Coleman v. Commissioner, 94 T. C. 82 (1990)

A notice of deficiency is considered timely mailed if the IRS can prove it was delivered to the post office by the statutory deadline, even without full compliance with mailing procedures.

Summary

In Coleman v. Commissioner, the IRS sent a tax deficiency notice to the Colemans on the last day of the statutory period. The notice's timely mailing was disputed due to an incomplete Postal Service Form 3877. The Tax Court held that the IRS met its burden of proving timely mailing by presenting evidence of its regular mailing practices, the incomplete Form 3877, and delivery dates of related notices. This decision underscores that the IRS can establish timely mailing even without strict adherence to its mailing procedures, impacting how tax deficiency notices are handled and challenged.

Facts

Philip and Geraldine Coleman contested the timeliness of an IRS notice of deficiency mailed on October 31, 1985, the last day of the statutory period for assessment. The IRS used a Form 3877 to document the mailing, but this form lacked a postal cancellation stamp and employee initials. However, the forms immediately before and after the one in question were properly stamped and initialed, indicating a mailing date of October 31, 1985. The Colemans received the notice after the statutory period, raising doubts about its timely mailing.

Procedural History

The Colemans filed a petition in the U. S. Tax Court challenging the notice's timeliness. The court initially denied their motion for partial summary judgment and ordered a separate trial on the limitation period issue. After considering the evidence, the Tax Court ruled in favor of the IRS, finding that the notice was timely mailed.

Issue(s)

1. Whether the IRS timely mailed the notice of deficiency to the Colemans on October 31, 1985?

Holding

1. Yes, because the IRS presented sufficient evidence of its regular mailing practices, an incomplete Form 3877, and corroborative evidence from related mailings to prove timely delivery to the post office on October 31, 1985.

Court's Reasoning

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The Tax Court analyzed the evidence presented by the IRS, which included testimony on its mailing procedures, the incomplete Form 3877, and delivery dates of notices listed on contiguous forms. The court noted that while the IRS did not strictly comply with its mailing procedures, it still met its burden of production by showing that the notice was delivered to the post office on the statutory deadline. The court rejected the Colemans' arguments that the erratic delivery dates of related notices indicated irregular mailing, finding them inconclusive. The court also declined to impose taxpayer mailing requirements on the IRS and dismissed the relevance of the IRS's destruction of annotated lists to the mailing date. The court's decision was influenced by policy considerations to uphold the integrity of the tax system and ensure timely assessment and collection of taxes.

Practical Implications

This ruling affects how the IRS proves timely mailing of deficiency notices and how taxpayers can challenge them. It establishes that the IRS can meet its burden of proof without full compliance with its mailing procedures, provided it can show regular practices and corroborative evidence. Practitioners should be aware that incomplete mailing documentation does not automatically invalidate a notice if other evidence supports timely mailing. This decision may influence future cases where mailing procedures are disputed, emphasizing the importance of the IRS's burden of production in such instances. It also highlights the need for taxpayers to present strong evidence of untimely mailing to successfully challenge a notice.

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