Brosi v. Commissioner of Internal Revenue, 120 T. C. 5 (United States Tax Court 2003)

In Brosi v. Comm'r, the U. S. Tax Court ruled that a taxpayer's claim for a refund of overpaid 1996 taxes was barred by the statute of limitations under I. R. C. § 6511. Bruce L. Brosi, who had not filed his tax return before receiving a deficiency notice, argued that his caregiving duties for his mother and employment as a pilot constituted a "financial disability" under § 6511(h). The court clarified that only the taxpayer's own severe physical or mental impairment qualifies as a financial disability, rejecting Brosi's claim. This decision underscores the strict application of the statute of limitations in tax refund cases and the specific conditions required for suspension under § 6511(h).

Parties

Bruce L. Brosi, the petitioner, represented himself pro se throughout the litigation. The respondent was the Commissioner of Internal Revenue, represented by Frank A. Falvo.

Facts

During the taxable year 1996, Bruce L. Brosi was employed as an airline pilot for USAir, Inc. He had not filed his 1996 federal income tax return by the time the Commissioner issued a notice of deficiency on February 26, 2001. Brosi's income tax withholdings for 1996 totaled $30,050, which exceeded his tax liability of $21,790, resulting in an overpayment of $8,260. Brosi filed his 1996 return on July 18, 2002, after receiving the notice of deficiency. He claimed a refund of the overpaid amount, arguing that his caregiving responsibilities for his mother and his employment as a pilot constituted a "financial disability" that should have suspended the running of the statute of limitations under I. R. C. § 6511(h).

Procedural History

The Commissioner issued a notice of deficiency to Brosi on February 26, 2001, for the taxable year 1996. Brosi filed a petition with the United States Tax Court on May 22, 2001, seeking redetermination of the deficiency. On July 18, 2002, Brosi filed his 1996 federal income tax return with the Commissioner's Appeals Office. The Commissioner moved for summary judgment, arguing that Brosi's claim for a refund was barred by the statute of limitations under I. R. C. § 6511. Brosi opposed the motion, asserting that the running of the limitations period was suspended under I. R. C. § 6511(h). The Tax Court granted the Commissioner's motion for summary judgment, holding that Brosi's claim for a refund was time-barred.

Issue(s)

Whether the running of the statute of limitations for claiming a refund of overpaid taxes under I. R. C. § 6511 was suspended due to the taxpayer's alleged "financial

© 2025 SCOTUSreports.com. All rights reserved.

disability" under I. R. C. § 6511(h), where the taxpayer's disability was based solely on caregiving responsibilities for his mother and simultaneous employment as an airline pilot?

Rule(s) of Law

I. R. C. § 6511 specifies the period within which a taxpayer must claim a refund or credit for overpaid taxes. Under § 6511(a) and (b)(1), a claim must be filed within three years from the time the return was filed or two years from the time the tax was paid, whichever is later. If no return was filed, the claim must be filed within two years from the time the tax was paid. I. R. C. § 6511(h) provides for suspension of these periods of limitation if the taxpayer is "financially disabled," defined as being unable to manage financial affairs due to a medically determinable physical or mental impairment expected to result in death or lasting at least 12 months. The impairment must be that of the taxpayer, not another individual.

Holding

The Tax Court held that Brosi's claim for a refund of overpaid 1996 taxes was barred by the statute of limitations under I. R. C. § 6511. The court rejected Brosi's argument that his caregiving responsibilities and employment as a pilot constituted a "financial disability" under § 6511(h), as the statute requires the impairment to be that of the taxpayer, not a third party. Therefore, the running of the statute of limitations was not suspended, and the court lacked jurisdiction to award a refund or credit.

Reasoning

The court's reasoning focused on the plain language of I. R. C. § 6511(h), which specifies that the physical or mental impairment must be that of the taxpayer. The court emphasized that Brosi did not claim to suffer from any such impairment but rather argued that his caregiving duties and employment prevented him from managing his financial affairs. The court found that these circumstances did not meet the statutory definition of "financial disability," which requires a severe and long-lasting impairment of the taxpayer's own health. The court also noted that the Secretary's regulations under Rev. Proc. 99-21 require proof of the taxpayer's impairment, further supporting the conclusion that Brosi's situation did not qualify for suspension of the limitations period. The court's interpretation of the statute was consistent with the legislative intent to provide relief only in cases of the taxpayer's own severe impairment, not for the challenges faced by many taxpayers in balancing caregiving and employment.

Disposition

The Tax Court granted the Commissioner's motion for summary judgment and entered a decision in favor of the respondent, holding that Brosi's claim for a refund

© 2025 SCOTUSreports.com. All rights reserved.

of overpaid 1996 taxes was barred by the statute of limitations under I. R. C. § 6511.

Significance/Impact

Brosi v. Comm’r clarifies the strict application of the statute of limitations for tax refund claims under I. R. C. § 6511 and the narrow scope of the “financial disability” exception under § 6511(h). The decision emphasizes that only the taxpayer’s own severe physical or mental impairment qualifies as a financial disability, not the challenges faced by taxpayers in balancing caregiving and employment. This ruling has significant implications for taxpayers seeking to claim refunds of overpaid taxes, as it underscores the importance of timely filing and the limited circumstances under which the statute of limitations may be suspended. The case also highlights the Tax Court’s adherence to the plain language of the statute and its reluctance to expand the definition of “financial disability” beyond what Congress intended.

© 2025 SCOTUSreports.com. All rights reserved.