5 T.C. 183 (1945)

The presumption that a properly mailed document is received is insufficient to overcome the Commissioner of Internal Revenue's determination that a tax return was not filed.

Summary

The Rohmer Corporation claimed it filed a capital stock tax return, including an election to declare a value for its capital stock, by mailing it before the statutory deadline. The Commissioner determined that the election was not made. Rohmer argued that mailing the return created a presumption of delivery, which should suffice as proof of filing. The Tax Court held that while a presumption of delivery exists, it is not sufficient to overcome the presumption of correctness attached to the Commissioner's determination that the return was never received.

Facts

The Rohmer Corporation intended to elect a value for its capital stock on a capital stock tax return. The corporation mailed the return from Tulsa, Oklahoma, addressed to the collector's office in Oklahoma City, Oklahoma, before the filing deadline. The Commissioner of Internal Revenue determined that Rohmer failed to make the election. The return was never found by the collector's office, though the office's procedures were designed to minimize lost returns.

Procedural History

The Commissioner of Internal Revenue issued a deficiency notice to The Rohmer Corporation based on the determination that the corporation failed to elect a value for its capital stock. The Rohmer Corporation petitioned the Tax Court, arguing that the return was timely filed. The Tax Court reviewed the Commissioner's determination.

Issue(s)

Whether the presumption of delivery of a properly mailed tax return is sufficient to overcome the Commissioner's determination that the return was not filed, when the return cannot be found by the IRS.

Holding

No, because the presumption of delivery from mailing is not sufficient to overcome the presumption of correctness of the Commissioner's determination that there was no filing of the election.

Court's Reasoning

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The court acknowledged the general presumption that a properly mailed document is presumed to have been delivered, citing Rosenthal v. Walker, 111 U.S. 185. However, the court emphasized that this presumption is rebuttable and does not equate to proof of actual delivery. The Commissioner's determination is presumed correct and the taxpayer bears the burden of proving it incorrect. The court stated, "by so demonstrating the petitioner has shown only a presumption of delivery, not fact of delivery, and this is insufficient to meet the presumption of correctness of the Commissioner's determination that there was no filing of the election." The court also rejected the argument that IRS regulations made the Post Office the Commissioner's agent, holding that the relevant regulation only addressed penalties for late filing due to mail delays, not non-delivery.

Practical Implications

This case underscores the importance of ensuring actual receipt of tax filings by the IRS, rather than relying solely on proof of mailing. Taxpayers should consider using certified mail with return receipt requested to obtain confirmation of delivery. This case highlights that a mere presumption of delivery is insufficient to overcome the presumption of correctness afforded to the Commissioner's determinations. Legal practitioners should advise clients to maintain proof of filing beyond just mailing, especially when making critical elections or submitting time-sensitive documents. Later cases have continued to uphold the principle that the presumption of delivery is a weak one and can be overcome by evidence of non-receipt by the IRS. This case does not create a rule that mailing is irrelevant, but rather illustrates it alone is insufficient.

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