Traxler v. Commissioner, 63 T. C. 534 (1975)

The date of mailing of a tax deficiency notice for purposes of section 6213(a) is determined by the postmark on the postal receipt for certified mail (Form 3877) when the envelope lacks a proper postmark.

Summary

In Traxler v. Commissioner, the U. S. Tax Court addressed the issue of determining the mailing date of a deficiency notice for tax purposes. The case focused on whether a line date stamp on an envelope constituted a postmark. The Court ruled that such stamps are not postmarks, and thus the mailing date should be based on the postmark on the certified mail receipt, Form 3877. This decision impacted the timeliness of the petitioners' response, leading to the dismissal of their case for lack of jurisdiction due to late filing.

Facts

The Internal Revenue Service mailed a statutory notice of deficiency to Duane M. and Marion C. Traxler via certified mail. The envelope was stamped with two line date stamps of "March 31, 1973" by the Clearwater, Florida Post Office. The IRS's certified mail receipt (Form 3877) was postmarked March 29, 1973. The Traxlers filed their petition on June 28, 1973, which they believed was within the 90-day period from the line date stamp on the envelope.

Procedural History

The case initially came before the U. S. Tax Court when the IRS moved to dismiss for lack of jurisdiction, arguing the petition was filed late. The Court initially denied the motion, assuming the line date stamps on the envelope were postmarks. Upon reconsideration and additional evidence regarding the nature of the stamps, the Court revisited the decision.

Issue(s)

1. Whether a line date stamp on an envelope constitutes a postmark for determining the mailing date of a deficiency notice under section 6213(a)?
2. If not, what date determines the mailing of the deficiency notice for the purpose of the 90-day filing period?

Holding

1. No, because a line date stamp is for internal postal control and does not meet the criteria for a postmark.
2. No, because the date of mailing is determined by the postmark on the certified mail receipt (Form 3877), which in this case was March 29, 1973, making the petition untimely when filed on June 28, 1973.

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Court’s Reasoning

The Court distinguished between a postmark and a line date stamp, stating that a postmark must include the name of the Post Office or the U. S. Postal Service along with the date, as per postal regulations. The line date stamps on the envelope were deemed insufficient for determining the mailing date. The Court cited the Postal Manual to support its interpretation of what constitutes a postmark. The Court also noted the unfortunate reliance by the petitioners on the line date stamps but held that the correct date of mailing was that on the certified mail receipt, resulting in the petition being filed on the 91st day after mailing, thus outside the statutory period.

Practical Implications

This decision clarifies that for tax deficiency notices, the date of mailing is determined by the postmark on the certified mail receipt when the envelope lacks a proper postmark. Practitioners and taxpayers must verify the certified mail receipt’s postmark to ensure timely filing of petitions. This ruling impacts how similar cases should be approached, emphasizing the importance of the certified mail receipt in disputes over the timeliness of tax court petitions. It also underscores the need for clear communication from the IRS about what constitutes a valid postmark for legal purposes.

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