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M E M O R A N D U M   May 1, 2025

SUBJECT: Oil and Gas Production Tax Assessment Statute of Limitations
(Work Order No. 34-LS0955)

TO: Senator Bill Wielechowski
Chair of the Senate Rules Committee
Attn: Mercedes Colbert

FROM: Emily Nauman
Director

You asked what the statute of limitations is for oil and gas production tax assessments. The short answer is six years after a return is filed.

AS 43.55.075(a) provides, "[e]xcept as provided in AS 43.05.260(c), the amount of a tax imposed by this chapter must be assessed within six years after the return was filed." AS 43.05.260(c) lays out several exceptions, including cases where no return or a false return was filed or where the department and the taxpayer agree otherwise. In full, AS 43.05.260(c) provides

> (c) The following exceptions apply to the limitation period in (a) of this section:
>
> (1) in the case of a false or fraudulent return with the intent to evade tax, the tax may be assessed, or a proceeding in court for collection of the tax may be begun without assessment, at any time;
>
> (2) in the case of a failure to file a return, the tax may be assessed, or a proceeding in court for the collection of the tax may be begun without assessment, at any time;
>
> (3) if, before the expiration of the time prescribed in this section for the assessment of a tax imposed by this title, both the department and the taxpayer have consented in writing to the assessment after the expiration of the time, the tax may be assessed at any time before the expiration of the period agreed upon; however, the period agreed upon may be extended by a subsequent agreement in writing made before the expiration of the period previously agreed upon.

After reviewing these statutes, please let me know if you have any additional questions.

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