

TSSB 2025-2
TAXPAYER SERVICES SPECIAL BULLETIN

DRS Provides Update on Status of Pending Refund Claims

Purpose: The purpose of this notice is to provide those taxpayers who have yet to receive their income tax refunds for taxable year 2024 with a timeline as to when those refunds will be processed.

Estimated Timeframe: There are approximately 30,000 income tax returns for taxable year 2024 currently under review by the Department of Revenue Services (“DRS”). To place this in context, the DRS received nearly 1.8 million income tax returns this past filing season. As explained more fully below, and as a result of increased access to technology, the DRS identified an additional 55,000 returns this year that warranted examination and that were referred for manual review. Of this number, the DRS has already reviewed approximately 25,000 returns that were assigned for manual review. While state law prevents the DRS from going into detail as to the items it looks at or examines in evaluating these returns, it is anticipated that the DRS will complete its review of the remaining 30,000 returns within the next 30-60 days. Accordingly, any taxpayer whose return is included among the remaining returns and who has claimed a refund can expect to either receive the refund or notice from DRS on or before July 19, 2025.

Additional information regarding the filing season: As set forth above, the DRS received nearly 1.8 million income tax returns this year. The vast majority of income tax refunds were processed and issued by the DRS within two weeks of receipt of the return on which said refunds were claimed. From a statistical perspective, approximately 97% of income tax refunds were issued by DRS within this two-week timeframe. That said, and as noted above, there was an increase in the number of income tax returns that were reviewed by DRS this year.

To that end, and due in large part to the continued evolution of its tax administration system, the DRS now has access to and the opportunity to utilize the latest technology to assist it in reviewing and validating income tax returns. As part of its refund verification program, all income tax returns are subject to a series of reviews that assist the DRS in confirming the accuracy of said returns. As a result, the DRS has been able to evaluate and examine more returns than in previous years. If a return is impacted as part of this process, it is placed on hold and assigned for manual review by a revenue examiner. As a result, it will take slightly longer for these returns to be reviewed and any associated refund issued. More specifically, instead of the typical two-week timeframe described herein, it will take three to four weeks for these returns to be reviewed and verified. Given this slightly increased processing time, the DRS is taking steps to notify impacted taxpayers.

Based on its internal review of this process, the DRS determined that any taxpayer whose return is subjected to this type of review should receive a notice from the DRS. Accordingly, and as part of its continuing efforts to improve its processes and procedures, the DRS intends to develop such a notice that will be ready and utilized next filing season.

Questions: If a taxpayer wants to confirm whether his or her return is among the 30,000 returns currently under review by DRS, they can contact the DRS by telephone at 860-297-5962, Monday through Friday, between the hours of 8:30 a.m. and 4:30 p.m. or by email at DRS@ct.gov.

Effective Date: Upon issuance.

Effect on Other Documents: None.

For the Latest News: Visit the DRS website at portal.ct.gov/DRS.

E-Services Update

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