

By: Representative Watson

To: Ways and Means

## HOUSE BILL NO. 1306

1 AN ACT TO AMEND SECTION 27-13-49, MISSISSIPPI CODE OF 1972,  
2 TO REVISE THE TYPE OF NOTICE THAT MAY EXTEND THE THREE-YEAR PERIOD  
3 FOR EXAMINING CORPORATION FRANCHISE TAX RETURNS; AND FOR RELATED  
4 PURPOSES.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

6 **SECTION 1.** Section 27-13-49, Mississippi Code of 1972, is  
7 amended as follows:

8 27-13-49. (1) Returns shall be examined by the commissioner  
9 or his duly authorized agents within three (3) years from the due  
10 date or the date the return was filed, whichever is later, and no  
11 determination of a tax overpayment or deficiency shall be made by  
12 the commissioner, and no suit shall be filed with respect to  
13 income within the period covered by such return, after the  
14 expiration of said three-year period except as hereinafter  
15 provided.

16 (2) When an examination of a return made under this chapter  
17 has been commenced, and the taxpayer notified thereof by certified  
18 mail, or personal delivery by an agent of the commissioner within  
19 the three-year examination period provided in subsection (1) of  
20 this section, the determination of the correct tax liability may  
21 be made by the commissioner after the expiration of said  
22 three-year examination period, provided that said determination  
23 shall be made with reasonable promptness and diligence.

24 (3) Where the federal income tax return of a taxpayer has  
25 been changed by the Internal Revenue Service, the three-year  
26 examination period provided in subsection (1) of this section  
27 shall not be applicable, insofar as the Mississippi franchise tax  
28 liability is affected by the specific changes made by said

29 Internal Revenue Service. However, no additional assessment or no  
30 refund shall be made under the provisions of this chapter after  
31 three (3) years from the date the Internal Revenue Service  
32 disposes of the tax liability in question.

33 (4) The three-year examination period provided in subsection  
34 (1) of this section shall not be applicable in the case of a false  
35 or fraudulent return with intent to evade tax.

36 (5) A taxpayer may apply to the commissioner for revision of  
37 any return filed under this chapter at any time within three (3)  
38 years from the due date, or the date the return was filed,  
39 whichever is later.

40 **SECTION 2.** This act shall take effect and be in force from  
41 and after July 1, 2005.