Clodfelter v. Commissioner, 57 T. C. 102 (1971)

A notice of deficiency is valid if mailed to the taxpayer's last known address, even if that address contains minor errors, as long as the taxpayer receives it in time to file a timely petition.

Summary

In Clodfelter v. Commissioner, the U. S. Tax Court held that a notice of deficiency was validly mailed to the taxpayers' last known address despite a minor error in the street number. Floyd and Enna Clodfelter challenged the notice's validity, arguing the address was incorrect. The IRS had obtained the address from the taxpayers' attorney, and it was used successfully for prior communications. The court ruled that the notice, received timely by the Clodfelters, satisfied the requirement of being mailed to the last known address under IRC § 6212(b)(1), emphasizing the statute's purpose of ensuring taxpayers receive notice to contest deficiencies.

Facts

Floyd and Enna Clodfelter moved from Seattle to Long Beach, California, in August 1968. Their attorney, Warren V. Clodfelter, informed an IRS revenue officer of their new address as 3020 Beverly Plaza, Long Beach. This address was incorrect; the correct address was 2050 Beverly Plaza. The IRS used the 3020 address to mail a notice of deficiency on December 31, 1968, which the Clodfelters received upon returning from a holiday trip on January 9, 1969. They filed a timely petition for redetermination with the U. S. Tax Court.

Procedural History

The Clodfelters filed a motion to dismiss for lack of jurisdiction, arguing the notice of deficiency was not properly mailed to their last known address. The U. S. Tax Court considered the motion and determined that the notice was validly mailed, denying the motion to dismiss.

Issue(s)

1. Whether a notice of deficiency mailed to an incorrect street number, but to the correct city and zip code, constitutes mailing to the taxpayer's "last known address" under IRC § 6212(b)(1).

Holding

1. Yes, because the notice was mailed to the address provided by the taxpayers' attorney, which was used successfully in prior IRS communications, and the taxpayers received the notice in time to file a timely petition.

Court's Reasoning

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The court interpreted IRC § 6212(b)(1) to require mailing to the taxpayer's last known address to ensure the taxpayer receives notice of the deficiency. The court found that the IRS's use of the 3020 Beverly Plaza address, provided by the taxpayers' attorney and used in prior communications, satisfied this requirement. The court emphasized that the purpose of the statute is to inform the taxpayer of the deficiency and allow time to file a petition. The minor error in the street number did not prejudice the taxpayers, as they received the notice and filed a timely petition. The court cited prior cases where inconsequential errors in addressing did not invalidate the notice, reinforcing its decision.

Practical Implications

This decision clarifies that minor errors in the address on a notice of deficiency do not automatically invalidate it, provided the taxpayer receives it in time to file a petition. For legal practitioners, this means that when representing taxpayers in tax disputes, they should ensure the IRS has the most current and accurate address for their clients. For the IRS, it reinforces the practice of using addresses provided by reliable sources, such as attorneys, and underscores the importance of ensuring effective communication with taxpayers. This ruling has been cited in subsequent cases to support the principle that the focus should be on whether the taxpayer received actual notice, rather than strictly on the accuracy of the address used.

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