

**Fifty-fifth Legislative Assembly, State of North Dakota, begun in the  
Capitol in the City of Bismarck, on Monday, the sixth day of January,  
one thousand nine hundred and ninety-seven**

SENATE BILL NO. 2156  
(Senators Urlacher, Goetz)  
(Representatives Skarphol, Wardner)

AN ACT to amend and reenact section 57-51-09 of the North Dakota Century Code, relating to the time allowed for assessment of gross production and oil extraction tax and the audit of returns.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. AMENDMENT.** Section 57-51-09 of the North Dakota Century Code is amended and reenacted as follows:

**57-51-09. Commissioner shall compute tax on incorrect returns.**

1. The commissioner ~~has the power and authority to~~ may ascertain and determine whether ~~or not any~~ a return ~~herein~~ required to be filed with the commissioner is a true and correct return of the gross products, and of the value thereof, of that person; ~~and if.~~ If any person has made an untrue or incorrect return of the gross production or value thereof, as hereinbefore required, or has failed or refused to make a return, the commissioner shall under rules and regulations prescribed adopted by the commissioner, ascertain the correct amount of either, and compute the tax.
2. For taxable periods beginning before January 1, 1991, the tax commissioner has six years after the due date of the original return or six years after the original return is filed, whichever period expires later, to assess additional tax found due. For taxable periods beginning after December 31, 1990, and before January 1, 1993, the time to assess is five years. For taxable periods beginning after December 31, 1992, and before January 1, 1995, the time to assess is four years. Effective for taxable periods beginning after December 31, 1994, the time to assess is three years after the due date of the original return or three years after the original return is filed, whichever period expires later. However, if there is a change in tax liability on any return by an amount in excess of twenty-five percent of the amount of tax liability reported on a return, any additional tax determined to be due may be assessed any time within six years after the due date of the return or six years after the return was filed, whichever period expired later.
3. If a taxpayer files an amended return, the tax commissioner has two years after the return is filed to audit the return and assess any additional tax attributable to the changes or corrections even though other time periods prescribed in this section for the assessment of tax may have expired. The provisions of this section do not limit or restrict any other time period prescribed in this section for the assessment of tax that has not expired as of the end of the two-year period prescribed in this section.
4. For periods in which the tax commissioner has waived the requirement that a producer file a well production report required under section 57-51-06, the tax commissioner has three years after the due date of the purchaser's return or three years after the purchaser's return is filed, whichever period expires later, to assess the producer for additional tax found due. However, if there is a change in tax liability on the purchaser's return by an amount in excess of twenty-five percent of the amount of tax liability reported on a purchaser's return, any additional tax determined to be due may be assessed from the producer any time within six years after the due date of the purchaser's return or six years after the purchaser's return was filed, whichever period expires later.

5. Any person who consents to an extension of time for assessment of tax must be presumed to have consented to a similar extension for refund.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
Secretary of the Senate

\_\_\_\_\_  
Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Fifty-fifth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2156.

Senate Vote:      Yeas     46            Nays     0            Absent     3

House Vote:      Yeas     95            Nays     0            Absent     2

\_\_\_\_\_  
Secretary of the Senate

Received by the Governor at \_\_\_\_\_ M. on \_\_\_\_\_, 1997.

Approved at \_\_\_\_\_ M. on \_\_\_\_\_, 1997.

\_\_\_\_\_  
Governor

Filed in this office this \_\_\_\_\_ day of \_\_\_\_\_, 1997,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State