

TITLE 12—DEPARTMENT OF REVENUE
Division 10—Director of Revenue
Chapter 2—Income Tax

12 CSR 10-2.105 Report of Changes in Federal Income Tax Return

PURPOSE: Under the State Income Tax Law (section 143.011, RSMo), this rule establishes the proper procedures for reporting any change in the taxpayer's federal taxable income or federal income tax liability for the purpose of the determination of the correct state income tax liability.

PUBLISHER'S NOTE: The secretary of state has determined that publication of the entire text of the material that is incorporated by reference as a portion of this rule would be unduly cumbersome or expensive. This material as incorporated by reference in this rule shall be maintained by the agency at its headquarters and shall be made available to the public for inspection and copying at no more than the actual cost of reproduction. This note applies only to the reference material. The entire text of the rule is printed here.

(1) In General. If the taxpayer's federal taxable income or federal tax reported on their federal income tax return is changed, the taxpayer shall file an amended return with the Department of Revenue reflecting the final determination.

(2) Time of Notice. The taxpayer must report any change within ninety (90) days after the final determination of the change and pay any tax due. Interest is due pursuant to section 143.731, RSMo. Failure to pay the tax due within ninety (90) days will result in additions to tax of five percent (5%).

(3) Final Determination. For the purposes of this rule, the following shall be deemed a final determination:

(A) Payment of any additional federal income tax, not the subject of any other final determination described in subsections (3)(B)–(F) of this rule;

(B) The signing of a Federal Form 870 Waiver of Restrictions on Assessment and Collection of Deficiency in Tax and Acceptance of Overassessment or other IRS form consenting to the deficiencies, accepting any over-assessment shown on the form, or both. However, where the signature of an authorized representative of the IRS is also required, the final determination shall occur when the taxpayer receives notice of the signing by the IRS;

(C) The expiration of the ninety (90)-day time period (one hundred fifty (150)-day period in the case of notice addressed to a person outside the United States and the District of Columbia) within which a petition for redetermination may be filed with the United States Tax Court with respect to a statutory notice of deficiency issued by the IRS, if a petition is not filed with that court within that time;

(D) A closing agreement entered into with the IRS under Section 7121 of the Internal Revenue Code (IRC). The final determination shall occur when the taxpayer receives notice of the signing by the commissioner of internal revenue;

(E) A decision by the United States Tax Court, United States District Court, United States Court of Appeals, United States Court of Claims or the United States Supreme Court which has become final, or the date the court approves a voluntary agreement stipulating disposition of the case; and

(F) The allowance of a tentative carryback adjustment in accordance with Section 6411 of the IRC based on a net operating loss carryback.

(4) Requirements for Reporting Federal Change. An amended return shall be filed as specified in section (5) reflecting and explaining all changes affecting the original return filed. In addition, a copy of the Summary of the Federal Revenue Agent's Report (commonly referred to as an RAR) using Form 886-A or Form 4549, a copy of a closing agreement entered into with the IRS under Section 7121 of the IRC or a copy of a final court decision, as appropriate, shall be submitted in support of the Report of Change.

(5) Amended Returns. If a taxpayer files an amended federal income tax return, an amended state income tax return reflecting the same changes shall be filed with the Department of Revenue. The amended tax return and any additional tax due shall be filed and paid within ninety (90) days after the amended return is filed with the IRS or within ninety (90) days of the final determination.

(6) Assessment. If a taxpayer fails to comply with the requirements of reporting a federal change as outlined in this rule, a notice of deficiency may be issued at any time within one (1) year after the director of revenue becomes aware of any change. The amount of any proposed assessment, set forth in the notice of deficiency, shall be limited to the changes outlined in the federal determination and how they affect Missouri taxable income. However, the limitations contained in this section shall not be construed to reduce the statute of limitations that would otherwise be applicable.

(7) Claim for Refund Period. A taxpayer may file a claim for refund not later than one (1) year and ninety (90) days after the date of final determination as specified in section (3) except as provided in subsections 143.801.5. and 6., RSMo. The claim shall be limited to the changes set forth in the federal determination. The limitations contained in this section shall not be construed to reduce the statute of limitations that would otherwise be applicable. Interest on a claim for refund filed after the ninety (90)-day period specified in section (2), will cease to accrue after the ninetieth day.

(8) The Federal Forms 886-A, Form 4549, and Form 870 Waiver of Restrictions on Assessment and Collection of Deficiency in Tax and Acceptance of Overassessment dated May 2, 2023, are incorporated by reference and made a part of this rule as published by the Internal Revenue Service, and available at www.irs.gov or Harry S Truman State Office Building, 301 West High

Street, Jefferson City, MO 65101. This rule does not incorporate any subsequent amendments or additions.

*AUTHORITY: section 143.961, RSMo 2016. * Original rule filed July 31, 1984, effective Jan. 12, 1985. Amended: Filed Sept. 1, 1993, effective Jan. 31, 1994. Amended: Filed Oct. 24, 1997, effective April 30, 1998. Amended: Filed May 15, 2023, effective Dec. 30, 2023.*

**Original authority: 143.961, RSMo 1972.*