Estate of Williams, 20 T.C. 572 (1953)

A tax deficiency notice is valid if mailed to the taxpayer's "last known address," which is the address the IRS reasonably believes the taxpayer wants them to use, even if the taxpayer has moved or the IRS has other information.

Summary

The Estate of Williams contested a tax deficiency notice, arguing it was not sent to the decedent's "last known address" as required by the Internal Revenue Code. The IRS had sent the notice to an address provided in waivers signed by the decedent, even though the estate claimed the IRS was aware of the decedent's home address. The Tax Court held that the address on the waivers constituted the "last known address" because the IRS was entitled to rely on the address provided by the taxpayer in official documents, and the notice was valid. The court emphasized the importance of clear and consistent communication from taxpayers to the IRS regarding their address for tax purposes.

Facts

The IRS sent a notice of tax deficiency to 1680 Broadway based on the address listed on waivers signed by the taxpayer. The estate argued the IRS knew the decedent's home address and that the Broadway address was no longer correct. The taxpayer's testimony regarding the agent's knowledge of the home address was uncertain and contradicted by the agent. The IRS contended that the Broadway address was the last known address. The court found as a fact that the waivers carried the 1680 Broadway address when mailed. The IRS was able to locate the taxpayer by phone at their home address after the deficiency notice was returned.

Procedural History

The case was heard in the United States Tax Court. The IRS moved to dismiss the petition. The Tax Court granted the IRS's motion to dismiss.

Issue(s)

1. Whether the notice of deficiency was mailed to the taxpayer's "last known address" under Section 272(k) of the Internal Revenue Code of 1939.

2. Whether the Tax Court had jurisdiction.

Holding

1. No, because the address on the waiver was considered the last known address.

2. Yes, because the petition was filed outside the 90-day window allowed.

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Court’s Reasoning

The court reasoned that the “last known address” is the address to which the IRS, believing it to be correct, sends a notice of deficiency. It is the address the IRS is reasonably led to believe is the taxpayer’s current address, based on the information available to the IRS at the time the notice is sent. The court cited prior cases, like Marjorie F. Birnie, where notices were deemed valid when sent to an address provided in waivers or on tax returns. The fact that the IRS might have later obtained a different address through other means does not invalidate the notice. The Court held that the address listed on the waivers constituted the

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