

SENATE BILL NO. 2156

Introduced by

Senators Urlacher, Goetz

Representatives Skarphol, Wardner

1 A BILL for an Act to amend and reenact section 57-51-09 of the North Dakota Century Code,
2 relating to the time allowed for assessment of gross production and oil extraction tax and the
3 audit of returns.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. AMENDMENT.** Section 57-51-09 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **57-51-09. Commissioner shall compute tax on incorrect returns.**

- 8 1. The commissioner ~~has the power and authority to~~ may ascertain and determine
9 whether ~~or not any~~ a return ~~herein~~ required to be filed with the commissioner is a
10 true and correct return of the gross products, and of the value thereof, of that
11 person; ~~and if.~~ If any person has made an untrue or incorrect return of the gross
12 production or value thereof, as hereinbefore required, or has failed or refused to
13 make a return, the commissioner shall under rules ~~and regulations prescribed~~
14 adopted by the commissioner, ascertain the correct amount of either, and compute
15 the tax.
- 16 2. For taxable periods beginning before January 1, 1991, the tax commissioner has
17 six years after the due date of the original return or six years after the original
18 return is filed, whichever period expires later, to assess additional tax found due.
19 For taxable periods beginning after December 31, 1990, and before January 1,
20 1993, the time to assess is five years. For taxable periods beginning after
21 December 31, 1992, and before January 1, 1995, the time to assess is four years.
22 Effective for taxable periods beginning after December 31, 1994, the time to
23 assess is three years after the due date of the original return or three years after
24 the original return is filed, whichever period expires later. However, if there is a

- 1 change in tax liability on any return by an amount in excess of twenty-five percent
2 of the amount of tax liability reported on a return, any additional tax determined to
3 be due may be assessed any time within six years after the due date of the return
4 or six years after the return was filed, whichever period expired later.
- 5 3. If a taxpayer files an amended return, the tax commissioner has two years after the
6 return is filed to audit the return and assess any additional tax attributable to the
7 changes or corrections even though other time periods prescribed in this section
8 for the assessment of tax may have expired. The provisions of this section do not
9 limit or restrict any other time period prescribed in this section for the assessment
10 of tax that has not expired as of the end of the two-year period prescribed in this
11 section.
- 12 4. For periods in which the tax commissioner has waived the requirement that a
13 producer file a well production report required under section 57-51-06, the tax
14 commissioner has three years after the due date of the purchaser's return or three
15 years after the purchaser's return is filed, whichever period expires later, to assess
16 the producer for additional tax found due. However, if there is a change in tax
17 liability on the purchaser's return by an amount in excess of twenty-five percent of
18 the amount of tax liability reported on a purchaser's return, any additional tax
19 determined to be due may be assessed from the producer any time within six years
20 after the due date of the purchaser's return or six years after the purchaser's return
21 was filed, whichever period expires later.
- 22 5. Any person who consents to an extension of time for assessment of tax must be
23 presumed to have consented to a similar extension for refund.