***Weird v. Commissioner, 92 T. C. 28 (1989)***

The IRS has a reasonable period to update its records after receiving a taxpayer's change of address notification before it must use the new address for notices of deficiency.

**Summary**

In Weird v. Commissioner, the Tax Court addressed whether the IRS sent a notice of deficiency to the taxpayer's last known address. Gerald Weird notified the IRS of his address change on November 6, 1986, but the notice of deficiency was sent to his old address on November 20, 1986. The court held that the IRS had not yet updated its national computer system with the new address, thus the old address was still the last known address. The court granted the IRS's motion to vacate the dismissal and ultimately dismissed the case for lack of jurisdiction due to the untimely petition.

**Facts**

Gerald Weird moved from Houston to Kingwood, Texas, on October 31, 1986, and notified the IRS of his new address on November 6, 1986. The IRS acknowledged receipt of the change of address on November 18, 1986. On November 20, 1986, the IRS mailed a notice of deficiency for the 1981 tax year to Weird's old Houston address. Weird filed a petition with the Tax Court on May 25, 1988, alleging the notice was not sent to his last known address and requesting dismissal for lack of jurisdiction. The IRS moved to vacate the initial dismissal order, claiming it was unaware of Weird's motion to dismiss.

**Procedural History**

Weird filed a petition and a motion to dismiss for lack of jurisdiction on May 25, 1988. The Tax Court issued an order of dismissal for lack of jurisdiction on June 30, 1988, due to the IRS's failure to object. The IRS moved to vacate the dismissal on July 22, 1988, which the court granted, finding the IRS's failure to object was due to inadvertence. The court then addressed the jurisdictional issue, ultimately dismissing the case for lack of jurisdiction on the grounds that the petition was untimely.

**Issue(s)**

1. Whether the IRS's motion to vacate the dismissal order should be granted.
2. Whether the notice of deficiency was sent to Weird's last known address.
3. Whether Weird's petition was timely filed.

**Holding**

1. Yes, because the IRS's failure to object to Weird's motion was due to inadvertence and the motion to vacate was expeditiously made.

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2. Yes, because the IRS had not yet updated its national computer system with Weird's new address, making the old address the last known address at the time the notice was sent.
3. No, because the petition was not filed within the time required by section 6213(a) after the notice of deficiency was mailed to the last known address.

**Court's Reasoning**

The court reasoned that the IRS should be given a reasonable period to process a change of address before it becomes the last known address for purposes of sending a notice of deficiency. The court cited Yusko v. Commissioner, which held that the date of notice is when the information is posted to the IRS's computer system, not when received. The court found the IRS acted with reasonable diligence as the notice was sent only two weeks after Weird's notification and less than two weeks after the initial computer input. The court also noted that the IRS's records did not show the notice was returned as undelivered, supporting the conclusion that the old address was still valid. The court emphasized policy considerations, such as the administrative burden of immediately updating millions of records, and the need for clear notification to the relevant IRS office.

**Practical Implications**

This decision clarifies that taxpayers must allow the IRS a reasonable period to update its records after a change of address notification. Practitioners should advise clients to confirm their new address is reflected in the IRS's system before expecting notices to be sent there. The ruling impacts how tax professionals handle address changes and underscores the importance of timely filing petitions, as the court will not dismiss cases lightly on procedural grounds if the IRS shows due diligence. Subsequent cases, such as Abeles v. Commissioner, have built on this principle, further defining the concept of last known address.

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