

**143A.100 Audit -- Additional assessment -- Determination of liability when business discontinued -- Statute of limitations.**

- (1) As soon as practicable after each return is received, the department shall examine and audit it. If the amount of tax computed by the department is greater than the amount returned by the taxpayer, the excess shall be assessed by the department within four (4) years from the date the return was filed, except as provided in subsection (4) of this section and except that in the case of a failure to file a return or of a fraudulent return the excess may be assessed at any time. A notice of such assessment shall be mailed to the taxpayer. The time herein provided may be extended by agreement between the taxpayer and the department.
- (2) For the purpose of subsections (1) and (4) of this section, a return filed before the last day prescribed by law for the filing thereof shall be considered as filed on such last day.
- (3) When a business is discontinued, a determination may be made at any time thereafter within the periods specified in subsection (1) of this section as to liability arising out of that business, irrespective of whether the determination is issued prior to the due date of the liability as otherwise specified in KRS 143A.080.
- (4) Notwithstanding the four (4) year time limitation of subsection (1) of this section, in the case of a return where the tax computed by the department is greater by twenty-five percent (25%) or more than the amount returned by the taxpayer, the excess shall be assessed by the department within six (6) years from the date the return was filed.

**Effective:** June 20, 2005

**History:** Amended 2005 Ky. Acts ch. 85, sec. 550, effective June 20, 2005. -- Created 1980 Ky. Acts ch. 392, sec. 10, effective June 1, 1980.