

## ***Mollet v. Commissioner, 82 T. C. 618 (1984)***

A taxpayer must provide clear and concise notification of an address change to the IRS to ensure deficiency notices are sent to the correct address.

### **Summary**

In *Mollet v. Commissioner*, the Tax Court ruled that Merlin Mollet failed to properly notify the IRS of his address change from Minnesota to Florida before the issuance of a statutory notice of deficiency for tax years 1978 and 1979. Mollet argued that the IRS should have been aware of his new address through oral communications, subsequent tax returns, and a petition filed in another case. However, the court found that Mollet did not provide clear and concise notification as required by law. The court dismissed Mollet's petition for lack of jurisdiction due to its late filing, emphasizing the importance of taxpayers ensuring the IRS has their correct address to receive timely deficiency notices.

### **Facts**

Merlin Mollet, a commercial airline pilot based in Minnesota, owned a horse breeding operation in Farmington, Minnesota. He filed his 1976-1979 tax returns using his Minnesota address. In early 1979, the IRS began auditing Mollet's 1976 and 1977 returns. During this period, Mollet discussed selling his Minnesota farm and moving his operation to Florida with IRS agents. In December 1981, the IRS issued a deficiency notice for 1976 and 1977 to Mollet's Minnesota address. Mollet timely filed a petition in another case, claiming Florida residency. In September 1982, the IRS issued a deficiency notice for 1978 and 1979 to the same Minnesota address, which Mollet did not receive until after the 90-day filing period had expired.

### **Procedural History**

The IRS issued a statutory notice of deficiency to Mollet's Minnesota address on September 15, 1982, for tax years 1978 and 1979. Mollet filed a petition with the U. S. Tax Court on February 18, 1983, alleging that the notice was not sent to his last known address in Florida. The IRS moved to dismiss the case for lack of jurisdiction due to the late filing of the petition. Mollet filed a cross-motion to dismiss, arguing that the notice was not sent to his last known address.

### **Issue(s)**

1. Whether Mollet provided clear and concise notification to the IRS of his change of address to Florida prior to the issuance of the statutory notice of deficiency for 1978 and 1979.
2. Whether the Tax Court has jurisdiction over Mollet's petition filed after the 90-day statutory period.

## **Holding**

1. No, because Mollet failed to prove that he gave the IRS clear and concise notification of his address change through oral communications, subsequent tax returns, or his petition in another case.
2. No, because Mollet's petition was filed after the 90-day statutory period, and the court lacked jurisdiction.

## **Court's Reasoning**

The court applied the legal rule that a taxpayer's "last known address" is the address to which the IRS reasonably believed the taxpayer wished notices to be sent. The court emphasized that taxpayers must provide clear and concise notification of address changes to the IRS. Mollet's oral communications to IRS agents about moving to Florida were not substantiated by the agents' records or testimony. The court held that filing tax returns for subsequent years at a new address does not automatically notify the IRS of an address change for prior years under audit. Additionally, the court ruled that Mollet's petition in another case, claiming Florida residency, did not constitute clear notification to the IRS of an address change for the years in question. The court noted that the IRS's collection division's knowledge of Mollet's Florida address after the deficiency notice was issued was irrelevant to the audit division's knowledge at the time of issuance. The court concluded that the IRS properly mailed the deficiency notice to Mollet's last known address in Minnesota, and dismissed Mollet's petition for lack of jurisdiction due to its untimely filing.

## **Practical Implications**

This decision underscores the importance of taxpayers ensuring the IRS has their correct address to receive timely deficiency notices. Practitioners should advise clients to provide written notification of address changes directly to the IRS office handling their case. The ruling clarifies that oral communications, subsequent tax returns, or petitions in unrelated cases are insufficient to notify the IRS of an address change for deficiency notices. Attorneys should be aware that different IRS divisions may not share information, and that knowledge of an address change by one division does not necessarily impute to another. This case may be cited in future disputes over the validity of deficiency notices and the timeliness of petitions based on alleged improper notification of address changes.