§ 301.6503(f)–1 Suspension of running of period of limitation; wrongful seizure of property of third-party owner and discharge of lien for substitution of value.

(a) Wrongful seizure. The running of the period of limitations on collection after assessment prescribed in section 6502 (relating to collection after assessment) shall be suspended for a period equal to a period beginning on the date property (including money) is wrongfully seized or received by the appropriate official and ending on the date 30 days after the date on which the appropriate official returns the property pursuant to section 6343(b) (relating to authority to return property) or the date 30 days after the date on which a judgment secured pursuant to section 7426 (relating to civil actions by persons other than taxpayers) with respect to such property becomes final. The running of the period of limitations on collection after assessment shall be suspended under this section only with respect to the amount of such assessment which is equal to the amount of money or the value of specific property returned. This section applies in the case of property wrongfully seized or received after November 2, 1966. The following example illustrates the principles of this section:

Example. On June 1, 1968 (at which time 10 months remain before the period of limitations on collection after assessment will expire), the appropriate official wrongfully seizes $1,000 in B’s account in Bank X and properly seizes $500 in taxpayer A’s account in Bank Y in an attempt to satisfy A’s assessed tax liability of $1,500. The appropriate official determines that the $1,000 seized in Bank X was not the property of taxpayer A and, on March 1, 1969, he returns the $1,000 to B. As a result of the wrongful seizure, the running of the period of limitations on collection after assessment of the amount owed by taxpayer A is suspended for the 9-month period (beginning June 1, 1968, when the money was wrongfully seized and ending March 1, 1969, when the money was returned to B), plus 30 days. Therefore, the period of limitations on collection after assessment prescribed in section 6502 will not expire until February 1, 1970, which is 10 months plus 30 days after the money was returned.

(b) Discharge of wrongful lien for substitution of value. If a person other than the taxpayer submits a request in writing for a certificate of discharge for a
§ 301.6503(g)–1 Suspension pending correction.

The running of the periods of limitations provided in sections 6501 and 6502 on the making of assessments, the collection by levy, or a proceeding in court in respect of any tax imposed by chapter 42 or section 507, 4971, or 4975 shall be suspended for any period described in section 6503(g)(2) or during which the Commissioner has extended the time for making correction under section 4963(e)(1)(B).


§ 301.6503(j)–1 Suspension of running of period of limitations; extension in case of designated and related summons.

(a) General rule. The running of the applicable period of limitations on assessment provided for in section 6501 is suspended with respect to any return of tax by a corporation that is the subject of a designated or related summons if a court proceeding is instituted with respect to that summons.

(b) Period of suspension. The period of suspension is the time during which the running of the applicable period of limitations on assessment provided for in section 6501 is suspended under section 6503(j). If a court requires any compliance with a designated or related summons by ordering that any record, document, paper, object, or items be produced, or the testimony of any person be given, the period of suspension consists of the judicial enforcement period plus 120 days. If a court does not require any compliance with a designated or related summons, the period of suspension consists of the judicial enforcement period, and the period of limitations on assessment provided in section 6501 shall not expire before the 60th day after the close of the judicial enforcement period.

(c) Definitions—(1) A designated summons is a summons issued to a corporation (or to any other person to whom the corporation has transferred records) with respect to any return of tax by such corporation for a taxable period for which such corporation is being examined under the coordinated industry case program or any other successor to the coordinated examination program if—

(i) The Division Commissioner and the Division Counsel of the Office of Chief Counsel (or their successors) for the organizations that have jurisdiction over the corporation whose tax liability is the subject of the summons have reviewed the summons before it is issued;

(ii) The Internal Revenue Service (IRS) issues the summons at least 60 days before the day the period prescribed in section 6501 for the assessment of tax expires (determined with regard to extensions); and

(iii) The summons states that it is a designated summons for purposes of section 6503(j).

(2) A related summons is any summons issued that—

(i) Relates to the same return of the corporation under examination as the designated summons; and