***Moore v. Commissioner, 114 T. C. 171 (2000)***

The U. S. Tax Court lacks jurisdiction to review administrative appeals related to collection actions for penalties under Section 6672.

**Summary**

Janet Moore, an officer of a bankrupt corporation, was held liable for unpaid trust fund taxes under Section 6672. After the IRS rejected her settlement offer and proposed a collection amount, Moore petitioned the Tax Court to review the administrative determination. The court dismissed her petition, holding that it lacked jurisdiction over Section 6672 penalties and, consequently, over the related administrative appeal. This ruling emphasized the limited scope of the Tax Court's jurisdiction in collection matters and directed Moore to seek review in a district court or the Court of Federal Claims.

**Facts**

Janet Moore served as an officer of Atlas Elevator Company, which failed to pay over Federal trust fund taxes for the periods ending March 31, 1994, and June 30, 1995. The IRS determined Moore was a responsible person liable for a penalty under Section 6672 equal to the unpaid taxes. After initiating collection action, the IRS's Boston Appeals Office issued a notice of determination on September 2, 1999, rejecting Moore's settlement offer and proposing a monthly collection of $1,424. Moore filed a petition with the Tax Court on September 30, 1999, seeking review of the IRS's determination.

**Procedural History**

Moore filed a petition with the Tax Court to review the IRS's determination notice. The IRS moved to dismiss the case for lack of jurisdiction. The Tax Court, adopting the opinion of Chief Special Trial Judge Peter J. Panuthos, granted the IRS's motion to dismiss, stating that it lacked jurisdiction over the underlying Section 6672 penalty and, therefore, could not review the administrative determination.

**Issue(s)**

1. Whether the Tax Court has jurisdiction to review an administrative determination under Section 6320 or Section 6330 when the underlying tax liability involves a Section 6672 penalty?

**Holding**

1. No, because the Tax Court lacks jurisdiction over penalties imposed under Section 6672, it also lacks jurisdiction to review administrative determinations related to the collection of such penalties.

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## Court’s Reasoning

The Tax Court’s jurisdiction to review administrative determinations regarding collection actions is limited to cases where it has deficiency jurisdiction over the underlying taxes. Sections 6320 and 6330, enacted by the IRS Restructuring and Reform Act of 1998, provide taxpayers with due process rights in collection matters but do not extend the Tax Court’s jurisdiction to include Section 6672 penalties. The court emphasized that it is a court of limited jurisdiction, only able to act within the scope authorized by Congress. As Section 6672 penalties fall outside the Tax Court’s normal deficiency jurisdiction, it cannot review administrative determinations related to their collection. The court cited Section 6672(c)(2), which specifies that district courts or the Court of Federal Claims have jurisdiction over such penalties. The court’s decision was supported by the case of Henry Randolph Consulting v. Commissioner, which clarified the Tax Court’s jurisdictional limits.

## Practical Implications

This decision clarifies that taxpayers contesting IRS collection actions for Section 6672 penalties must seek judicial review in district courts or the Court of Federal Claims rather than the Tax Court. It underscores the importance of understanding the jurisdictional boundaries of different courts in tax matters. Practitioners should advise clients facing similar situations to file appeals in the appropriate courts within 30 days of an adverse administrative determination. This ruling also highlights the limited expansion of Tax Court jurisdiction under the IRS Restructuring and Reform Act of 1998, impacting how attorneys approach collection disputes involving trust fund recovery penalties.

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