Sanders v. Commissioner, 161 T. C. No. 8 (2023)

In Sanders v. Commissioner, the U. S. Tax Court reaffirmed that the 90-day deadline for filing petitions in deficiency cases is jurisdictional. The ruling, which has significant implications for taxpayers, came despite a contrary decision from the Third Circuit and in the absence of clear guidance from the Fourth Circuit, to which this case is appealable. The court's decision underscores the importance of timely filing and the jurisdictional limitations on challenging tax deficiencies.

Parties

Tiffany Lashun Sanders, the Petitioner, filed a pro se petition against the Respondent, Commissioner of Internal Revenue, in the U. S. Tax Court. The case was docketed under No. 15143-22 and is appealable to the U. S. Court of Appeals for the Fourth Circuit.

Facts

On March 21, 2022, the Commissioner issued a notice of deficiency to Tiffany Lashun Sanders for tax year 2018. The notice specified June 21, 2022, as the last day to file a petition with the Tax Court. Sanders, however, mailed her petition via U. S. Postal Service Priority Mail on June 23, 2022, which was delivered to the court on June 24, 2022, three days after the deadline. At the time of filing, Sanders resided in Maryland.

Procedural History

The Commissioner moved to dismiss the case for lack of jurisdiction, arguing that Sanders' petition was filed beyond the 90-day period stipulated in I. R. C. § 6213(a). Sanders did not object to the motion. The Tax Court, adhering to its precedent established in Hallmark Research Collective v. Commissioner, 159 T. C. 126 (2022), and considering the absence of a contrary published opinion from the Fourth Circuit, maintained that the 90-day filing deadline was jurisdictional. Consequently, the court granted the Commissioner's motion and dismissed the case for lack of jurisdiction.

Issue(s)

Whether the 90-day deadline for filing a petition with the U. S. Tax Court in deficiency cases, as set forth in I. R. C. § 6213(a), is jurisdictional?

Rule(s) of Law

The court applied I. R. C. § 6213(a), which states that "Within 90 days, or 150 days if the notice is addressed to a person outside the United States, after the notice of deficiency . . . is mailed . . . the taxpayer may file a petition with the Tax Court for a redetermination of the deficiency. " The court also considered § 7459(d), which

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provides that a nonjurisdictional dismissal of a deficiency case by the Tax Court will generally have preclusive effect in subsequent refund suits. The court further relied on the Supreme Court's clear statement rule from Boechler, P. C. v. Commissioner, 142 S. Ct. 1493 (2022), which requires a clear statement from Congress for a filing deadline to be considered jurisdictional.

Holding

The U. S. Tax Court held that the 90-day deadline for filing petitions with the Tax Court in deficiency cases, as stipulated in I. R. C. § 6213(a), is jurisdictional. Consequently, Sanders' untimely filing of the petition resulted in the court's dismissal of the case for lack of jurisdiction.

Reasoning

The court's reasoning was grounded in the statutory text, context, and historical treatment of § 6213(a). The court noted that the prior construction canon supported the jurisdictional nature of the deadline, as Congress had repeatedly reenacted and amended the statute without changing the text that courts had consistently interpreted as jurisdictional. The court also emphasized the contextual interplay between § 6213(a) and § 7459(d), which affects the preclusive effect of Tax Court decisions. The court distinguished its decision from the Third Circuit's ruling in Culp v. Commissioner, 75 F. 4th 196 (2023), asserting that the Third Circuit's decision did not address the prior construction canon and underrepresented the frequency with which § 7459(d)'s preclusive effect is implicated. The court reaffirmed its commitment to stare decisis and its obligation to ensure uniformity in tax law, noting that the absence of a contrary published opinion from the Fourth Circuit did not compel it to deviate from its precedent.

Disposition

The U. S. Tax Court dismissed the case for lack of jurisdiction due to the untimely filing of the petition by Sanders.

Significance/Impact

Sanders v. Commissioner reinforces the jurisdictional nature of the 90-day filing deadline in deficiency cases, impacting taxpayers' ability to challenge tax assessments in the U. S. Tax Court. The decision highlights the importance of adhering to statutory deadlines and underscores the court's commitment to its precedents and the principles of stare decisis. The case also illustrates the broader implications of jurisdictional dismissals, such as the availability of alternative avenues like audit reconsideration and refund claims, which remain open to taxpayers when a petition is dismissed for lack of jurisdiction. The ruling sets a clear precedent for future cases and underscores the need for taxpayers to be vigilant about filing deadlines to avoid jurisdictional dismissals.

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