

59-14-410 Action for collection of tax -- Action for refund or credit of tax.

- (1)
 - (a) Except as provided in Subsections (2) through (5), the commission shall assess a tax under this chapter within three years after a taxpayer files a return.
 - (b) Except as provided in Subsections (2) through (5), if the commission does not assess a tax under this chapter within the three-year period provided in Subsection (1)(a), the commission may not commence a proceeding to collect the tax.
- (2) The commission may assess a tax at any time if a taxpayer:
 - (a) files a false or fraudulent return with intent to evade; or
 - (b) does not file a return.
- (3) The commission may extend the period to make an assessment or to commence a proceeding to collect the tax under this chapter if:
 - (a) the three-year period under Subsection (1) has not expired; and
 - (b) the commission and the taxpayer sign a written agreement:
 - (i) authorizing the extension; and
 - (ii) providing for the length of the extension.
- (4) If the commission delays an audit at the request of a taxpayer, the commission may make an assessment as provided in Subsection (5) if:
 - (a) the taxpayer subsequently refuses to agree to an extension request by the commission; and
 - (b) the three-year period under Subsection (1) expires before the commission completes the audit.
- (5) An assessment under Subsection (4) shall be:
 - (a) for the time period for which the commission could not make an assessment because of the expiration of the three-year period; and
 - (b) in an amount equal to the difference between:
 - (i) the commission's estimate of the amount of tax the taxpayer would have been assessed for the time period described in Subsection (5)(a); and
 - (ii) the amount of tax the taxpayer actually paid for the time period described in Subsection (5)(a).
- (6)
 - (a) Except as provided in Subsection (6)(b), the commission may not make a credit or refund unless the taxpayer files a claim with the commission within three years of the date of overpayment.
 - (b) The commission shall extend the period for a taxpayer to file a claim under Subsection (6)(a) if:
 - (i) the three-year period under Subsection (6)(a) has not expired; and
 - (ii) the commission and the taxpayer sign a written agreement:
 - (A) authorizing the extension; and
 - (B) providing for the length of the extension.

Enacted by Chapter 6, 2007 General Session