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TITLE 4
TAX DIVISION

APPENDIX A

I. SUMMARY OF PERIODS OF LIMITATION AS PROVIDED BY THE INTERNAL REVENUE CODE OF 1939, AS AMENDED

A. Limitation Upon Assessment or Proceedings in Court Without Assessment

Tax	Circumstances involved	Code section	Time limit
1. Income and profits.	(a) General rule-----	275 (a)-----	3 years after return is filed.
	(b) Request for assessment on income received during lifetime of a decedent, or by his estate; or by a corporation undergoing dissolution.	275 (b)-----	18 months after request, but request cannot be made before return is filed.
	(c) Omission of 25 percent of gross income.	275 (c)-----	5 years after return is filed.
	(d) Omission from gross income of amounts from (1) foreign personal-holding companies, (2) personal service corporations.	275 (d), 394 (f).	7 years after return is filed.
	(e) Omission of corporate distributions in liquidation.	275 (e)-----	4 years after return is filed.
	(f) Corporation makes no return but each shareholder reports his share of income from the corporation.	275 (g)-----	4 years after the last date on which any shareholder's return was filed.
	(g) False or fraudulent return with intent to evade tax.	276 (a)-----	No limitation.
	(h) Failure to file return--	276 (a)-----	No limitation.
	(i) Agreement in writing between Commissioner and taxpayer to extend period.	276 (b)-----	Assessment may be made at any time prior to expiration of the agreed time.

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A. Limitation Upon Assessment or Proceedings in Court Without Assessment—Continued

Tax	Circumstances involved	Code section	Time limit
	(j) Deficiency caused by operation of net operating loss carry-back or unused excess profits credit carry-back: (1) if an excess profits tax return was required for the year of the loss or unused credit, (2) if an excess profits tax return not required.	276 (d)-----	Limitation imposed by Sec. 275 or 276 (a) or (b) whichever is the longer.
	(k) Gain upon the sale or exchange of a residence.	112 (n) (7), 276 (e).	3 years after taxpayer notifies the taxing authorities of the cost of new residence or his intention not to replace.
	(l) Gain upon involuntary conversion.	112 (f) (3) (c), 276 (f).	3 years after taxpayer notifies taxing authorities of intention to replace or not to replace the property.
	(m) Determination of a deficiency under Sec. 130, for any year preceding the fifth.	130 (c)-----	1 year beyond the time fixed for assessment of the fifth taxable year.
	(n) Assessment of liability of initial transferee.	311 (b) (1)----	1 year after expiration of period of limitation against taxpayer.
	(o) Assessment of a transferee of a transferee.	311 (b) (2)---	1 year after expiration of period against preceding transferee, but not more than 3 years after expiration of period against taxpayer; except if court proceedings for collection has begun, then 1 year after return of execution in court proceedings.

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A. Limitation Upon Assessment or Proceedings in Court Without Assessment—Continued

Tax	Circumstances involved	Code section	Time limit
	(p) Assessment of liability of fiduciary.	311 (b) (3)----	1 year after the liability arises, or not later than expiration of the period for collection of the tax, whichever is later.
	(q) Where Commissioner and transferee or fiduciary agree to period of assessment.	311 (b) (4)----	At any time during agreed period.
	(r) Where taxpayer deceased or corporation dissolved.	311 (c)-----	Same period as if death or dissolution has not occurred.
2. Estate-----	(a) General rule-----	874 (a)-----	3 years after return filed.
	(b) False return-----	874 (b) (1)----	At any time.
	(c) No return-----	874 (b) (1)----	At any time.
3. Gift-----	(a) General rule-----	1016 (a)-----	3 years after return filed.
	(b) False return-----	1016 (b) (1)----	At any time.
	(c) No return-----	1016 (b) (1)----	At any time.
4. Miscellaneous.	(a) General rule (except income, war-profits, excess-profits, estate, gift taxes and certain employment taxes).	3312 (a)-----	Assessment: 4 years after taxes become due. Court action without assessment: 5 years after taxes become due.
	(b) False returns-----	3312 (b)-----	At any time.
	(c) No return-----	3312 (b)-----	At any time.
	(d) Willful attempt to evade tax.	3312 (c)-----	At any time.

NOTES.—The assessment period is suspended until a notice of deficiency is mailed to taxpayer. After the mailing of the notice the taxpayer has 90 days to petition the Tax Court for redetermination of the deficiency. Secs. 272 (a) (1) (income tax); 871 (a) (1) (estate tax); 1012 (a) (1) (gift tax); I. R. C. If there is a petition to the Tax Court the assessment period is suspended until the decision of the Tax Court becomes final and for 60 days thereafter. Secs. 277 (income tax); 311 (d) (liability of fiduciaries and transferees); 875 (estate); 1017 (gift); I. R. C.

Returns filed before the due date will be considered as filed on the last date provided by law. Sec. 275 (f), I. R. C.

See Sec. 3804 for limitation of time for performing acts postponed by war where individual continuously outside the Americas after December 6, 1941, or in military and naval forces overseas.

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B. Limitation Upon Collection After Assessment

Tax	Circumstances involved	Code section	Time limit
1. Income	(a) Where assessment timely made, tax may be collected by distraint or court proceedings.	276 (c)	Within 6 years after assessment, or prior to expiration of agreed period.
2. Estate	(a) Where assessment timely made, tax may be collected by distraint, or court proceedings.	874 (b) (2)	Within 6 years after assessment, or prior to expiration of agreed period.
3. Gift	(a) Where assessment timely made, tax may be collected by distraint or court proceedings.	1016 (b) (2)	Within 6 years after assessment, or prior to expiration of agreed period.
4. Miscellaneous.	(a) Where assessment timely made, tax may be collected by distraint or court action.	3312 (d)	Within 6 years, or prior to expiration of agreed period.

NOTE.—Sections of the Code relating to periods of limitation on assessment or collection but not included in this summary because of their limited application are 274 (b) (collection of unpaid claims in bankruptcy or receivership); 506 (2) (deficiency dividends of personal holding companies); 3798 (exemption of insolvent banks from tax); 3801 (b) (mitigation of effect of limitations in income tax cases); 3805 (due date of returns extended for China Trade Corp.).

C. Limitation Upon Claims for Refunds and Credits

Tax	Circumstances involved	Code section	Time limit
1. Income and profits taxes.	(a) When return is filed and tax paid.	322 (b) (1)	3 years from time return is filed, or 2 years from time tax is paid, whichever expires later.
	(b) When no return is filed.	322 (b) (1)	2 years from time tax is paid, unless claim is filed before expiration of period.
	(c) When claim relates to overpayment on account of bad debts or worthless securities.	322 (b) (5)	7 years from date prescribed for filing return.

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C. Limitations Upon Claims for Refunds and Credits—Continued

Tax	Circumstances involved	Code section	Time limit
	(d) When claim in (c), <i>supra</i> , relates to deductibility of the debt or loss on a carry-back.	322 (b) (5)---	Election as to (c) or (e), whichever expires later.
	(e) When the claim is attributable to a net operating loss carry-back or unused excess profits credit carry-back.	322 (b) (6)---	Period expiring with 15th day of 39th month following the end of the taxable year of the carry-back.
2. Estate----	(a) General rule-----	910-----	Within 3 years after payment.
3. Gift-----	(a) Overpayment to be credited against gift tax due and balance refunded.	1027 (b) (1)---	Within 3 years from time tax paid, unless a claim is filed within the period.
4. Miscellaneous.	(a) All claims for refunds or credits of tax or penalties, except income, war-profits, excess-profits, estate and gift taxes.	3313-----	4 years after payment of the tax.

NOTE.—Returns filed before the due date are considered as filed on due date. Sec. 322 (b) (4).

Period may be extended by agreement between Commissioner and taxpayer. Sec. 322 (b) (3).

D. Limitation Upon Suits for Recovery of Erroneous Refunds

Tax	Circumstances involved	Code section	Time limit
All taxes----	(a) Any refund of tax, interest, penalty, additional amount or addition to the tax erroneously refunded.	3746-----	2 years after making of the refund.
	(b) When making of the refund was induced by fraud or the misrepresentation of a material fact.	3746 (c)----	5 years after making of the refund.

NOTE.—Tables A, B, C, and D relate only to taxes governed by the provisions of the Internal Revenue Code. Where the tax is for 1938 or prior years, the periods of limitation will be governed by the provisions of the applicable revenue act, and may differ from the time specified in the Internal Revenue Code.

II. SUMMARY OF PERIODS OF LIMITATION AS PROVIDED BY THE INTERNAL REVENUE CODE OF 1954

A. Limitation Upon Assessment or Proceedings in Court Without Assessment

Tax	Circumstances involved	Code section (1954)	Time limit
1. Income, profits, estate, gifts, and miscellaneous.	(a) General rule.....	6501 (a)	3 years after return is filed.
	(b) Request for assessment on income received during lifetime of a decedent, or by his estate; or by a corporation undergoing dissolution.	6501 (d).....	18 months after request, but request cannot be made before return is filed. Limited to 3 years after return is filed.
	(c) Omission of 25 percent of gross amount.	6501 (e).....	6 years after return is filed.
	(d) Omission from gross income of amounts from foreign personal-holding companies.	6501 (e) (1) (B).	6 years after return is filed.
	(e) Failure of a personal-holding company to file with its return the items of gross income or the names and addresses of persons who owned (within Sec. 544) more than 50 percent of its capital stock.	6501 (f).....	6 years after return is filed.
	(f) False or fraudulent return with intent to evade tax.	6501 (c) (1)---	No limitation.
	(g) Willful attempt to evade tax.	6501 (c) (2)---	No limitation.
	(h) Failure to file return.	6501 (c) (3)---	No limitation.
	(i) Agreement in writing between Commissioner and taxpayer to extend period.	6501 (c) (4)---	Assessment may be made at any time prior to expiration of the agreed time.

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A. Limitation Upon Assessment or Proceedings in Court Without Assessment—Continued

Tax	Circumstances involved	Code section (1954)	Time limit
1. Income, profits, estate, gifts, and miscellaneous—Continued.	(j) Gain upon the sale or exchange of a residence.	1034 (j)-----	3 years after taxpayer notifies the taxing authorities of the cost of new residence or his intention not to replace.
	(k) Gain upon involuntary conversion.	1033 (a) (3) (C).	3 years after taxpayer notifies taxing authorities of intention to replace or not to replace the property.
	(l) Determination of a deficiency under Sec. 270 for any year preceding the fifth.	270 (d)-----	1 year beyond the time fixed for the assessment of the fifth taxable year.
	(m) Assessment of liability of initial transferee.	6901 (e) (1)---	1 year after expiration of period of limitation against taxpayer.
	(n) Assessment of a transferee of a transferee.	6901 (e) (2)---	1 year after expiration of period against preceding transferee, but not more than 3 years after expiration of period against taxpayer; except if court proceedings for collection has begun, then 1 year after return of execution in court proceedings.
	(o) Assessment of liability of fiduciary.	6901 (e) (3)---	1 year after the liability arises, or not later than expiration of the period for collection of the tax, whichever is later.

TITLE 4: TAX DIVISION

A. Limitation Upon Assessment or Proceedings in Court Without Assessment—Continued

Tax	Circumstances involved	Code section (1954)	Time limit
1. Income, profits, estate, gifts and miscellaneous—Continued.	(p) Where Commissioner and transferee or fiduciary agree to period of assessment.	6901 (d) (1) --	At any time during agreed period.
	(q) Where taxpayer deceased or corporation dissolved.	6901 (e) -----	Same period as if death or dissolution has not occurred.

NOTES.—The assessment period is suspended until a notice of deficiency is mailed to taxpayer. After the mailing of the notice the taxpayer has 90 days to petition the Tax Court for redetermination of the deficiency. Sec. 6213 (a) (income tax, estate tax, and gift tax), 1954 I. R. C. If there is a petition to the Tax Court the assessment period is suspended until the decision of the Tax Court becomes final and for 60 days thereafter. Sec. 6503 (a) (1) (income, estate and gift tax); 6901 (f) (liability of fiduciaries and transferees), 1954 I. R. C.

Returns filed before the due date will be considered as filed on the last date provided by law. Sec. 6501 (B) (1), I. R. C.

See Sec. 7508 for limitation of time for performing acts postponed by war where individual continuously outside the Americas after December 6, 1941, or in military and naval forces overseas.

B. Limitation Upon Collection After Assessment

Tax	Circumstances involved	Code section (1954)	Time limit
1. Income, estate, gift, and miscellaneous.	(a) Where assessment timely made, tax may be collected by distraint or court proceedings.	6502 (a) -----	Within 6 years after assessment, or prior to expiration of agreed period.

NOTE.—Sections of the Code relating to periods of limitation on assessment or collection but not included in this summary because of their limited application are 6503 (b) (collection of unpaid claims in bankruptcy or receivership); 547 (b) (deficiency dividends of personal holding companies); 7507 (exemption of insolvent banks from tax); 1311 (mitigation of effect of limitations in income tax cases); 6072 (e) (due date of returns extended for China Trade Corp.).

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C. Limitation Upon Claims for Refunds and Credits

Tax	Circumstances involved	Code section (1954)	Time limit
1. Income, profits, estate, gifts, and miscellaneous.	(a) When return is filed and tax paid.	6511 (a)-----	3 years from time return is filed, or 2 years from time tax is paid, whichever expires later.
	(b) When no return is filed.	6511 (a)-----	2 years from time tax is paid.
	(c) When claim relates to overpayment on account of bad debts or worthless securities.	6511 (d) (1)--	7 years from date prescribed for filing return.
	(d) When claim in (c), <i>supra</i> , relates to deductibility of the debt or loss on a carryback.	6511 (d) (1)--	Election as to (c) or (e), whichever expires later.
	(e) When the claim is attributable to a net operating loss carryback or unused excess profits credit carryback.	6511 (d) (2)--	Period expiring with 15th day of 39th month following the end of the taxable year of the carryback.
2. Stamp-----	When tax is paid-----	6511 (a)-----	3 years from time tax was paid.

NOTE.—Returns filed before the due date are considered as filed on due date. Sec. 6513 (a). Period may be extended by agreement between Commissioner and taxpayer. Sec. 6501 (c) (4).

D. Limitation Upon Suits for Recovery of Erroneous Refunds

Tax	Circumstances involved	Code section (1954)	Time limit
All taxes-----	(a) Any refund of tax, interest, penalty, additional amount or addition to the tax erroneously refunded.	6532 (b)-----	2 years after making of the refund.
	(b) When making of the refund was induced by fraud or the misrepresentation of a material fact.	6532 (b)-----	5 years after making of the refund.

NOTE.—Tables A, B, C, and D relate only to taxes governed by the provisions of the 1954 Internal Revenue Code. Where the tax is for 1953 or prior years, the periods of limitation will be governed by the provisions of the applicable revenue act.

January 1, 1955

APPENDIX B*
TABLE OF PRINCIPAL CRIMINAL TAX STATUTES

Offense	Penal statute	Maximum penalty	Statute of limitations	Period of limitations
Willfully attempting to evade and defeat any tax imposed by Chapter 1 of the Internal Revenue Code.	Sec. 145 (b), I. R. C.	\$10,000 fine or 5 years' imprisonment, or both.	Sec. 3748 (a) (2), I. R. C.	6 years.
Willfully failing to file returns, submit information or pay tax.	Sec. 145 (a), I. R. C.	\$10,000 fine or 1 year's imprisonment, or both.	Sec. 3748 (a), I. R. C.	3 years.
Willfully aiding or assisting in, or procuring, counseling, or advising the preparation or presentation of false or fraudulent return, affidavit, claim, or document.	Sec. 3793 (b), (1), I. R. C.	\$10,000 fine or 5 years' imprisonment, or both.	Sec. 3748 (a) (3), I. R. C.	6 years.
Conspiring to commit any offense against the United States, or to defraud the United States in any manner or for any purpose.	18 U. S. C. 371....	\$10,000 fine or 2 years' imprisonment, or both.	Sec. 3748 (a), I. R. C.	6 years.
Willfully making false statements or representations in any matter within the jurisdiction of any department or agency of the United States.	18 U. S. C. 1001...	\$10,000 fine or 10 years' imprisonment, or both.	18 U. S. C. 3282...	3 years.
Willfully making and subscribing a false return....	Sec. 3809, I. R. C.	Penalties prescribed for perjury. Sec. 125 of the Criminal Code.	Sec. 3748 (a), I. R. C.	3 years.
Willfully attempting to evade and defeat excise taxes imposed by Sections 2400, 2401, 2402 of the Internal Revenue Code.	Sec. 2707 (c), I. R. C.	\$10,000 fine or 5 years, or both.	Sec. 3748 (a) (2), I. R. C.	6 years.
Willfully attempting to evade and defeat Social Security taxes imposed by Titles VIII or IX of the Social Security Act.	Sec. 2707 (c), I. R. C.	\$10,000 fine or 5 years, or both.	Sec. 3748 (a) (2), I. R. C.	6 years.

* All I. R. C. citations are to 1939 code. See Supplemental Appendix B for 1954 statutory changes.

SUPPLEMENTAL APPENDIX B

TABLE OF PRINCIPAL CRIMINAL TAX STATUTES: I. R. C., 1954

Offense	Penal statute	Maximum penalty	Statute of limitations	Period of limitations
Willfully attempting to evade and defeat any tax imposed by the Internal Revenue Code of 1954.	Sec. 7201, I. R. C., 1954.	\$10,000 fine or 5 years' imprisonment, or both.	Sec. 6531, I. R. C., 1954.	6 years.
Willfully failing to file returns, or pay tax-----	Sec. 7203, I. R. C., 1954.	\$10,000 fine or 1 year's imprisonment, or both.	Sec. 6531, I. R. C., 1954.	6 years.
Willfully making and subscribing a false return...	Sec. 7206 (1), I. R. C., 1954.	\$5,000 fine or 3 years' imprisonment, or both.	Sec. 6531, I. R. C., 1954.	6 years.
Willfully aiding or assisting in, or procuring, counseling, or advising the preparation or presentation of false or fraudulent return, affidavit, claim or document.	Sec. 7206 (2), I. R. C., 1954.	\$5,000 fine or 3 years' imprisonment, or both.	Sec. 6531, I. R. C., 1954.	6 years.
Willfully delivering or disclosing list, return, account, etc., known to be fraudulent or false as to a material matter.	Sec. 7207, I. R. C., 1954.	\$1,000 fine or 1 year's imprisonment, or both.	Sec. 6531, I. R. C., 1954.	6 years.
Conspiring to attempt to evade or defeat any tax, or to defraud the United States in any manner or for any purpose.	18 U. S. C. 371-----	\$10,000 fine or 2 years' imprisonment, or both.	Sec. 6531, I. R. C., 1954.	6 years.
Willfully making false statements or representations in any matter within the jurisdiction of any department or agency of the United States.	18 U. S. C. 1001---	\$10,000 fine or 10 years' imprisonment, or both.	18 U. S. C. 3282, as amended (Sec. 10 (a) and (b), P. L. 769, 83d Cong., 2d Sess.).	5 years.

January 1, 1955

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