Greenberg v. Commissioner, 73 T. C. 806 (1980)

Deductions based on moral objections to the use of taxes for war are not allowable under the tax code.

Summary

Charles S. Greenberg contested tax deficiencies for 1975 and 1976, claiming deductions for his moral objections to war. He argued these deductions were an "alternative payment" akin to conscientious objection under Selective Service laws. The Tax Court rejected these claims, affirming that no legal basis exists for such deductions, and awarded damages under section 6673 for repeatedly filing frivolous claims. The decision underscores that moral objections do not override tax obligations, and repeated frivolous litigation can incur penalties.

Facts

Charles S. Greenberg, a resident of Norristown, Pennsylvania, filed federal income tax returns for 1975 and 1976, claiming deductions of $7,090 and $9,678, respectively, as a "Health, Education and Welfare" (HEW) deduction. He argued these deductions were necessary to prevent his taxes from being used for military purposes, which conflicted with his moral beliefs as a conscientious objector to war. Greenberg had previously filed similar petitions in 1975 and 1977, which were denied by the Tax Court.

Procedural History

In 1975, Greenberg filed a petition contesting a 1973 tax deficiency based on similar moral objections, which the Tax Court rejected. In 1977, as guardian for his minor son, he filed another petition contesting a 1975 tax deficiency, which was also denied. In the present case, filed in 1978, the Tax Court granted the Commissioner's motion for judgment on the pleadings and awarded damages under section 6673 for frivolous litigation.

Issue(s)

1. Whether Greenberg may deduct amounts claimed as an HEW deduction due to his conscientious objection to the payment of federal income taxes for war purposes.
2. Whether Greenberg is liable for damages under section 6673 for instituting proceedings merely for delay.

Holding

1. No, because deductions are a matter of legislative grace and no statutory provision allows for such deductions based on moral objections.
2. Yes, because Greenberg repeatedly filed frivolous claims with full knowledge that they were without merit, indicating an intent to delay.

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Court’s Reasoning

The court applied the principle that deductions are only allowable if Congress has provided for them. Greenberg failed to show any statutory basis for his HEW deductions. The court cited a long line of cases rejecting similar claims based on moral objections to war, emphasizing that such objections do not override tax obligations. The court also rejected Greenberg’s argument for “alternative payment,” noting that Congress has not authorized such a practice for taxes as it has for military service. Regarding damages, the court found Greenberg’s repeated filings, despite prior denials, constituted proceedings instituted merely for delay, as per section 6673. The court noted that while Greenberg’s motive may have been protest, his actions were also intended to delay tax payment, as evidenced by his knowledge of the groundless nature of his claims.

Practical Implications

This decision reinforces that moral or ethical objections to government policies do not provide a basis for tax deductions. Taxpayers cannot unilaterally decide to redirect their tax payments based on personal beliefs. The ruling also serves as a warning against frivolous litigation, highlighting that repeated filing of meritless claims can lead to penalties under section 6673. Practitioners should advise clients that the tax system does not accommodate individual objections to government spending. This case has been cited in subsequent cases to support the denial of similar tax protestor arguments and the imposition of penalties for frivolous litigation.

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