constitute a claim for refund or credit of an overpayment as defined in Minnesota Statutes, section 289A.50, for the amount of the overpayment disclosed by the return. For the purposes of Minnesota Statutes, section 289A.50, a claim is considered as filed on the date on which the return is considered as filed.

An election to treat the return as a claim for refund or credit is evidenced by a statement on the return setting forth the amount determined as an overpayment and advising the commissioner either to refund the amount to the taxpayer or to apply it as a credit against the taxpayer's estimated income tax for the taxable year immediately succeeding the taxable year for which the return is filed. If the taxpayer elects to have all or part of the overpayment shown by the return applied to the taxpayer's estimated tax for the succeeding taxable year, no interest is payable on the portion of the overpayment credited and such amount must be applied as a payment on the account of the estimated income tax for such year or the installments thereof.

A taxpayer electing to have an overpayment refunded must not thereafter revoke that election and have the overpayment applied as a payment on account of estimated tax.

Subp. 3. **Overpayment of estimated tax.** If any installment of estimated tax is overpaid, the overpayment shall first be applied against any outstanding installments of estimated tax. If the overpayment exceeds the correct amount of tax due, the overpayment must be credited or refunded when the taxpayer files a claim for refund or credit on the income tax return filed for the year the deposits are made. A taxpayer may not receive a refund prior to filing a tax return for the year for which the estimated tax has been paid unless one of the conditions in items A to D is met:

A. The taxpayer made duplicate payments of the same installment of estimated tax.

B. The department credited to the taxpayer's account an amount that was meant to be paid to the Internal Revenue Service or some other entity.

C. The taxpayer erred in having an overpayment applied to estimated tax. When making this determination, the commissioner shall examine the tax liability of the taxpayer for the year of the overpayment and prior years, the taxpayer's history of applying overpayments to estimated tax, the taxpayer's history of making estimated tax payments, and the amount of time between when the taxpayer realized the error and when the taxpayer requested the refund.

D. The facts and circumstances clearly demonstrate that the taxpayer did not intend to make an estimated payment.

A change in circumstances, such as moving from Minnesota or change in economic conditions, does not constitute grounds for allowing refunds prior to filing of a return.

**Statutory Authority:** *MS s 270.06; 270C.06; 290.52*

**History:** *17 SR 1279; 26 SR 435; 27 SR 1664; L 2005 c 151 art 1 s 114*