Brown v. Commissioner, 78 T. C. 215 (1982)

A notice of deficiency sent to an APO address is considered addressed outside the U. S. , entitling taxpayers to a 150-day filing period if the military post office is located abroad.

Summary

The Browns, who were working in Saudi Arabia, had their tax deficiency notice sent to an APO address in New York, which corresponded to a military post office in Saudi Arabia. The U. S. Tax Court ruled that this APO address was considered outside the U. S. , granting the Browns 150 days to file a petition, rather than the standard 90 days. The court also clarified that a taxpayer's 'last known address' is the one most recently communicated to the IRS, and jurisdiction can be questioned at any time.

Facts

Henry and Barbara Brown were working in Saudi Arabia and requested that all future IRS correspondence be sent to their APO address in New York. The IRS sent them a notice of deficiency for the 1978 tax year to this address. The Browns received the notice and, after attempting to resolve the issue administratively, filed a petition with the U. S. Tax Court 145 days after the notice was sent.

Procedural History

The Commissioner filed a motion to dismiss for lack of jurisdiction, arguing the petition was untimely. The Tax Court denied the motion, holding that the Browns were entitled to the extended 150-day filing period because the APO address was considered outside the U. S.

Issue(s)

1. Whether the IRS's motion to dismiss for lack of jurisdiction was timely under Rule 36(a).
2. Whether the notice of deficiency was mailed to the Browns at their 'last known address' under IRC § 6212(b)(1).
3. Whether the notice of deficiency addressed to an APO in New York entitled the Browns to a 150-day filing period under IRC § 6213(a).

Holding

1. No, because jurisdiction can be questioned at any time by either party or the court.
2. Yes, because the APO address was the last address the Browns communicated to the IRS.
3. Yes, because the APO address corresponded to a military post office in Saudi

© 2025 SCOTUSreports.com. All rights reserved.

Arabia, outside the U. S.

Court's Reasoning

The court reasoned that the IRS's motion to dismiss was not barred by Rule 36(a) because jurisdiction can be raised at any time. The 'last known address' was determined to be the APO address based on the Browns' clear instruction to the IRS. The court rejected a mechanical approach to interpreting IRC § 6213(a), focusing instead on the intended destination of the notice, which was the military post office in Saudi Arabia, not the gateway post office in New York. The court also considered Congressional intent to provide additional time for taxpayers in remote locations and the policy of facilitating access to the Tax Court.

Practical Implications

This decision clarifies that an APO or FPO address is considered outside the U. S. for tax purposes if it corresponds to a military post office located abroad, thus extending the filing period to 150 days. Taxpayers and practitioners should ensure that the IRS has the most current address on file, as this will be considered the 'last known address'. The ruling also reinforces that jurisdiction can be challenged at any stage of a case. Subsequent cases have relied on this decision when dealing with similar issues of address and filing deadlines.

© 2025 SCOTUSreports.com. All rights reserved.