

MINNESOTA DEPARTMENT OF REVENUE

Revenue Notice # 07-11: Property Tax Refunds – Reissuing Uncashed Lapsed Warrants – Definition of Reasonable Cause

Requests for Reissuance

Minnesota Statutes, section 270C.347, subdivision 1, authorizes the Commissioner of Revenue (“Commissioner”) to reissue an uncashed property tax refund warrant or check (“warrant”) after the two-year lapse period in *Minnesota Statutes*, section 290A.18, subdivision 2, has expired. The authority to reissue is based upon a showing of reasonable cause, and is limited to five years after the date of issuance of the original warrant.

The purpose of this revenue notice is to provide guidance as to what the Commissioner considers “reasonable cause” when a taxpayer to whom a lapsed warrant is made payable requests the Commissioner to reissue the warrant.

Reasonable Cause

A “reasonable cause” for failing to cash a property tax refund warrant within the statutory two-year time period occurs when the failure to cash a warrant is the result of circumstances beyond the taxpayer’s control. This includes circumstances that cannot reasonably be expected to be under the taxpayer’s control, or that make unreasonable the normal expectation of timely performance.

Examples

Examples of reasonable cause for failing to timely cash a warrant include:

1. Serious illness of the taxpayer, or of an immediate family member, or other substantial physical or mental incapacity of the taxpayer.
2. Any unforeseen disasters or hardships, such as severe weather, fire, flood, explosion, theft, or arson that result in loss of the taxpayer’s home or personal records.
3. The taxpayer first receives the warrant when the time limit for cashing it has already expired. This can be due to an incorrect mailing address, or delivery of the mailing to the wrong person. In such cases, the taxpayer must produce the post-marked envelope the warrant was mailed in, or some other third party documentation to show that the warrant was not timely received.

Factors to Prove Reasonable Cause

Factors used to prove reasonable cause include:

1. For examples 1 and 2, above, the taxpayer can document or otherwise verify that such an event took place, with copies of medical records, police reports, insurance records, newspaper notices, or other acceptable records.
2. The event which caused the failure to timely cash the warrant was unavoidable and unscheduled. Planned absences such as vacations or business trips, packing the warrant in a storage box as part of a move, or simply misplacing the warrant are not acceptable proof of reasonable cause.
3. The time interval between the event causing the delay and the resulting failure to timely cash the warrant is reasonable under the circumstances.

JOHN H. MANSUN, Assistant Commissioner
for Tax Policy and External Relations
Publication Date: June 25, 2007