

## ***Yusko v. Commissioner, 89 T. C. 806 (1987)***

The date the IRS posts a taxpayer's address change to its computer records, not the date the return is received, determines the last known address for deficiency notice purposes.

### **Summary**

In *Yusko v. Commissioner*, the court addressed whether the IRS had properly mailed a deficiency notice to the taxpayer's last known address. The IRS sent the notice to the address on the taxpayer's 1982 return, despite the taxpayer filing a 1983 return with a new address before the notice was issued. The court held that the IRS's last known address was the one on its computer records at the time of mailing, which was the 1982 address. Additionally, the court found that a minor error in the address did not invalidate the notice, as it was still delivered to the intended post office box. This decision clarifies the timing and criteria for establishing a taxpayer's last known address for deficiency notices.

### **Facts**

Gary J. Yusko filed his 1980 tax return listing an Ohio address. His 1981 and 1982 returns listed a Caracas, Venezuela address. On or about April 6, 1984, Yusko filed his 1983 return showing a new address in Van Nuys, California. The IRS received this return at the Fresno Service Center on the same day, but it was forwarded to the Philadelphia Service Center for processing due to the inclusion of Form 2555. The IRS posted the new address to its computer records on May 20, 1984. On April 10, 1984, the IRS issued a notice of deficiency for the 1980 tax year to the Caracas address listed on the 1982 return, with a minor error in the address. The notice was delivered to the correct post office box in Caracas.

### **Procedural History**

The IRS issued a notice of deficiency on April 10, 1984, for the 1980 tax year. Yusko filed a petition with the Tax Court on July 21, 1986, more than two years after the notice was issued. The IRS moved to dismiss for lack of jurisdiction, arguing that the notice was sent to Yusko's last known address. The Tax Court heard the case and granted the IRS's motion to dismiss.

### **Issue(s)**

1. Whether the date the IRS received a taxpayer's return or the date the IRS posted the information to its computer records determines the taxpayer's last known address for deficiency notice purposes.
2. Whether a minor error in the address on a deficiency notice invalidates the notice if it is still delivered to the correct post office box.

### **Holding**

1. No, because the date the IRS posts the information to its computer records, not the date of receipt, establishes the last known address.
2. No, because inconsequential errors in addressing a notice of deficiency do not destroy its validity if it is delivered to the intended address.

### **Court's Reasoning**

The court reasoned that the IRS's last known address is the one on its computer records at the time of mailing the deficiency notice. The court cited prior cases, such as *Soria v. Commissioner* and *Singer v. Commissioner*, to support this rule. The court found that the IRS did not unreasonably delay in processing Yusko's 1983 return or updating its records. Regarding the address error, the court held that the notice was valid because it was delivered to the correct post office box in Caracas, despite the minor error. The court emphasized that a notice is valid if mailed to the last known address, even if the taxpayer does not receive it, and that minor errors do not invalidate the notice if it reaches the intended location.

### **Practical Implications**

This decision clarifies that the IRS's computer records, rather than the date of receipt, determine a taxpayer's last known address for deficiency notice purposes. Taxpayers should be aware that filing a return with a new address does not immediately update their last known address with the IRS. Practitioners should advise clients to confirm that the IRS has updated its records after filing returns with new addresses. The ruling also reinforces that minor errors in addressing deficiency notices do not invalidate them if they are delivered to the correct location. This case may influence how the IRS processes and tracks address changes and how taxpayers and practitioners handle communications with the IRS regarding deficiency notices.