Moorhous v. Commissioner, 117 T. C. 290 (2001)

In Moorhous v. Commissioner, the U. S. Tax Court ruled it lacked jurisdiction over Dudley Moorhous's appeal due to his failure to timely request a collection hearing under IRC section 6330. The decision clarifies that the IRS can issue separate notices of intent to levy to spouses filing joint returns and that untimely requests for hearings result in equivalent hearings without judicial review rights. This ruling impacts how taxpayers must respond to IRS collection notices to preserve their right to judicial review.

Parties

Petitioners: Dudley Moorhous and Dorothy Moorhous, at the U. S. Tax Court level. Respondent: Commissioner of Internal Revenue.

Facts

On March 16, 1999, the IRS issued a notice of intent to levy to Dudley Moorhous for unpaid tax liabilities for the years 1987 through 1992 and 1997, which he received on March 18, 1999. On April 27, 1999, a separate notice of intent to levy was issued to Dorothy Moorhous for her tax liabilities for the years 1989 through 1992. On May 10, 1999, the Moorhouses jointly requested a collection hearing, which was untimely for Dudley but timely for Dorothy. The IRS provided Dudley with an equivalent hearing, resulting in a decision letter stating the IRS would proceed with collection. Dorothy received a notice of determination after her hearing, which allowed her to appeal to the Tax Court. The Moorhouses filed a joint petition challenging the IRS's actions.

Procedural History

The IRS moved to dismiss for lack of jurisdiction and to strike certain claims regarding Dudley Moorhous and the years 1987, 1988, and 1997. The Tax Court, adopting the opinion of Special Trial Judge Armen, granted the motion, dismissing the case as to Dudley Moorhous and striking the mentioned years from the petition.

Issue(s)

Whether the Tax Court has jurisdiction over Dudley Moorhous's appeal due to his failure to timely request a collection due process hearing under IRC section 6330?

Whether the IRS can issue separate notices of intent to levy to spouses who filed joint returns?

Whether an untimely request for a collection due process hearing can be remedied by an equivalent hearing?

Rule(s) of Law

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IRC section 6330(a) requires the IRS to notify a person in writing of their right to a collection due process (CDP) hearing regarding a notice of intent to levy, which must be requested within 30 days of receiving the notice.

IRC section 6330(d)(1) provides that a taxpayer may appeal to the Tax Court or a Federal District Court within 30 days of the issuance of a notice of determination following a CDP hearing.

IRC section 6013(d) states that if a joint return is made, the tax liability is joint and several, allowing the IRS to pursue collection from either or both spouses.

Holding

The Tax Court held it lacked jurisdiction over Dudley Moorhous's appeal because he failed to timely request a CDP hearing under IRC section 6330. The IRS was permitted to issue separate notices of intent to levy to spouses who filed joint returns, and an untimely request for a CDP hearing does not confer jurisdiction based on an equivalent hearing.

Reasoning

The court's reasoning focused on the strict jurisdictional requirements of IRC section 6330. The court cited *Kennedy v. Commissioner* to affirm that the IRS does not waive the time restrictions by offering an equivalent hearing. The court also relied on *Offiler v. Commissioner* to establish that an equivalent hearing does not qualify as a determination letter under sections 6320 or 6330, thus not conferring jurisdiction on the Tax Court. The court rejected the Moorhouses' argument that the term "person" in section 6330 should include both spouses filing a joint return, emphasizing that the IRS can pursue collection from either spouse under section 6013(d). The court also dismissed the argument that an untimely request could be remedied by an equivalent hearing, as this would undermine the statutory scheme for timely appeals. The court's analysis highlighted the importance of adhering to statutory deadlines and the procedural framework designed to balance taxpayer rights with efficient tax collection.

Disposition

The Tax Court granted the IRS's motion to dismiss for lack of jurisdiction as to Dudley Moorhous and struck all references in the petition to the taxable years 1987, 1988, and 1997.

Significance/Impact

Moorhous v. Commissioner underscores the importance of timely filing a request for a CDP hearing to preserve the right to judicial review. The decision clarifies that the IRS can issue separate notices of intent to levy to spouses filing joint returns, reinforcing the joint and several liability principle under IRC section 6013(d). The

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case has been cited in subsequent rulings to emphasize the strict jurisdictional requirements of section 6330 and the limitations of equivalent hearings. Practically, it serves as a reminder to taxpayers to respond promptly to IRS collection notices to maintain their appeal rights.

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