Budlong v. Commissioner, 58 T. C. 850 (1972)

The 'last known address' for mailing a tax deficiency notice is the address most recently provided to the IRS in a clear and concise manner for the relevant tax year.

Summary

In Budlong v. Commissioner, the Tax Court dismissed the petitioners' case for lack of jurisdiction because their petition for redetermination of a 1968 tax deficiency was not filed within 90 days of the notice's mailing. The IRS had sent the notice to the petitioners' last known address from their 1968 tax return, despite the petitioners having moved twice since then. The court held that filing a subsequent year's return at a new address did not constitute sufficient notification to the IRS of an address change for the year in question. This case underscores the importance of clearly notifying the IRS of address changes to ensure timely receipt of deficiency notices.

Facts

Culver M. Budlong and Rosemary P. Budlong filed their 1968 tax return listing their address as 1617 Pershing Avenue, Louisville, Kentucky. They moved to 31 Somerset Street, Withersfield, Connecticut, and notified the Louisville IRS office of this change on May 14, 1969. They then moved again to 11 Winding Lane, Enfield, Connecticut, before filing their 1969 tax return with the IRS North-Atlantic Service Center in Andover, Massachusetts, on or before April 15, 1970, showing their new Enfield address. On May 5, 1970, the IRS mailed a deficiency notice for the 1968 tax year to the Withersfield address. The Budlongs received the notice no later than June 8, 1970, but did not file their petition for redetermination until September 24, 1970, well after the 90-day deadline.

Procedural History

The Commissioner of Internal Revenue determined a deficiency in the Budlongs' 1968 income taxes and issued a notice of deficiency. The Budlongs filed a petition for redetermination in the U. S. Tax Court. The Commissioner moved to dismiss the case for lack of jurisdiction due to the untimely filing of the petition. The Tax Court granted the Commissioner's motion to dismiss.

Issue(s)

1. Whether filing a subsequent year's tax return at a new address constitutes sufficient notification to the IRS of an address change for the purpose of mailing a deficiency notice for a prior tax year?

Holding

1. No, because the filing of a subsequent year's return does not serve as clear and

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concise notification of an address change for the year in question. The IRS complied with the law by mailing the deficiency notice to the petitioners' last known address as of the date of mailing.

Court's Reasoning

The Tax Court reasoned that the IRS had complied with section 6212(b)(1) of the Internal Revenue Code by mailing the deficiency notice to the petitioners' last known address at the time of mailing, which was the Withersfield address. The court emphasized that the 'last known address' is the address most recently provided to the IRS in a clear and concise manner for the relevant tax year. The Budlongs' filing of their 1969 return at the Enfield address did not constitute sufficient notification of an address change for the 1968 tax year, as the North-Atlantic Service Center does not handle deficiency notices. The court cited previous cases to support its interpretation of 'last known address' and stressed the importance of timely filing petitions within 90 days of receiving a deficiency notice, a requirement that is jurisdictional.

Practical Implications

This decision clarifies that taxpayers must proactively notify the IRS of address changes in a clear and concise manner for each relevant tax year to ensure proper receipt of deficiency notices. Legal practitioners should advise clients to update their addresses directly with the district director's office to avoid jurisdictional issues. The ruling impacts how taxpayers and their representatives should manage communications with the IRS, particularly in cases of multiple moves. Subsequent cases have cited Budlong when addressing similar issues of notification and jurisdiction. The decision also highlights the procedural importance of timely filing in tax disputes, reinforcing that failure to meet statutory deadlines can result in dismissal for lack of jurisdiction.

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