

[BATAS PAMBANSA BLG. 700, April 05, 1984]

AN ACT AMENDING SECTIONS 318 AND 319 OF THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED, SO AS TO REDUCE THE PERIOD OF LIMITATION FOR ASSESSMENT OF INTERNAL REVENUE TAXES FROM FIVE TO THREE (3) YEARS

Be it enacted by the Batasang Pambansa in session assembled:

SECTION 1. Section 318 of the National Internal Revenue Code, as amended, is hereby amended to read as follows:

"SEC. 318. *Period of limitation upon assessment and collection.*—Except as provided in the succeeding section, internal revenue taxes shall be assessed within three years after the last day prescribed by law for the filing of the return, and no proceeding in court without assessment for the collection of such taxes shall be begun after the expiration of such period: *Provided*, That in a case where a return is filed beyond the period prescribed by law, the three-year period shall be counted from the day the return was filed. For the purposes of this section, a return filed before the last day prescribed by law for the filing thereof shall be considered as filed on such last day."

SEC. 2.. Section 319 of the same Code is hereby amended to read as follows:

"SEC. 319. *Exceptions as to period of limitation of assessment and collection of taxes.*— (a) In the case of a false or fraudulent return with intent to evade tax or of failure to file a return, the tax may be assessed, or a proceeding in court for the collection of such tax may be begun without assessment, at any time within ten years after the discovery of the falsity, fraud, or omission: *Provided*, That in a fraud assessment which has become final and executory, the fact of fraud shall be judicially taken cognizance of in the civil or criminal action for the collection thereof.

" (b) If before the expiration of the time prescribed in the preceding section for the assessment of the tax, both the Commissioner and the taxpayer have agreed in writing to its assessment after such time, the tax may be assessed within the period agreed upon. The period so agreed upon may be extended by subsequent written agreements made before the expiration of the period previously agreed upon.

" (c) Any internal revenue tax which has been assessed within the period of limitation above-prescribed may be collected by distraint or levy or by