



# TaxNewsFlash

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## U.S. Tax Court: Timely e-filed return triggers limitations period, even when initially rejected by IRS

The U.S. Tax Court today in a “reviewed opinion” held that a properly filed income tax return triggers the statute of limitations for a deficiency notice, regardless of the fact that the return—electronically filed—lacked a required personal identification number.

The case is: *Fowler v. Commissioner*, 155 T.C. No. 7 (September 9, 2020). Read the Tax Court’s [opinion](#) [PDF 85 KB] (no dissenting or separate concurring opinions)

### Summary

The taxpayer (an individual) appointed his tax return preparer to electronically file his 2013 tax return on October 15, 2014. The IRS software rejected this return for its failure to include an Identity Protection Personal Identification Number (IP PIN).

The taxpayer subsequently refiled his 2013 tax return on two occasions and the last filing was made with an IP PIN on April 30, 2015. The IRS software reviewed and accepted the return.

The IRS later reviewed the return, determined a deficiency, and sent the taxpayer a notice of deficiency for the 2013 tax year on April 5, 2018.

The taxpayer filed a petition with the Tax Court. The IRS moved for partial summary judgment, and the taxpayer filed a cross-motion for summary judgment asserting that the IRS had not timely issued a notice of deficiency. At issue was whether the taxpayer’s first submission of the income tax return on October 15, 2014, triggered the section 6501(a) limitations period.

Relying on the test to determine whether a document constitutes a tax return as set forth in *Beard v. Commissioner*, 82 T.C. 766, 777 (1984), *aff’d*, 793 F.2d 139 (6<sup>th</sup> Cir. 1986), the Tax Court granted summary judgment for the taxpayer, holding that the taxpayer’s first submission triggered the section 6501(a) limitations period, notwithstanding the omission of an IP PIN.

The Tax Court concluded:

*The October 15 submission appears to be an honest and reasonable attempt to comply with the tax laws. The submission included inputs for income, deductions, exemptions, and credits along with supporting documentation and schedules. The only difference between the October 15 submission (which [IRS] rejected) and the April 30 submission (which [IRS] accepted) is that the October 15 submission did not include an IP PIN.*

\* \* \*

*Where a taxpayer properly files a required return, the taxpayer has satisfied all his duties to trigger the statute of limitations. ... We simply see no reason to allow respondent to toll the statute of limitations where petitioner properly filed a return.*

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