***Ohmer Corp. v. Commissioner, 8 T.C. 522 (1947)***

The Tax Court has jurisdiction to determine excessive profits in renegotiation cases even if there are procedural irregularities in the renegotiation process, provided a determination order is issued and notice is given to the party whose profits are being challenged.

**Summary**

Ohmer Corporation petitioned the Tax Court contesting a determination that its 1945 profits were excessive under wartime renegotiation statutes. The Commissioner argued procedural defects in the renegotiation process involving Ohmer Register Company (its predecessor) deprived the Tax Court of jurisdiction. The Tax Court held that despite irregularities in the renegotiation process, including issues with the notice and consolidated renegotiation, it had jurisdiction because a determination order was issued against Ohmer Corporation, and the company was notified, allowing them to challenge the determination de novo.

**Facts**

1. Ohmer Register Company was engaged in war contracts.
2. Ohmer Corporation succeeded Ohmer Register Company.
3. Renegotiation proceedings commenced to determine excessive profits for 1945.
4. The notice referred to "Ohmer Register Company and Ohmer Corporation, Successor."
5. Ohmer Corporation furnished information to the renegotiators.
6. Ohmer Corporation received notice that renegotiation of its contracts had commenced.
7. The War Contracts Price Adjustment Board did not determine separately the excessive profits of Ohmer Corporation or Ohmer Register Company.

**Procedural History**

1. The War Contracts Price Adjustment Board determined Ohmer Corporation's profits for 1945 were excessive.
2. Ohmer Corporation petitioned the Tax Court, challenging the determination.
3. The Commissioner argued procedural defects prevented the Tax Court from obtaining jurisdiction.

**Issue(s)**

1. Whether the Tax Court has jurisdiction to determine excessive profits of Ohmer Corporation for 1945, despite procedural irregularities in the renegotiation process, including the form and service of the notice of renegotiation and consolidated renegotiation without express consent.

**Holding**

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1. Yes, because the order determined that profits of the petitioner for 1945 were excessive, the petitioner could be “aggrieved” by that order, and it filed the petition with the Tax Court which thus acquired jurisdiction to determine de novo the amount, if any, of the excessive profits of the petitioner for 1945. Once an order has been entered determining that the profits of the petitioner were excessive and notice given, the Tax Court has jurisdiction to determine the excessive profits, if any, of the petitioner for 1945.

**Court’s Reasoning**

The court reasoned that Ohmer Corporation was clearly the entity being renegotiated, despite the awkward designation in the notice. The court emphasized that the statute does not mandate a specific notice format, and any defect was waived by Ohmer Corporation filing a petition that did not initially question the notice. The court stated that “the regulations allow the sender some leeway as to the form of the notice. Here the notice was effective and any defect was waived by the filing of the original petition which in no way questioned the notice.” The Tax Court focused on the fact that a determination order was issued against Ohmer Corporation, and it had the opportunity to challenge that determination de novo in the Tax Court. The court also noted that the renegotiation was conducted on a consolidated basis. It found that despite issues with the notice, lack of signature, and the designation “Ohmer Register Company – and Ohmer Corporation, Successor” that these omissions did not prevent the Tax Court from acquiring jurisdiction.

**Practical Implications**

This case clarifies that technical defects in the renegotiation process do not automatically strip the Tax Court of jurisdiction. The key is whether the affected party received notice of the determination of excessive profits and has the opportunity to challenge that determination in court. This ruling emphasizes the importance of focusing on the substance of the renegotiation process rather than getting caught up in minor procedural errors. It provides some flexibility to government agencies in the renegotiation process, preventing parties from escaping liability based on trivial defects. Later cases would likely distinguish this ruling if there was a complete lack of notice or a fundamental denial of due process.

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