

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF TAX AND REVENUE



November 16, 2015

OTR NOTICE 2015-06

**CHANGES TO AUDIT NOTICES AND THE STATUTE OF LIMITATIONS ON
ASSESSMENT AND COLLECTION, EFFECTIVE OCTOBER 1, 2015**

This notice advises of new legislation that changes the effect (described below) of certain notices that the Office of Tax and Revenue (“OTR”) issues to taxpayers. The language of the notices remains unchanged.

Effective October 1, 2015, amendments to D.C. Code §§ 47-4303 and 47-4312 resulted in a change in the notice structure of audits by the Office of Tax and Revenue and a change in the tolling of the statute of limitations on assessment and collection.

First, the new legislation requires that OTR issue taxpayers a Notice of Proposed Audit Changes at least 30 days prior to the issuance of a Notice of Proposed Assessment (the notice which provides a taxpayer the right to appeal its case within 30 days of the notice’s issuance to the Office of Administrative Hearings). While it has been the administrative practice of OTR to send a Notice of Proposed Audit Changes to taxpayers, this notice will now be required by law.

Second, the new legislation stops or tolls the running of the statute of limitations on assessment and collection for 90 days from the date that OTR issues a Notice of Proposed Audit Changes, or until a Notice of Proposed Assessment is issued, whichever is first. Further, the running of the statute of limitations will be tolled from the date of the issuance of a Notice of Proposed Assessment until a final assessment is made, or until a decision is reached by the Office of Administrative Hearings.

The new legislation has not changed the provisions of D.C. Code § 47-4303 under which the statute of limitations is suspended during a court proceeding and for 60 days thereafter, in the case of an assessment, or for 6 months thereafter, in the case of collections.

Questions should be directed to the Customer Service Administration at (202) 727-4829.