Estate of McKaig, Deceased, 51 T.C. 331 (1968)

A deficiency notice sent by registered mail to the address provided on the estate tax return satisfies the statutory requirements, even if the executrix has since moved and notified the Commissioner of a new address in connection with other tax matters, unless the executrix clearly indicates that all communications regarding the estate's tax matters should be sent to the new address.

Summary

The Tax Court addressed whether a deficiency notice was properly issued when it was sent to the address listed on the estate tax return, despite the executrix having provided a different address to the Commissioner in other communications. The court held that the notice was sufficient because it was sent to the address on the return, and the executrix had not explicitly directed that all estate tax matters be directed to the new address. Since the petitioner presented no evidence regarding the deficiency calculation itself, the court sustained the Commissioner's determination.

Facts

The Commissioner sent a notice of deficiency to the executrix of the Estate of McKaig by registered mail. The notice was sent to the address provided by the executrix on the estate tax return. Prior to the mailing of the deficiency notice, the executrix had moved from New York to Boston. She had informed the Commissioner of her new address in communications concerning other tax matters, and also provided the new address in an affidavit related to the estate's administration.

Procedural History

The Commissioner determined a deficiency in the estate tax. The executrix petitioned the Tax Court, arguing that the notice of deficiency was invalid because it was not sent to her current address. The Tax Court considered the validity of the notice. The executrix presented no arguments regarding the merits of the deficiency itself.

Issue(s)

Whether a notice of deficiency is defective when it is sent by registered mail to the address provided on the estate tax return, even though the executrix has provided the Commissioner with a different address in other communications.

Holding

No, because the notice was sent to the address provided on the estate tax return, as required by section 871 of the Internal Revenue Code, and the executrix did not clearly indicate that all communications regarding the estate's tax matters should be

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sent to her new address.

Court’s Reasoning

The court reasoned that the Commissioner complied substantially with the statutory requirements by sending the notice to the address listed on the estate tax return. While the Commissioner could have reasonably used the new address, he was not legally obligated to do so. The court emphasized that the executrix had not made it clear that she wished all communications regarding the estate’s tax matters to be mailed to her new address. The court cited prior cases holding that defects in mailing a deficiency notice are cured when the taxpayer receives the notice and timely files a petition. However, the court distinguished those cases, stating, “Only if she had done so and if the Commissioner had nevertheless sent the notice of deficiency to the old address would the petitioner be in a position to press the claims upon which she now relies to escape the proposed assessment.”

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