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United States Code Annotated Currentness

Title 26. Internal Revenue Code (Refs & Annos)

Subtitle F. Procedure and Administration (Refs & Annos)

▣ Chapter 66. Limitations (Refs & Annos)

▣ Subchapter A. Limitations on Assessment and Collection (Refs & Annos)

→→ **§ 6503. Suspension of running of period of limitation**

(a) Issuance of statutory notice of deficiency.--

(1) General rule.--The running of the period of limitations provided in section 6501 or 6502 (or section 6229, but only with respect to a deficiency described in paragraph (2)(A) or (3) of section 6230(a)).[FN1] on the making of assessments or the collection by levy or a proceeding in court, in respect of any deficiency as defined in section 6211 (relating to income, estate, gift and certain excise taxes), shall (after the mailing of a notice under section 6212(a)) be suspended for the period during which the Secretary is prohibited from making the assessment or from collecting by levy or a proceeding in court (and in any event, if a proceeding in respect of the deficiency is placed on the docket of the Tax Court, until the decision of the Tax Court becomes final), and for 60 days thereafter.

(2) Corporation joining in consolidated income tax return.--If a notice under section 6212(a) in respect of a deficiency in tax imposed by subtitle A for any taxable year is mailed to a corporation, the suspension of the running of the period of limitations provided in paragraph (1) of this subsection shall apply in the case of corporations with which such corporation made a consolidated income tax return for such taxable year.

(b) Assets of taxpayer in control or custody of court.--The period of limitations on collection after assessment prescribed in section 6502 shall be suspended for the period the assets of the taxpayer are in the control or custody of the court in any proceeding before any court of the United States or of any State or of the District of Columbia, and for 6 months thereafter.

(c) Taxpayer outside United States.--The running of the period of limitations on collection after assessment prescribed in section 6502 shall be suspended for the period during which the taxpayer is outside the United States if such period of absence is for a continuous period of at least 6 months. If the preceding sentence applies and at the time of the taxpayer's return to the United States the period of limitations on collection after assessment prescribed in section 6502 would expire before the expiration of 6 months from the date of his return, such period shall not expire before the expiration of such 6 months.

(d) Extensions of time for payment of estate tax.--The running of the period of limitation for collection of any tax imposed by chapter 11 shall be suspended for the period of any extension of time for payment granted under the provisions of section 6161(a)(2) or (b)(2) or under the provisions of section 6163 or 6166.

(e) Extensions of time for payment of tax attributable to recoveries of foreign expropriation losses.--The running of the period of limitations for collection of the tax attributable to a recovery of a foreign expropriation loss (within the meaning of section 6167(f)) shall be suspended for the period of any extension of time for payment under subsection (a) or (b) of section 6167.

(f) Wrongful seizure of or lien on property of third party.--

(1) Wrongful seizure.--The running of the period under section 6502 shall be suspended for a period equal to the period from the date property (including money) of a third party is wrongfully seized or received by the Secretary to the date the Secretary returns property pursuant to section 6343(b) or the date on which a judgment secured pursuant to section 7426 with respect to such property becomes final, and for 30 days thereafter. The running of such period shall be suspended under this paragraph only with respect to the amount of such assessment equal to the amount of money or the value of specific property returned.

(2) Wrongful lien.--In the case of any assessment for which a lien was made on any property, the running of the period under section 6502 shall be suspended for a period equal to the period beginning on the date any person becomes entitled to a certificate under section 6325(b)(4) with respect to such property and ending on the date which is 30 days after the earlier of--

(A) the earliest date on which the Secretary no longer holds any amount as a deposit or bond provided under section 6325(b)(4) by reason of such deposit or bond being used to satisfy the unpaid tax or being refunded or released; or

(B) the date that the judgment secured under section 7426(b)(5) becomes final.

The running of such period shall be suspended under this paragraph only with respect to the amount of such assessment equal to the value of the interest of the United States in the property plus interest, penalties, additions to the tax, and additional amounts attributable thereto.

(g) Suspension pending correction.--The running of the periods of limitations provided in sections 6501 and 6502 on the making of assessments or the collection by levy or a proceeding in court in respect of any tax imposed by chapter 42 or section 507, 4971, or 4975 shall be suspended for any period described in section 507(g)(2) or during which the Secretary has extended the time for making correction under section 4963(e).

(h) Cases under Title 11 of the United States Code.--The running of the period of limitations provided in section 6501 or 6502 on the making of assessments or collection shall, in a case under Title 11 of the United States Code, be suspended for the period during which the Secretary is prohibited by reason of such case from making the assessment or from collecting and--

(1) for assessment, 60 days thereafter, and

(2) for collection, 6 months thereafter.

(i) Extension of time for payment of undistributed PFIC earnings tax liability.--The running of any period of limitations for collection of any amount of undistributed PFIC earnings tax liability (as defined in section 1294(b)) shall be suspended for the period of any extension of time under section 1294 for payment of such amount.

(j) Extension in case of certain summonses.--

(1) In general.--If any designated summons is issued by the Secretary to a corporation (or to any other person to whom the corporation has transferred records) with respect to any return of tax by such corporation for a taxable year (or other period) for which such corporation is being examined under the coordinated examination program (or any successor program) of the Internal Revenue Service, the running of any period of limitations provided in section 6501 on the assessment of such tax shall be suspended--

(A) during any judicial enforcement period--

(i) with respect to such summons, or

(ii) with respect to any other summons which is issued during the 30-day period which begins on the date on which such designated summons is issued and which relates to the same return as such designated summons, and

(B) if the court in any proceeding referred to in paragraph (3) requires any compliance with a summons referred to in subparagraph (A), during the 120-day period beginning with the 1st day after the close of the suspension under subparagraph (A).

If subparagraph (B) does not apply, such period shall in no event expire before the 60th day after the close of the suspension under subparagraph (A).

(2) Designated summons.--For purposes of this subsection--

(A) In general.--The term “designated summons” means any summons issued for purposes of determining the amount of any tax imposed by this title if--

(i) the issuance of such summons is preceded by a review of such issuance by the regional counsel of the Office of Chief Counsel for the region in which the examination of the corporation is being conducted,

(ii) such summons is issued at least 60 days before the day on which the period prescribed in section 6501 for the assessment of such tax expires (determined with regard to extensions), and

(iii) such summons clearly states that it is a designated summons for purposes of this subsection.

(B) Limitation.--A summons which relates to any return shall not be treated as a designated summons if a prior summons which relates to such return was treated as a designated summons for purposes of this subsection.

(3) Judicial enforcement period.--For purposes of this subsection, the term “judicial enforcement period” means, with respect to any summons, the period--

(A) which begins on the day on which a court proceeding with respect to such summons is brought, and

(B) which ends on the day on which there is a final resolution as to the summoned person's response to such summons.

(k) Cross references.--

For suspension in case of--

(1) Deficiency dividends of a personal holding company, see section 547(f).

(2) Receiverships, see subchapter B of chapter 70.

(3) Claims against transferees and fiduciaries, see chapter 71.

(4) Tax return preparers, see section 6694(c)(3).

(5) Deficiency dividends in the case of a regulated investment company or a real estate investment trust, see section 860(h).

CREDIT(S)

(Aug. 16, 1954, c. 736, 68A Stat. 806; Aug. 6, 1956, c. 1020, § 2, 70 Stat. 1075; Sept. 2, 1958, Pub.L. 85-866, Title II, § 206(d), 72 Stat. 1685; Apr. 8, 1966, Pub.L. 89-384, § 1(e), 80 Stat. 104; Nov. 2, 1966, Pub.L. 89-719, Title I, § 106, 80 Stat. 1139; Dec. 30, 1969, Pub.L. 91-172, Title I, § 101(g)(4), (j)(46), 83 Stat. 525, 531; Sept. 2, 1974, Pub.L. 93-406, Title II, § 1016(a)(15), 88 Stat. 930; Oct. 2, 1976, Pub.L. 94-452, § 3(b), 90 Stat. 1514; Oct. 4, 1976, Pub.L. 94-455, Title XII, § 1203(h)(1), Title XVI, § 1601(f)(2), Title XIX, §§ 1902(b)(2)(A), 1906(b)(13)(A), Title XX, § 2004(c)(4), 90 Stat. 1694, 1746, 1806, 1834, 1868; Feb. 10, 1978, Pub.L. 95-227, § 4(d)(6), 92 Stat. 23; Nov. 6, 1978, Pub.L. 95-600, Title III, § 362(d)(5), 92 Stat. 2852; Apr. 1, 1980, Pub.L. 96-222, Title I, § 108(b)(1)(A), 94 Stat. 226; Dec. 24, 1980, Pub.L. 96-589, § 6(a), (i)(11), 94 Stat. 3407, 3411; Dec. 24, 1980, Pub.L. 96-596, § 2(a)(4)(D), (E), 94 Stat. 3472; Aug. 13, 1981, Pub.L. 97-34, Title IV, § 422(e)(7), 95 Stat. 316; July 18, 1984, Pub.L. 98-369, Div. A, Title III, § 305(b)(4), 98 Stat. 784; Oct. 22, 1986, Pub.L. 99-514, Title XII, § 1235(d), Title XVIII, § 1875(d)(2)(B)(ii), 100 Stat. 2575, 2896; Dec. 22, 1987, Pub.L. 100-203, Title X, § 10712(c)(3), 101 Stat. 1330-467; Nov. 5, 1990, Pub.L. 101-508, Title XI, §§ 11311(a), 11801(c)(20)(A), 104 Stat. 1388-453, 1388-528; July 30, 1996, Pub.L. 104-168, Title X, § 1002(a) to (c), 110 Stat. 1468; Aug. 20, 1996, Pub.L. 104-188, Title I, § 1702(h)(17), 110 Stat. 1874; Aug. 5, 1997, Pub.L. 105-34, Title XII, § 1237(c)(2), 111 Stat. 1026; July 22, 1998, Pub.L. 105-206, Title III, § 3106(b)(3), 112 Stat. 734; May 25, 2007, Pub.L. 110-28, Title VIII, § 8246(a)(2)(E), 121 Stat. 201.)

[FN1] So in original. The period probably should not appear here.

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