

This Week in State Tax (TWIST)

November 24, 2025



Texas: Comptroller denies refund due to lack of proper extension

The Comptroller of Public Accounts determined that a taxpayer's refund request was not timely under the Texas statute of limitations because its request for an extension to file a return in the year at issue had been made improperly. Texas law requires that a refund request be made within four years of the date on which the tax became due and payable; when a taxpayer files pursuant to an extension request, this is the extended due date. Texas law also specifies that a taxpayer's request for an extension will be denied if the taxpayer does not make an estimated payment meeting certain statutory requirements alongside the extension request. In this case, the taxpayer timely filed a request for extension, which included a written notation that the taxpayer "has available tax credits to offset tax liability." The taxpayer subsequently made a payment after the deadline to request an extension had passed. The taxpayer filed its return in November 2017, prior to the extended due date. In November 2021, the taxpayer filed a refund claim related to its 2017 franchise tax report. The Comptroller denied the refund request; the taxpayer requested a refund hearing, and the matter was referred to the State Office of Administrative Hearings.

The ALJ agreed with Comptroller's decision to deny the claim, determining that, because the appropriate payment related to the extension was not made prior to the deadline for an extension request, the extension was improperly filed. Thus, the taxpayer was required to make its refund request within four years of the original due date of the franchise tax report. Because the refund request was filed more than four years from that date, it fell outside the statute of limitations.

Contact [Jeffrey Benson](#) or [Karey Barton](#) with questions on [Comptroller Decision No. 119,062](#).

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