

810-14-1-.11 Six-Year Time Limitation for Omission of 25 Percent or More of Taxable Base.

(1) DEFINITION. The following term has the meaning ascribed to it for purposes of this regulation:

(a) Taxable Base. This means the gross income, gross proceeds from sales, gross receipts, capital employed or other amounts on which the tax paid with a return is computed.

(2) A preliminary assessment may be entered within six years from the due date of the return or six years from the date the return was filed with the Department on all tax returns from which more than 25 percent of the taxable base, as stated in the return, was omitted.

(3) For purposes of this regulation, the amount omitted from the taxable base shall not include any amounts disclosed in the return or the attachments to the return which would identify to the Department the nature and amount of the item.

(a) If the omitted amount of taxable base is stated in the return or in a statement attached to the return in a manner adequate to apprise the Department of the nature and amount of the item, then a preliminary assessment must be entered within three years from the date the return was due or three years from the date on which the return was filed, whichever is later. Where a properly filed extension has been granted, the "due date" shall be the last day allowed by the extension to file the return.

Author: Charla Doucet

Authority: Section 40-2A-7(b)(2)b., Code of Alabama 1975

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