

Ringo v. Commissioner, 143 T. C. No. 15 (2014)

In *Ringo v. Commissioner*, the U. S. Tax Court clarified its jurisdiction over whistleblower award determinations under I. R. C. § 7623. Mica Ringo challenged a letter from the IRS Whistleblower Office denying him an award. The Court held that such a letter constituted a ‘determination’ sufficient to invoke its jurisdiction, even if the IRS later claimed it was sent in error. This ruling reaffirms the Court’s authority to review IRS decisions on whistleblower awards, impacting how such cases are handled and reinforcing legal oversight of administrative actions.

Parties

Mica Ringo, the Petitioner, filed a petition against the Commissioner of Internal Revenue, the Respondent, in the United States Tax Court.

Facts

Mica Ringo submitted a Form 211 application for a whistleblower award to the IRS Whistleblower Office on February 17, 2011, and an amended application on October 6, 2011. On November 7, 2012, the Whistleblower Office sent Ringo a letter stating he was ineligible for an award because the information he provided did not result in the collection of any proceeds. Ringo timely filed a petition with the Tax Court on December 7, 2012. On June 11, 2013, the Whistleblower Office informed Ringo that the November 7, 2012, letter was sent in error and that his application was still under consideration. The Commissioner then moved to dismiss the case for lack of jurisdiction.

Procedural History

Ringo filed a petition with the U. S. Tax Court on December 7, 2012, challenging the November 7, 2012, determination by the IRS Whistleblower Office. The Commissioner moved to dismiss the case for lack of jurisdiction, arguing that the November 7, 2012, letter was not a definitive determination because the Whistleblower Office was still considering Ringo’s application. The Tax Court independently assessed its jurisdiction and denied the Commissioner’s motion to dismiss.

Issue(s)

Whether a letter from the IRS Whistleblower Office denying a whistleblower award, which is later claimed to be sent in error, constitutes a ‘determination’ under I. R. C. § 7623(b)(4) sufficient to invoke the jurisdiction of the U. S. Tax Court?

Rule(s) of Law

I. R. C. § 7623(b)(4) provides that ‘[a]ny determination regarding an award under paragraph (1), (2), or (3) may, within 30 days of such determination, be appealed to

the Tax Court (and the Tax Court shall have jurisdiction with respect to such matter). ‘

Holding

The U. S. Tax Court held that the November 7, 2012, letter from the IRS Whistleblower Office constituted a ‘determination’ under I. R. C. § 7623(b)(4), and thus, the Tax Court had jurisdiction over the matter. The Court further held that the subsequent June 11, 2013, letter stating that the initial determination was sent in error did not terminate the Court’s jurisdiction.

Reasoning

The Court reasoned that its jurisdiction depends on the facts as of the time the petition was filed. The November 7, 2012, letter clearly stated that Ringo was ineligible for an award, which satisfied the requirement of a ‘determination’ under I. R. C. § 7623(b)(4). The Court cited precedent such as *Cooper v. Commissioner*, which held that a letter not labeled as a determination but stating ineligibility for an award is sufficient to invoke the Court’s jurisdiction. The Court also drew an analogy to notices of deficiency, noting that even if the IRS later concedes or claims error, the initial determination provides a basis for jurisdiction. The Court emphasized that its jurisdiction, once invoked, is not ousted by subsequent events, relying on cases like *Charlotte’s Office Boutique, Inc. v. Commissioner*. The Court rejected the Commissioner’s argument that the June 11, 2013, letter negated the November 7, 2012, determination, stating that the Court’s jurisdiction was unaffected by the IRS’s continued consideration of Ringo’s application.

Disposition

The U. S. Tax Court denied the Commissioner’s motion to dismiss for lack of jurisdiction.

Significance/Impact

Ringo v. Commissioner has significant implications for whistleblower cases under I. R. C. § 7623. It clarifies that the Tax Court’s jurisdiction is invoked by the IRS’s initial determination of ineligibility, even if that determination is later claimed to be erroneous. This ruling strengthens the oversight role of the Tax Court over IRS decisions on whistleblower awards, ensuring that taxpayers have a reliable avenue for appeal. It also underscores the principle that once jurisdiction is properly invoked, it cannot be easily divested by subsequent administrative actions or errors. This case may influence how the IRS handles whistleblower award determinations and communications to ensure clarity and finality in their decisions.