

# TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION



## **Fiscal Year 2026 Review of Assessment Statute Extension Dates**

April 3, 2026

Report Number: 2026-150-018

**Why TIGTA Did This Review**

Congress requires us to determine annually whether the IRS complied with Internal Revenue Code Section 6501(c)(4)(B). This statute requires the IRS to provide notice to taxpayers of their right to decline to extend the assessment statute of limitations or to request that any extension be limited to a specific period of time or to specific issues.

**Impact on Tax Administration**

Federal law requires the IRS to notify taxpayers of their rights when requesting an extension of the statute of limitations for assessing additional taxes. Taxpayers may be adversely affected if the IRS does not follow the requirements to notify them of their rights related to assessment statute extensions.

**What TIGTA Found**

The IRS complied with the legal requirement to notify taxpayers and their authorized representatives of their rights when requesting an extension of the statute of limitations for assessing additional taxes.

We selected a statistically valid stratified random sample of 72 out of 6,539 taxpayer case files closed from April 1, 2024, through March 31, 2025, where the IRS extended the assessment statute expiration date. We reviewed consent forms in 68 of 72 taxpayer case files. For the four remaining files, the assessment statute was automatically extended and consent forms were not required. We did not identify any instances where the IRS failed to:

- Provide notice to the taxpayers of their rights to decline to extend the assessment statute of limitations.
- Request that any extension be limited to a specific period of time or specific issues.

In all 68 taxpayer case files reviewed, the legal requirements were satisfied when the taxpayers or the taxpayers' representatives signed Form 872, *Consent to Extend the Time to Assess Tax*, Form 872-M, *Consent to Extend the Time to Make Partnership Adjustments*, or Form SS-10, *Consent to Extend the Time to Assess Employment Taxes*. The taxpayers' rights are clearly specified on the forms.

The IRS agreed with the draft report but did not provide a formal response.



TREASURY INSPECTOR GENERAL  
FOR TAX ADMINISTRATION

**U.S. DEPARTMENT OF THE TREASURY**  
**WASHINGTON, D.C. 20024**

April 3, 2026

**MEMORANDUM FOR:** COMMISSIONER OF INTERNAL REVENUE

A handwritten signature in black ink that reads "Diana M. Tengesdal".

**FROM:** Diana M. Tengesdal  
Deputy Inspector General for Audit

**SUBJECT:** Final Report – Fiscal Year 2026 Review of Assessment Statute Extension Dates (Review No.: 20251S0007)

This report presents the results of our review of whether the Internal Revenue Service (IRS) provided notice to taxpayers of their right to decline to extend the assessment statute of limitations or to request that any extension be limited to a specific period of time or to specific issues. We performed this review during the period October 2025 to March 2026. We are issuing this report to document actions taken by the IRS concerning its compliance with requirements for requesting an extension of a taxpayer's statute of limitations for assessment date. This review is part of our Fiscal Year 2026 Annual Program Plan and addresses the major management and performance challenge of *Improving Taxpayer Service and Protecting Taxpayer Rights*.

The IRS agreed with the draft report but did not provide a formal response. If you have any questions, please contact me or Kasey J. Koontz, Acting Assistant Inspector General for Audit (Taxpayer Services and Operational Support).

## Background

The Internal Revenue Service (IRS) is required to notify taxpayers of their rights when requesting an extension of the statute of limitations for the assessment of tax.<sup>1</sup> Congress requires us to determine annually whether the IRS complied with these requirements. When the IRS audits a tax return and determines that there is an additional tax liability, the additional assessment must be made within three years of the original return due date or the date the return was actually filed, whichever is later. This three-year assessment statute of limitations normally cannot be extended without the taxpayer's written consent.<sup>2</sup> To extend the statute, the IRS generally requests the taxpayer(s) to provide a signed consent form, such as:

- Form 872, *Consent to Extend the Time to Assess Tax*.
- Form 872-M, *Consent to Extend the Time to Make Partnership Adjustments*.
- Form SS-10, *Consent to Extend the Time to Assess Employment Taxes*.

These consents extend the assessment statute of limitations for either a specific period of time or an indefinite period. The statute is usually extended for a period that both the IRS and the taxpayer agree is reasonable to complete the audit. The consent can also be negotiated to apply only to specific tax issues or specific tax periods.

When passing the IRS Restructuring and Reform Act of 1998, Congress expressed concern that taxpayers have not always been fully aware of their right to refuse to extend the statute of limitations or to request that a statute extension be limited to a specific period of time or to a specific issue.<sup>3</sup> Therefore, taxpayers may feel they have no choice but to agree to extend the statute upon the request of the IRS. In addition, Congress addressed the dual notification of taxpayers by stating that the IRS must notify all taxpayers that filed joint returns of their right to elect to limit their joint and several liabilities under this provision, meaning each spouse may otherwise be held responsible for the full amount of the tax owed.

A taxpayer might agree to extend the assessment statute of limitations for the following reasons:

- The taxpayer may want to pursue additional tax issues that are in the taxpayer's favor to offset a proposed tax assessment or allow for a tax refund.
- The taxpayer may want to extend the amount of time they have to go to the IRS Independent Office of Appeals (hereafter referred to as Appeals). If the remaining time before the statute expires is too short, the IRS may have to prematurely stop the audit process and issue a statutory notice of deficiency. Once a statutory notice of deficiency has been issued, taxpayers can: 1) request a referral to Appeals before filing a petition with the U.S. Tax Court, or 2) file a petition with the U.S. Tax Court, after which an answer

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<sup>1</sup> Internal Revenue Service Restructuring and Reform Act of 1998 (RRA 98), Pub. L. No. 105-206, 112 Stat. 685 and Internal Revenue Code Section 6501(c)(4)(B).

<sup>2</sup> There are some exceptions to the three-year statute of limitations. For example, Internal Revenue Code Section 6501(c)(1) extends the assessment statute indefinitely when false or fraudulent returns are filed.

<sup>3</sup> S. Rep. No. 105-174 (1998).

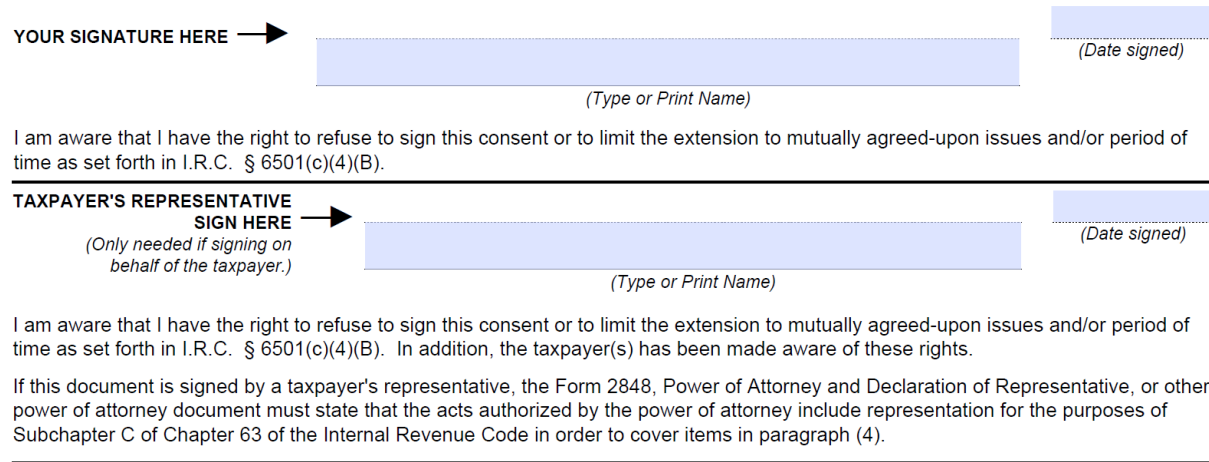
will be filed by the Office of Chief Counsel and the taxpayer's case will then generally be referred to Appeals.

A taxpayer may decide to limit or refuse to extend the assessment statute of limitations because:

- The taxpayer may not want to provide the IRS additional time to consider additional tax issues.
- The taxpayer may not want to provide the IRS additional time to further develop tax issues already under consideration.

The consent form includes a prominent statement informing taxpayers of their rights regarding assessment statute extensions, as provided for in Internal Revenue Code Section 6501(c)(4)(B), and may provide information on Publication 1035, *Extending the Tax Assessment Period*. Figure 1 shows the taxpayer rights statement and signature section.

**Figure 1: Excerpt of the Acknowledgement of Taxpayer Rights and Taxpayer Signature Block From Form 872**



YOUR SIGNATURE HERE → \_\_\_\_\_ (Date signed)

\_\_\_\_\_  
(Type or Print Name)

I am aware that I have the right to refuse to sign this consent or to limit the extension to mutually agreed-upon issues and/or period of time as set forth in I.R.C. § 6501(c)(4)(B).

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TAXPAYER'S REPRESENTATIVE SIGN HERE → \_\_\_\_\_ (Date signed)

(Only needed if signing on behalf of the taxpayer.) \_\_\_\_\_  
(Type or Print Name)

I am aware that I have the right to refuse to sign this consent or to limit the extension to mutually agreed-upon issues and/or period of time as set forth in I.R.C. § 6501(c)(4)(B). In addition, the taxpayer(s) has been made aware of these rights.

If this document is signed by a taxpayer's representative, the Form 2848, Power of Attorney and Declaration of Representative, or other power of attorney document must state that the acts authorized by the power of attorney include representation for the purposes of Subchapter C of Chapter 63 of the Internal Revenue Code in order to cover items in paragraph (4).

Source: Form 872. Note: The wording on Forms 872-M and SS-10 is consistent with that shown on Form 872.

An IRS manager must review the consent form in compliance with the Internal Revenue Manual. The consent form includes a signature line to record their review. Lastly, the consent form includes a statement for the taxpayers' representatives to sign, confirming that they were notified of the rights regarding assessment statute extensions and that the taxpayers were made aware of the same advice of rights.

We have completed 26 statutory reviews (Fiscal Years 2000 through 2025) of the IRS's compliance with requirements for requesting extensions of a taxpayer's statute of limitations for assessments.

## Objective

The overall objective of this review was to determine whether the IRS provided notice to taxpayers of their right to decline to extend the assessment statute of limitations or to request that any extension be limited to a specific period of time or to specific issues.

## Results of Review

### The IRS Was Compliant With Legal Requirements Related to Requests to Extend the Assessment Statute

We selected a statistically valid stratified random sample of 72 out of 6,539 taxpayer case files closed from April 1, 2024, through March 31, 2025, where the IRS extended the assessment statute expiration date.<sup>4</sup> We reviewed 68 of the 72 taxpayer case files consisting of 44 electronic and 24 paper files, and found that the IRS complied with the applicable legal requirements.<sup>5</sup> For the four remaining files, the assessment statute was automatically extended and consent forms were not required. We did not identify any instances where the IRS failed to provide notice to the taxpayers of their rights to decline to extend the assessment statute of limitations or to request that any extension be limited to a specific period of time or to specific issues. In all 68 taxpayer case files reviewed, the legal requirements were satisfied when the taxpayers or the taxpayers' representatives signed the applicable consent form.

## Conclusion

Using our statistically valid stratified random sample of taxpayer case files, we determined that the IRS complied with the legal requirements to notify taxpayers and their authorized representatives of their rights when requesting an extension of the statute of limitations for assessing additional taxes.

### Performance of This Review

We conducted this review in accordance with the Council of the Inspectors General on Integrity and Efficiency *Quality Standards for Federal Offices of Inspector General*. Those standards require that the work adheres to the professional standards of independence, due professional care, and quality assurance and follows procedures to ensure accuracy of the information presented. We believe that the evidence obtained provides a reasonable basis for our finding and conclusion based on the objective of our review.

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<sup>4</sup> The population of 6,539 taxpayer case files included 2,542 paper and 3,997 electronic files.

<sup>5</sup> We selected a statistically valid stratified random sample with a 95 percent confidence interval, a 5 percent error rate, and a  $\pm 5$  percent precision factor.



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**To make suggestions to improve IRS policies, processes, or systems  
affecting taxpayers, contact us at  
[TIGTACommunications@tigta.treas.gov](mailto:TIGTACommunications@tigta.treas.gov).**

Information you provide is confidential, and you may remain anonymous.