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SENATE BILL NO. 64  
INTRODUCED BY D. ZOLNIKOV  
BY REQUEST OF THE DEPARTMENT OF REVENUE

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR A WRITTEN AGREEMENT TO EXTEND THE STATUTE OF LIMITATIONS ON AN INDIVIDUAL INCOME TAX ASSESSMENT; AMENDING SECTION 15-30-2606, MCA; AND PROVIDING AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 15-30-2606, MCA, is amended to read:

**"15-30-2606. (Temporary) Tolling of statute of limitations -- consent to extend time to assess tax.** (1) The running of the statute of limitations provided for under 15-30-2605 must be suspended during any period that the federal statute of limitations for collection of federal income tax has been suspended by written agreement signed by the taxpayer or when the taxpayer has instituted an action that has the effect of suspending the running of the federal statute of limitations and for 1 additional year. If the taxpayer fails to file an amended Montana return as required by 15-30-2619 or a federal adjustments report required under 15-30-3403 or 15-30-3404, the statute of limitations does not apply until 3 years from the final determination date or the date the amended federal return was filed. If the taxpayer omits from gross income an amount properly includable as gross income and the amount is in excess of 25% of the amount of adjusted gross income stated in the return, the statute of limitations does not apply for 2 additional years from the time specified in 15-30-2605.

(2) When, before the expiration of the period prescribed for assessment of the tax, the taxpayer consents in writing to an assessment after the time, the tax may be assessed at any time prior to the expiration of the agreed-on period. If the taxpayer has agreed in writing to extend the time within which the department may propose an additional assessment, the period within which a claim for a refund or credit may be filed or a refund or credit allowed in the event a claim is not filed is automatically extended.

**15-30-2606. (Effective January 1, 2024) Tolling of statute of limitations -- consent to extend**

1 **time to assess tax.** (1) The running of the statute of limitations provided for under 15-30-2605 must be  
2 suspended during any period that the federal statute of limitations for collection of federal income tax has been  
3 suspended by written agreement signed by the taxpayer or when the taxpayer has instituted an action that has  
4 the effect of suspending the running of the federal statute of limitations and for 1 additional year. If the taxpayer  
5 fails to file an amended Montana return as required by 15-30-2619 or a federal adjustments report required  
6 under 15-30-3403 or 15-30-3404, the statute of limitations does not apply until 3 years from the final  
7 determination date or the date the amended federal return was filed. If the taxpayer omits from federal gross  
8 income, as defined and described in section 61 of the Internal Revenue Code, 26 U.S.C. 61, an amount  
9 properly includable as federal gross income and the amount is in excess of 25% of the amount of adjusted  
10 gross income stated in the return, the statute of limitations does not apply for 2 additional years from the time  
11 specified in 15-30-2605.

12 (2) When, before the expiration of the period prescribed for assessment of the tax, the taxpayer  
13 consents in writing to an assessment after the time, the tax may be assessed at any time prior to the expiration  
14 of the agreed-on period. If the taxpayer has agreed in writing to extend the time within which the department  
15 may propose an additional assessment, the period within which a claim for a refund or credit may be filed or a  
16 refund or credit allowed in the event a claim is not filed is automatically extended."

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18 **NEW SECTION. Section 2. Applicability.** [This act] applies to written agreements to extend the time  
19 to propose an additional assessment executed on or after [the effective date of this act].

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