

CHAPTER 12 – SALES TAX CODE

Sec. 12-556. No additional audits or proposed assessments; exceptions.

- (a) Once the Tax Collector completes an examination authorized by Section 12-555 and a written notice of the determination of a deficiency has been issued to the taxpayer pursuant to Section 12-545(a) or 12-555(f), the taxpayer's liability for the time period subjected to the examination is fixed and determined, and no additional audit or examination may be conducted by the Tax Collector with respect to such time period except under the following circumstances.
 - (1) if a taxpayer files a claim for refund under Section 12-560, the Tax Collector may conduct an examination limited to the issues presented in the refund claim.
 - (2) if the taxpayer failed to disclose material information during the initial examination, falsified books or records, or otherwise engaged in conduct which prevented the Tax Collector from conducting an accurate examination. The applicability of this subsection, and the Tax Collector's right to proceed thereunder, may be raised and contested by the taxpayer in a subsequent administrative review brought pursuant to Section 12-570.
- (b) An audit or examination conducted by any other taxing jurisdiction will not preclude the Tax Collector from conducting an audit or examination for the same time period.
- (c) If the Tax Collector issues a notice of deficiency pursuant to either Section 12-545(a) or Section 12-555(f), the Tax Collector may not increase the proposed deficiency except in one or more of the following circumstances:
 - (1) the taxpayer made a material misrepresentation of fact.
 - (2) the taxpayer failed to disclose a material fact.
 - (3) the Tax Collector submitted a written request for information prior to issuance of the assessment, and the taxpayer, despite possessing or having access to such information, failed to provide it within 60 days as required by Section 12-555(c).
 - (4) after issuing the notice of determination of deficiency but before the deficiency became final, the Arizona Tax Court, Court of Appeals or Supreme Court issued a decision, the applicability of which causes the deficiency initially proposed to increase.

(Code 1977, § 9A-556)

(Ord. 03-17, 4/15/03, renumbered from Chapter 9A) SUPP 2003-2