***13 T.C. 257 (1949)***

The Tax Court lacks jurisdiction over a tax deficiency proceeding if the deficiency notice was not sent to the taxpayer by registered mail.

**Summary**

Roger J. Williams petitioned the Tax Court contesting a tax deficiency. The Commissioner moved to dismiss for lack of jurisdiction, arguing that the petition was based on a revenue agent's report and transmittal letter, not a formal deficiency notice. The Tax Court held that it lacked jurisdiction because the notice was not sent by registered mail, a statutory requirement for a valid deficiency notice. The court also held that it lacked the power to stay the enforcement of a warrant for distraint, as such matters are outside its limited jurisdiction.

**Facts**

A revenue agent prepared a report showing an increase in Williams's business income for 1946, resulting in a tax deficiency. The agent's report indicated that Williams agreed to the adjustment and signed Form 870, a waiver of restrictions on assessment and collection. The acting internal revenue agent in charge sent Williams a transmittal letter with a copy of the report, stating that the collector would soon present a bill for the tax and interest. Williams later claimed he signed the waiver without legal advice. The IRS assessed the tax, and when Williams didn't pay, a warrant for distraint was issued.

**Procedural History**

Williams filed a petition with the Tax Court, which he amended shortly thereafter, contesting the deficiency. The Commissioner moved to dismiss for lack of jurisdiction, arguing that the documents Williams relied on were not a statutory notice of deficiency. After the hearing, Williams filed a motion to stay enforcement of the warrant for distraint pending the Tax Court's decision.

**Issue(s)**

1. Whether the revenue agent's report and transmittal letter constituted a valid notice of deficiency under Section 272(a)(1) of the Internal Revenue Code.

2. Whether the Tax Court has jurisdiction to stay the enforcement of a warrant for distraint.

**Holding**

1. No, because the notice was not sent to Williams by registered mail, as required by statute.

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2. No, because the Tax Court's jurisdiction is limited to powers conferred by statute, and enforcement of warrants for distraint falls outside that scope.

**Court's Reasoning**

The Tax Court relied on its prior decision in *John A. Gebelein, Inc.*, which held that sending a deficiency notice by registered mail is mandatory. Because Williams did not allege or contend that the revenue agent's report and transmittal letter were sent by registered mail, the Court concluded they were not a valid deficiency notice. The court stated that "a notice not sent by registered mail might not be regarded as an authorized notice of deficiency and that a proceeding instituted by the filing of a petition therefrom should be dismissed for lack of jurisdiction." Therefore, the Tax Court lacked jurisdiction to hear Williams's petition. The court further reasoned that its jurisdiction is limited to that conferred by statute, and it does not extend to matters involving the enforcement of warrants for distraint.

**Practical Implications**

This case underscores the importance of strict compliance with statutory requirements for tax deficiency notices. Taxpayers and practitioners must ensure that deficiency notices are sent by registered mail to preserve the Tax Court's jurisdiction. Failure to do so can result in the dismissal of a case, leaving the taxpayer without recourse in the Tax Court. Furthermore, this case serves as a reminder of the Tax Court's limited jurisdiction; it cannot intervene in matters such as the enforcement of warrants for distraint, which fall under the purview of other courts. Subsequent cases citing *Williams v. Commissioner* reinforce the necessity of registered mail for valid deficiency notices and highlight the Tax Court's jurisdictional boundaries.

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