DelPonte v. Commissioner, 158 T. C. No. 7 (U. S. Tax Ct. 2022)

In DelPonte v. Commissioner, the U. S. Tax Court clarified that the IRS Chief Counsel has final authority over innocent spouse relief claims raised for the first time in deficiency proceedings. Michelle DelPonte sought relief from joint tax liabilities from returns filed with her ex-husband, but the court denied her motion for decision based on a favorable determination by the IRS's Cincinnati Centralized Innocent Spouse Operation (CCISO), ruling that Chief Counsel's attorneys have the discretion to concede or settle such issues.

Parties

Michelle DelPonte, Petitioner, represented by Alvah Lavar Taylor, Jonathan T. Amitrano, and Lisa O. Nelson. Commissioner of Internal Revenue, Respondent, represented by Benjamin R. Poor and Paul Colleran.

Facts

Michelle DelPonte and William Goddard were married and filed joint tax returns for the years 1999, 2000, and 2001. During their marriage, Goddard, a lawyer, was involved in aggressive tax-avoidance schemes, leading to IRS notices of deficiency for those years. DelPonte was unaware of these deficiencies until 2010, as Goddard had filed petitions on her behalf without her knowledge, asserting innocent-spouse relief under I. R. C. § 6015. DelPonte subsequently ratified these petitions and sought innocent-spouse relief. The IRS's Cincinnati Centralized Innocent Spouse Operation (CCISO) concluded she was eligible for relief under § 6015(c). However, the Office of Chief Counsel requested further information and did not accept CCISO's determination, prompting DelPonte to move for entry of decision based on CCISO's favorable determination.

Procedural History

Goddard filed petitions on DelPonte's behalf in response to IRS notices of deficiency for the tax years 1999, 2000, and 2001, asserting innocent-spouse relief. DelPonte became aware of these proceedings in 2010, ratified the petitions, and sought relief under § 6015. The Office of Chief Counsel referred her request to CCISO, which determined she was entitled to relief under § 6015(c). Despite this, the Chief Counsel's office sought additional information and did not concede the issue. DelPonte moved for entry of decision based on CCISO's determination, but the Tax Court treated this as a motion for partial summary judgment on the issue of her entitlement to § 6015(c) relief.

Issue(s)

Whether the IRS Chief Counsel has final authority to concede or settle innocent-spouse relief claims raised as an affirmative defense for the first time in a deficiency proceeding.

© 2025 SCOTUSreports.com. All rights reserved.

Rule(s) of Law

The Commissioner of Internal Revenue has broad powers to administer the internal revenue laws, including making determinations about innocent-spouse relief under I. R. C. § 6015. The Chief Counsel is authorized to represent the Commissioner in cases before the Tax Court and has the discretion to decide whether and how to defend, prosecute, settle, or abandon claims or defenses in Tax Court proceedings. See I. R. C. § 7803; General Counsel Order No. 4; IRM 30. 2. 2-. 6.

Holding

The Tax Court held that where innocent-spouse relief is raised as an affirmative defense for the first time in a deficiency proceeding, the IRS Chief Counsel's attorneys have final authority to concede or settle the issue with the petitioner. DelPonte's motion for entry of decision was denied.

Reasoning

The court's reasoning was based on the statutory and regulatory framework governing the roles of the Commissioner and the Chief Counsel. The court noted that the Chief Counsel has the authority to make litigation decisions, including whether to concede or settle claims in Tax Court cases. The court reviewed the delegation of authority from the Commissioner to CCISO and from the Chief Counsel to his attorneys, concluding that the Chief Counsel's attorneys have the discretion to accept or reject CCISO's determinations in deficiency cases. The court also considered DelPonte's arguments regarding fairness and horizontal equity but found them unpersuasive, as the statutory scheme did not support such an interpretation. The court emphasized that the Chief Counsel's authority to make litigation decisions was consistent with the historical practice of handling innocent-spouse claims in deficiency proceedings.

Disposition

The Tax Court denied DelPonte's motion for entry of decision, affirming the authority of the Chief Counsel's attorneys to make final determinations regarding innocent-spouse relief claims in deficiency proceedings.

Significance/Impact

DelPonte v. Commissioner clarifies the authority of the IRS Chief Counsel in handling innocent-spouse relief claims in deficiency proceedings. The decision underscores the discretion of Chief Counsel's attorneys to make final litigation decisions, which can impact the outcome of such claims. This ruling may affect how taxpayers approach innocent-spouse relief in deficiency cases, as it emphasizes the importance of engaging with the Chief Counsel's office rather than relying solely on determinations made by other IRS units like CCISO. The case also highlights the procedural differences in seeking innocent-spouse relief across different IRS

© 2025 SCOTUSreports.com. All rights reserved.

processes, potentially influencing future legislative or regulatory changes to ensure more equitable treatment of taxpayers seeking relief.

© 2025 SCOTUSreports.com. All rights reserved.