

**TITLE 4: ECONOMIC RESOURCES**  
**DIVISION 1: REVENUE AND TAXATION**

**§ 18101. Limitations on Assessments and Collections.**

(a) *General Rule.* Except as otherwise provided in this section, the amount of tax imposed by this Division shall be assessed within 3 years after the return was filed (whether or not such return was filed on or after the date prescribed) and no proceeding in court without assessment for the collection of such tax shall be begun after the expiration of such period.

(b) *Time Return Deemed Filed.*

(1) Early Return. For purposes of this chapter, a return of tax imposed by this Division, filed before the last day prescribed by law or by regulations prescribed by the Secretary for filing thereof, shall be considered as filed on such last day.

(2) Return Executed By the Secretary. The execution of a return by the Secretary pursuant to the authority conferred by this Division shall not start the running of the period of limitations on assessment and collection.

(c) *Exceptions.*

(1) False Return. In the case of a false or fraudulent return with the intent to evade tax, the tax may be assessed, or a proceeding in court for collection of such tax may be begun without assessment at any time.

(2) Willful Attempt to Evade Tax. In the case of a willful attempt in any manner to defeat or evade tax imposed by this title, the tax may be assessed or a proceeding in court for the collection of such tax may be begun without assessment, at any time.

(3) No Return. In the case of failure to file a return, the tax may be assessed, or a proceeding in court for the collection of such tax may be begun without assessment, at any time.

(4) Extension by Agreement.

(A) In General. Where before the expiration of the time prescribed in this section for the assessment of any tax imposed by this Division, both the Secretary and the taxpayer have consented in writing to its assessment after such time, the tax may be assessed at any time prior to the expiration of the period agreed upon. The period so agreed upon may be extended by subsequent agreements in writing made before the expiration for the period previously agreed upon.

(B) Notice to Taxpayer of Right to Refuse or Limit Extension. The Secretary shall notify the taxpayer of the taxpayer's right to refuse to extend the period of limitations, or to limit such extension to particular issues or to a particular period of time, on each occasion when the taxpayer is requested to provide consent.

(d) *Substantial Omission of Items.* Except as otherwise provided for in subsection (c), if a taxpayer omits an amount properly subject to tax which is in excess of 25 percent of the total amounts stated in the return, the tax may be assessed, or a proceeding in court for the collection of such tax may be begun without assessment at any time within 6 years after the return was filed. For purposes of this subsection, in determining the amount omitted, there shall not be taken into account any amount which is omitted in the return if such amount is disclosed in the return, or in a statement attached to the return, in a manner adequate to apprise the Secretary of the nature and amount of such item.