

Waiver of Assessment Period

Insurance Premium Tax Act

What is the assessment period for an insurance premium tax (IPT) return?

What is a waiver?

This bulletin provides information about the time period in which the Commissioner of Income Tax can assess or reassess tax under the *Insurance Premium Tax Act* (Act). A taxpayer can extend the assessment period by filing a waiver.

The Assessment Period

Generally, the Commissioner of Income Tax has six years from the date of delivery of an IPT return to assess or reassess tax. If the tax return is sent by mail, the date of delivery is the date the envelope is postmarked.

However, the six-year assessment period does not apply, and tax can be assessed or reassessed at any time, if:

- a taxpayer has made a misrepresentation or committed fraud in making the tax return or providing information under the Act,
- a taxpayer has filed a waiver within the assessment period, or
- a tax return has never been filed.

Waiving the Assessment Period

A waiver allows a taxpayer to voluntarily extend the six-year assessment period in connection with a specific issue(s).

A waiver accommodates circumstances where there is not enough time for an adequate resolution to an audit. It improves the accuracy of an assessment by

allowing additional time for further discussion and collection of information before the assessment is made.

A taxpayer can file a waiver by completing a *Waiver of Assessment Period* form (**FIN 27**). This form must be signed by the taxpayer or authorized signing officer and filed with the Commissioner of Income Tax within the six-year assessment period.

Once a waiver has been filed, the commissioner may assess or reassess tax at any time, but only on the specific issue(s) identified in the waiver form. The waiver continues in effect until six months after the taxpayer files a notice revoking the waiver.

Revoking a Waiver

A taxpayer can revoke a waiver by filing a *Notice of Revocation of Waiver* form (**FIN 525**) with the commissioner. A notice of revocation will take effect six months after the date of filing. This notice cannot be cancelled once it has been filed.

Need more info?

Ministry of Small Business and Revenue
Income Taxation Branch
PO Box 9444 Stn Prov Govt
Victoria BC V8W 9W8

Telephone: 250 953-3082
Fax: 250 356-0434
E-mail: ITBTaxQuestions@gov.bc.ca

The information in this bulletin is for your convenience and guidance and is not a replacement for the legislation. The *Insurance Premium Tax Act* and Regulations are on our website at www.sbr.gov.bc.ca/itb

References: *Insurance Premium Tax Act*, Sections 1, 16(2), 16(3), 16(4) and 16(5)