

(e) Effect of decision dismissing action

If an action brought under this section is dismissed other than by reason of a rescission under section 6245(b)(3), the decision of the court dismissing the action shall be considered as its decision that the notice of partnership adjustment is correct, and an appropriate order shall be entered in the records of the court.

(Added Pub. L. 105-34, title XII, § 1222(a), Aug. 5, 1997, 111 Stat. 1014.)

§ 6248. Period of limitations for making adjustments**(a) General rule**

Except as otherwise provided in this section, no adjustment under this subpart to any partnership item for any partnership taxable year may be made after the date which is 3 years after the later of—

- (1) the date on which the partnership return for such taxable year was filed, or
- (2) the last day for filing such return for such year (determined without regard to extensions).

(b) Extension by agreement

The period described in subsection (a) (including an extension period under this subsection) may be extended by an agreement entered into by the Secretary and the partnership before the expiration of such period.

(c) Special rule in case of fraud, etc.**(1) False return**

In the case of a false or fraudulent partnership return with intent to evade tax, the adjustment may be made at any time.

(2) Substantial omission of income

If any partnership omits from gross income an amount properly includible therein which is in excess of 25 percent of the amount of gross income stated in its return, subsection (a) shall be applied by substituting “6 years” for “3 years”.

(3) No return

In the case of a failure by a partnership to file a return for any taxable year, the adjustment may be made at any time.

(4) Return filed by Secretary

For purposes of this section, a return executed by the Secretary under subsection (b) of section 6020 on behalf of the partnership shall not be treated as a return of the partnership.

(d) Suspension when Secretary mails notice of adjustment

If notice of a partnership adjustment with respect to any taxable year is mailed to the partnership, the running of the period specified in subsection (a) (as modified by the other provisions of this section) shall be suspended—

- (1) for the period during which an action may be brought under section 6247 (and, if a petition is filed under section 6247 with respect to such notice, until the decision of the court becomes final), and
- (2) for 1 year thereafter.

(Added Pub. L. 105-34, title XII, § 1222(a), Aug. 5, 1997, 111 Stat. 1015.)

SUBPART B—CLAIMS FOR ADJUSTMENTS BY PARTNERSHIP

Sec. 6251.	Administrative adjustment requests.
6252.	Judicial review where administrative adjustment request is not allowed in full.

§ 6251. Administrative adjustment requests**(a) General rule**

A partnership may file a request for an administrative adjustment of partnership items for any partnership taxable year at any time which is—

- (1) within 3 years after the later of—
 - (A) the date on which the partnership return for such year is filed, or
 - (B) the last day for filing the partnership return for such year (determined without regard to extensions), and
- (2) before the mailing to the partnership of a notice of a partnership adjustment with respect to such taxable year.

(b) Secretarial action

If a partnership files an administrative adjustment request under subsection (a), the Secretary may allow any part of the requested adjustments.

(c) Special rule in case of extension under section 6248

If the period described in section 6248(a) is extended pursuant to an agreement under section 6248(b), the period prescribed by subsection (a)(1) shall not expire before the date 6 months after the expiration of the extension under section 6248(b).

(Added Pub. L. 105-34, title XII, § 1222(a), Aug. 5, 1997, 111 Stat. 1016.)

§ 6252. Judicial review where administrative adjustment request is not allowed in full**(a) In general**

If any part of an administrative adjustment request filed under section 6251 is not allowed by the Secretary, the partnership may file a petition for an adjustment with respect to the partnership items to which such part of the request relates with—

- (1) the Tax Court,
- (2) the district court of the United States for the district in which the principal place of business of the partnership is located, or
- (3) the Claims Court.

(b) Period for filing petition

A petition may be filed under subsection (a) with respect to partnership items for a partnership taxable year only—

- (1) after the expiration of 6 months from the date of filing of the request under section 6251, and
- (2) before the date which is 2 years after the date of such request.

The 2-year period set forth in paragraph (2) shall be extended for such period as may be agreed upon in writing by the partnership and the Secretary.