Keene v. Commissioner, 122 T. C. 410 (U. S. Tax Ct. 2004)

In Keene v. Commissioner, the U. S. Tax Court ruled it lacked jurisdiction over a taxpayer's petition challenging IRS collection actions due to the untimely filing beyond the statutory 30-day period. This case reinforces the strict adherence to filing deadlines for judicial review of tax collection actions and clarifies that receipt of a courtesy copy of a notice does not revive the filing period. It underscores the importance of timely action in response to IRS notices for taxpayers seeking judicial recourse.

Parties

The plaintiff, identified as Keene, was the petitioner challenging the IRS's collection actions. The defendant, the Commissioner of Internal Revenue, represented the IRS and sought dismissal of the case for lack of jurisdiction.

Facts

On December 19, 2002, the IRS mailed to Keene two Notices of Determination Concerning Collection Action(s): one regarding unpaid federal income taxes for the years 1992, 1993, 1994, and 1995, and another concerning a civil penalty under section 6682 for the taxable period ending December 31, 1997. Both notices were sent by certified mail to Keene's address in Kansas. The income tax notice was returned unclaimed, while the status of the civil penalty notice's delivery was not documented. On August 4, 2003, the IRS sent Keene courtesy copies of these notices. Keene filed a petition for lien or levy action with the Tax Court on September 4, 2003, which was received and filed on the same date, well beyond the statutory 30-day filing period from the original mailing of the notices.

Procedural History

The IRS moved to dismiss the case for lack of jurisdiction, arguing that Keene's petition was not filed within the 30-day period prescribed by sections 6330(d) and 7502 of the Internal Revenue Code. Keene objected, claiming he did not receive the notices until August 2003 and thus filed his petition promptly thereafter. The Tax Court held a hearing on the motion, during which the IRS's counsel appeared, but Keene did not. The court ultimately granted the IRS's motion to dismiss, finding that it lacked jurisdiction due to the untimely filing of Keene's petition.

Issue(s)

Whether the Tax Court has jurisdiction over Keene's petition for lien or levy action when the petition was filed more than eight months after the IRS mailed the Notice of Determination Concerning Collection Action(s)?

Whether the Tax Court has jurisdiction over a petition challenging a civil penalty assessed under section 6682?

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Rule(s) of Law

Sections 6320 and 6330 of the Internal Revenue Code establish procedures for administrative and judicial review of IRS collection actions. Section 6330(d)(1) mandates that a taxpayer must file a petition for review within 30 days following the issuance of a Notice of Determination Concerning Collection Action(s). The notice is considered sufficient if sent by certified or registered mail to the taxpayer's last known address. The Tax Court lacks jurisdiction over penalties assessed under section 6682 as per section 6682(c).

Holding

The Tax Court held that it lacked jurisdiction over Keene's petition challenging the IRS's collection actions for both the income tax liabilities and the civil penalty because the petition was filed beyond the statutory 30-day period. The court also affirmed that it lacks jurisdiction to review penalties assessed under section 6682.

Reasoning

The court reasoned that the jurisdiction of the Tax Court under sections 6320 and 6330 is contingent upon the timely filing of a petition within 30 days after the mailing of the Notice of Determination. The court cited established precedent that mailing to the last known address by certified mail is sufficient for jurisdictional purposes, and actual receipt by the taxpayer is not required. The court further clarified that the courtesy copy of the notice sent in August 2003 did not serve to revive the 30-day filing period. Regarding the civil penalty under section 6682, the court noted its lack of jurisdiction over such penalties as per section 6682(c) and prior case law. The court emphasized that it cannot extend its jurisdiction beyond what is statutorily prescribed, thus dismissing the case for lack of jurisdiction.

Disposition

The Tax Court granted the IRS's motion to dismiss the case for lack of jurisdiction.

Significance/Impact

Keene v. Commissioner reinforces the strict adherence to statutory filing deadlines for judicial review of IRS collection actions, emphasizing that taxpayers must act within the prescribed 30-day period from the mailing of the Notice of Determination, regardless of actual receipt. It clarifies that courtesy copies of notices do not extend or revive the filing period. The decision also reaffirms the jurisdictional limits of the Tax Court with respect to certain penalties, such as those under section 6682. This case serves as a critical reminder for taxpayers and legal practitioners about the importance of timely action and the jurisdictional constraints of the Tax Court in tax collection disputes.

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