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To: [REDACTED]

Cc:

Bcc:

Subject: 6402/6407 question

Section 6513(b) of the Code does provide that amounts withheld are deemed paid by the taxpayer as of the due date of the return for that year. However, the fact that the amount was “paid” does not mean it would automatically be applied to the outstanding liability for 2000. Rather, under IRC 6402(a), the Service may credit an overpayment against any liability (“and shall ...refund any balance....”) but is not required to do so in any particular manner. As a result, Counsel has previously opined that prepaid amounts for a given year are not deemed credited to a tax liability for another year until the time the return for the first year is processed and the credit is applied. See, e.g., IRS FSA 199904032, IRS SCA 200051042 . See also Donahue v. United States, 33 Fed. Cl. 600 (1995).

