Thornberry v. Commissioner, 136 T. C. 356 (United States Tax Court 2011)

In Thornberry v. Commissioner, the U. S. Tax Court ruled that it has jurisdiction to review IRS determinations to disregard requests for collection due process hearings as frivolous. The IRS had sent notices to the Thornberrys about tax liens and levies for unpaid taxes and penalties, and the Thornberrys requested a hearing using a generic form from a website known for promoting tax avoidance. The IRS deemed their request frivolous and proceeded with collection. The court held that while certain portions of a request deemed frivolous can be disregarded, the IRS must specifically identify those portions, and the court retains jurisdiction to review the IRS's determination to disregard the entire request. This ruling clarifies the judicial oversight over IRS actions in response to potentially frivolous taxpayer submissions.

Parties

James Bruce Thornberry and Laura Anne Thornberry, as petitioners, filed a case against the Commissioner of Internal Revenue, the respondent, in the United States Tax Court. Throughout the proceedings, the Thornberrys represented themselves (pro se), while the Commissioner was represented by counsel, James R. Bamberg.

Facts

The Internal Revenue Service (IRS) issued notices of intent to levy and notices of Federal tax lien filing to the Thornberrys for unpaid income taxes assessed for the years 2000, 2001, and 2002, and a civil penalty under section 6702 of the Internal Revenue Code (IRC) assessed for 2007. The Thornberrys timely requested an administrative hearing under IRC sections 6320 and 6330. Their request included a generic form obtained from an Internet website, which listed numerous grounds for their disagreement, including collection alternatives, lien withdrawal, and challenges to the underlying tax liabilities. The IRS Appeals Office determined that the Thornberrys' request contained frivolous positions and disregarded it, stating that the IRS collection office could proceed with collection action as if the hearing request was never submitted.

Procedural History

The IRS issued notices of intent to levy and notices of Federal tax lien filing to the Thornberrys, who subsequently requested an administrative hearing. The IRS Appeals Office, after reviewing the request, determined it contained frivolous positions and disregarded it. The Thornberrys filed a petition in the United States Tax Court seeking review of the Appeals Office's determination. The Commissioner moved to dismiss the case for lack of jurisdiction, arguing that the Appeals Office's decision to disregard the request was not subject to judicial review.

Issue(s)

Whether the United States Tax Court has jurisdiction to review the IRS Appeals

© 2025 SCOTUSreports.com. All rights reserved.

Office’s determination to disregard a taxpayer’s request for a collection due process hearing as frivolous under IRC section 6330(g)?

Rule(s) of Law

IRC section 6330(d)(1) grants the Tax Court jurisdiction to review determinations made by the IRS Appeals Office in response to a timely request for a collection due process hearing. IRC section 6330(g) allows the IRS to treat portions of a request as if they were never submitted if they meet the requirements of IRC section 6702(b)(2)(A)(i) or (ii), which pertain to frivolous positions or submissions reflecting a desire to delay or impede tax administration. However, the Appeals Office must make a specific determination regarding which portions are frivolous.

Holding

The United States Tax Court held that it has jurisdiction to review the IRS Appeals Office’s determination to disregard the Thornberrys’ request for a collection due process hearing as frivolous under IRC section 6330(g). The court clarified that while the IRS may disregard portions of a request deemed frivolous, it must specifically identify those portions, and the court retains jurisdiction to review the determination to disregard the entire request.

Reasoning

The court’s reasoning focused on the interpretation of IRC sections 6330 and 6702, which were amended to address frivolous submissions. The court emphasized that IRC section 6330(g) permits the IRS to treat only specific portions of a request as if they were never submitted, based on a determination that they are frivolous or reflect a desire to delay tax administration. The court noted that the Appeals Office’s determination letters did not specifically identify which portions of the Thornberrys’ request were frivolous, nor did they explain how the request reflected a desire to delay tax administration. The court found that the use of boilerplate forms by both parties contributed to the confusion, and that the IRS must clearly identify the specific portions of a request deemed frivolous. The court also considered the legislative history, which aimed to reduce frivolous submissions while ensuring fairness and effective tax administration. The court concluded that judicial review of the IRS’s determination to disregard a request is necessary to ensure that the IRS does not improperly deny taxpayers a hearing on legitimate issues.

Disposition

The court denied the Commissioner’s motion to dismiss for lack of jurisdiction and ordered the Thornberrys to identify the specific issues and grounds they wished to raise before taking further action in the case.

Significance/Impact

© 2025 SCOTUSreports.com. All rights reserved.

Thornberry v. Commissioner is significant for clarifying the scope of judicial review over IRS determinations regarding frivolous hearing requests. The decision emphasizes the need for the IRS to specifically identify portions of a request deemed frivolous and the importance of judicial oversight to prevent the IRS from denying taxpayers a hearing on legitimate issues. The ruling impacts the administration of tax collection procedures by requiring the IRS to provide clear and specific determinations when disregarding hearing requests. It also highlights the potential pitfalls of using generic forms for tax disputes and the need for taxpayers to clearly articulate their grounds for requesting a hearing.

© 2025 SCOTUSreports.com. All rights reserved.