

LEGAL SERVICES

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MEMORANDUM

April 9, 2025

SUBJECT: Statute of Limitations: Tax Assessments
(SB 138; Work Order No. 34-LS0749\A)

TO: Senator Matt Claman
Attn: Carly Dennis

FROM: Emily Nauman
Director 

You asked about the statute of limitations on the collection of vehicle rental taxes.

AS 43.05.260 sets out the statute of limitations on tax collections, generally. The statute applies to taxes under AS 43, including the vehicle rental taxes (AS 43.52.010 – 43.52.099). AS 43.05.260(a) requires a tax to be "assessed within three years after the return was filed, whether or not a return was filed on or after the date prescribed by law." If the tax is not assessed within three years, "proceedings may not be instituted in court for the collection of the tax."¹ In the event that a return is not filed, a tax may be assessed or a court proceeding initiated "at any time."² In other words, there is no statute of limitations on the assessment of taxes if a return was not filed.

If a tax assessment has been made within the time period allowed under AS 43.05.260, the tax may be collected by levy or court proceeding "within six years after the assessment."³

ELN:mjt
25-154.mjt

¹ AS 43.05.260(a).

² AS 43.05.260(c)(2). Similarly, a tax may be assessed or a court proceeding initiated "at any time" in the case of a fraudulent or false return with the intent to evade tax. AS 43.05.260(c)(1).

³ AS 43.05.270. Both AS 43.05.260 and 43.05.270 have exceptions for circumstances where the parties extend the periods set out in those sections by agreement.