

these and similar partnership-level determinations, therefore, that determination is more appropriately made at the partnership level. To the extent that the determination requires other information, however, that determination is more appropriately made at the partner level. Examples of such other information are the cost to the partner of goods sold to the partnership and the extent to which the partner may be treated under section 267(c) as the constructive owner of a capital or profits interest actually owned by another.

(4) *Application of section 751.* For purposes of its books and records, or for purposes of furnishing information to a partner for use in applying section 751, the partnership needs to determine:

(i) The fair market value and adjusted basis of the partnership's—

(A) Unrealized receivables (within the meaning of section 751(c)),

(B) Substantially appreciated inventory (within the meaning of section 751(d)), and

(C) Other property;

(ii) A partner's share of each of the classes of assets described in paragraph (c)(3)(i) of this section; and

(iii) Whether a distribution to a partner is a disproportionate distribution subject to section 751(b).

To the extent that a determination with respect to the application of section 751 can be made from these and similar partnership-level determinations, therefore, that determination is more appropriately made at the partnership level. To the extent that the determination requires other information, however, that determination is more appropriately made at the partner level. An example of such other information is the amount realized by a partner on the sale of a partnership interest.

(Sec. 6501(o) (as it read before the enactment of the Tax Equity and Fiscal Responsibility Act of 1982) and 7805 of the Internal Revenue Code of 1954 (92 Stat. 2818, 26 U.S.C. 6501(o); 68A Stat. 917, 26 U.S.C. 7805))

[T.D. 7884, 48 FR 16243, Apr. 15, 1983]

**§ 301.6502-1 Collection after assessment.**

(a) *Length of period*—(1) *General rule.* In any case in which a tax has been assessed within the statutory period of

limitation properly applicable thereto, a proceeding in court to collect such tax may be begun, or levy for the collection of such tax may be made, within 10 years after the assessment thereof.

(2) *Extension by agreement.* (i) The 10-year period of limitation on collection after assessment of any tax may, prior to the expiration thereof, be extended for any period of time agreed upon in writing by the taxpayer and the district director. The extension shall become effective upon execution of the agreement by both the taxpayer and the district director.

(ii) The period of limitation on collection after assessment of any tax (including any extension of such period) may be extended after the expiration thereof if there has been a levy on any part of the taxpayer's property prior to such expiration and if the extension is agreed upon in writing prior to a release of the levy under the provisions of section 6343. An extension under this subdivision has the same effect as an agreement made prior to the expiration of the period of limitation on collection after assessment, and during the period of the extension collection may be enforced as to all property or rights to property owned by the taxpayer whether or not seized under the levy which was released.

(iii) Any period agreed upon under the provisions of this subparagraph may be extended by subsequent agreements in writing made before the expiration of the period previously agreed upon.

(3) If a proceeding in court for the collection of a tax is begun within the period provided in paragraph (a)(1) of this section (or within any extended period as provided in paragraph (a)(2) of this section), the period during which the tax may be collected by levy is extended until the liability for the tax or a judgment against the taxpayer arising from the liability is satisfied or becomes unenforceable.

(b) *Date when levy is considered made.* The date on which a levy on property or rights to property is made is the date on which the notice of seizure provided in section 6335(a) is given.

(c) *Effective dates.* (1) Paragraph (a)(1) of this section shall apply to—

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(i) Taxes assessed after November 5, 1990; and

(ii) Taxes assessed on or before November 5, 1990, if the period prescribed in section 6502 of the Internal Revenue Code of 1986 (determined without regard to the amendments made by the Omnibus Budget Reconciliation Act of 1990) for the collection of such taxes has not expired as of such date.

(2) Paragraph (a)(3) of this section shall apply to levies issued after November 10, 1988.

[32 FR 15241, Nov. 3, 1967, as amended by T.D. 8391, 57 FR 4938, Feb. 11, 1992; 57 FR 10290, Mar. 25, 1992]

### § 301.6503(a)-1 Suspension of running of period of limitation; issuance of statutory notice of deficiency.

(a) *General rule.* (1) Upon the mailing of a notice of deficiency for income, estate, gift, chapter 41, 42, 43, or 44 tax under the provisions of section 6212, the period of limitation on assessment and collection of any deficiency is suspended for 90 days after the mailing of a notice of such deficiency if the notice of deficiency is addressed to a person within the States of the Union and the District of Columbia, or 150 days if such notice of deficiency is addressed to a person outside the States of the Union and the District of Columbia (not counting Saturday, Sunday, or a legal holiday in the District of Columbia as the 90th or 150th day), plus an additional 60 days thereafter in either case. If a proceeding in respect of the deficiency is placed on the docket of the Tax Court, the period of limitation is suspended until the decision of the Tax Court becomes final, and for an additional 60 days thereafter. If a notice of deficiency is mailed to a taxpayer within the period of limitation and the taxpayer does not appeal therefrom to the Tax Court, the notice of deficiency so given does not suspend the running of the period of limitation with respect to any additional deficiency shown to be due in a subsequent deficiency notice.

(2) This paragraph may be illustrated by the following example:

*Example.* A taxpayer filed a return for the calendar year 1973 on April 15, 1974; the notice of deficiency was mailed to him (at an address within the United States) on April

15, 1977; and he filed a petition with the Tax Court on July 14, 1977. The decision of the Tax Court became final on November 6, 1978. The running of the period of limitation for assessment is suspended from April 15, 1977, to January 5, 1979, which date is 60 days after the date (November 6, 1978), on which the decision became final. If in this example the taxpayer had failed to file a petition with the Tax Court, the running of the period of limitation for assessment would then be suspended from April 15, 1977 (the date of notice), to September 12, 1977 (that is, for the 90-day period in which he could file a petition with the Tax Court, and for 60 days thereafter).

(3) For provisions relating to suspension of the running of the period of limitation with respect to collection of "second tier" excise taxes (as defined in section 4963) until final resolution of a refund proceeding described in sections 4961 and 7422 for the determination of the taxpayer's liability for the second tier taxes, see § 53.4961-2 (e)(4).

(b) *Corporations joining in consolidated return.* If a notice under section 6212(a) with respect to a deficiency in tax imposed by subtitle A of the Code for any taxable year is mailed to a corporation, the suspension of the running of the period of limitation provided in section 6503(a)(1) shall apply in the case of corporations with which such corporation made a consolidated income tax return for such taxable year. Under § 1.1502-77(a) of this chapter (Income Tax Regulations), relating to consolidated returns, notices of deficiency are mailed only to the common parent.

[32 FR 15241, Nov. 3, 1967, as amended by T.D. 7244, 37 FR 28898, Dec. 30, 1972; T.D. 7838, 47 FR 44251, Oct. 7, 1982; T.D. 8084, 51 FR 16305, May 2, 1986]

### § 301.6503(b)-1 Suspension of running of period of limitation; assets of taxpayer in control or custody of court.

Where all or substantially all of the assets of a taxpayer are in the control or custody of the court in any proceeding before any court of the United States, or of any State of the United States, or of the District of Columbia, the period of limitations on collection after assessment prescribed in section 6502 is suspended with respect to the outstanding amount due on the assessment for the period such assets are in the control or custody of the court, and