Rappaport v. Commissioner, 55 T. C. 709 (1971)

A postmark is required for a document to be considered timely filed under IRC Section 7502, even if it was deposited in the mail within the prescribed period.

Summary

In Rappaport v. Commissioner, the U. S. Tax Court ruled that a petition deposited in the mail on the last day of the 90-day filing period was not timely filed because it lacked a postmark. The court held that the absence of a postmark made evidence regarding when the document would have been postmarked irrelevant, emphasizing the necessity of a postmark for the application of IRC Section 7502. This decision underscores the importance of ensuring proper mailing procedures when filing documents to avoid jurisdictional issues.

Facts

Jacob L. Rappaport received a statutory notice of deficiency from the IRS on January 23, 1970. He deposited a petition challenging the deficiency in the Grand Central Post Office in New York at 7:30 p. m. on April 23, 1970, the 90th day after receiving the notice. The envelope was properly addressed with sufficient postage but lacked a postmark. The petition was not received by the Tax Court until after the 90-day period had expired.

Procedural History

The Commissioner of Internal Revenue moved to dismiss Rappaport's petition for lack of jurisdiction due to untimely filing. The U. S. Tax Court considered whether evidence of when the envelope would have been postmarked was admissible and whether the absence of a postmark affected the timeliness of the filing under IRC Section 7502.

Issue(s)

1. Whether the absence of a postmark on the envelope containing the petition renders evidence of when it would have been postmarked inadmissible under IRC Section 7502.
2. Whether the petition was timely filed despite the lack of a postmark.

Holding

1. Yes, because the requirement of a postmark is essential for the application of IRC Section 7502, evidence regarding the hypothetical postmarking time is irrelevant and inadmissible.
2. No, because the petition was not postmarked, it was not considered timely filed under IRC Section 7502, and the court lacked jurisdiction to hear the case.

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Court’s Reasoning

The court relied on IRC Section 7502, which states that the date of the U. S. postmark on the envelope is considered the date of delivery for timely filing. The court emphasized previous rulings in Madison and Wood, which established that a postmark is necessary for the application of Section 7502. The court distinguished cases involving illegible postmarks, where evidence of mailing time was allowed, from the present case where no postmark existed. The court also noted that Rappaport could have used registered or certified mail to ensure timely filing and that he could still seek a refund after paying the deficiency. The decision underscores the risk of non-postmarking falling on the taxpayer.

Practical Implications

This ruling highlights the critical importance of ensuring that documents required for timely filing under IRC Section 7502 bear a postmark. Taxpayers and practitioners must use registered or certified mail to guarantee a postmark, especially when filing near deadlines. The decision reinforces the strict interpretation of filing requirements and may affect how taxpayers approach filing deadlines, emphasizing the need for meticulous attention to mailing procedures. Subsequent cases, such as Skolski and Molosh, have further clarified the evidentiary standards for postmarks, but Rappaport remains a cornerstone for understanding the necessity of a postmark for timely filing.

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