

STATE OF NEW YORK

DIVISION OF TAX APPEALS

In the Matter of the Petition :
of :
TAWFIQ HUSSEIN ALI : DETERMINATION
for Revision of a Determination or for Refund of Sales : DTA NO. 826377
and Use Taxes under Articles 28 and 29 of the Tax Law :
for the Period June 1, 2010 through November 30, 2012. :

Petitioner, Tawfiq Hussein Ali, filed a petition for revision of a determination or for refund of sales and use taxes under Articles 28 and 29 of the Tax Law for the period June 1, 2010 through November 30, 2012.

The Division of Taxation, by its representative, Amanda Hiller, Esq. (Nicholas A. Behuniak, Esq., of counsel), brought a motion dated June 12, 2015, seeking an order for summary determination in the above-referenced matter pursuant to sections 3000.5 and 3000.9(b) of the Rules of Practice and Procedure of the Tax Appeals Tribunal. Petitioner, appearing by Nassir Hajjawi, EA, filed a response on July 13, 2015. Based upon the motion papers, the affidavits and documents submitted therewith, and all pleadings and documents submitted in connection with this matter, Joseph W. Pinto, Jr., Administrative Law Judge, renders the following determination.

ISSUE

Whether petitioner filed a timely Request for Conciliation Conference with the Bureau of Conciliation and Mediation Services following the issuance of the Notice of Determination.

FINDINGS OF FACT

1. The subject of the motion of the Division of Taxation (Division) is the timeliness of petitioner's protest of a Notice of Determination, dated July 26, 2013, and bearing assessment identification number L-039786411. The notice is addressed to petitioner, "Ali - Tawfiq Hussein H," at an address in the Bronx, New York.

2. Petitioner filed a Request for Conciliation Conference with the Division's Bureau of Conciliation and Mediation Services (BCMS) in protest of the July 26, 2013 Notice of Determination. The request was mailed to BCMS on May 3, 2014 and received by BCMS on May 8, 2014.

3. On June 6, 2014, BCMS issued a Conciliation Order Dismissing Request to petitioner. The order determined that petitioner's protest of the subject Notice of Determination was untimely and stated, in part:

"The Tax Law requires that a request be filed within 90 days from the mailing date of the statutory notice. Since the notice(s) was issued on July 26, 2013, but the request was not mailed until May 3, 2014, or in excess of 90 days, the request is late filed."

4. Petitioner filed a petition with the Division of Tax Appeals in protest of the conciliation order on June 23, 2014.

5. To show proof of proper mailing of the July 26, 2013 Notice of Determination, the Division provided the following with its motion papers: i) an affidavit, dated December 5, 2014, of Mary Ellen Nagengast, a Tax Audit Administrator 1 and Director of the Division's Management Analysis and Project Services Bureau (MAPS); (ii) a "Certified Record for Presort Mail - Assessments Receivable" (CMR) postmarked July 26, 2013; (iii) an affidavit, dated December 10, 2014, of Bruce Peltier, a mail and supply supervisor in the Division's Mail

Processing Center (Center); (iv) a copy of the July 26, 2013 Notice of Determination with the associated mailing cover sheet; and (v) petitioner's e-filed 2011 New York State form IT-370, Application for Automatic Six-Month Extension of Time to File for Individuals, which provided petitioner's address as "3890 Sedgwick Avenue Apt 1B Bronx, NY 10463" for the year 2011 and filed by April 17, 2012, substantially the same address (the spelling for "Sedgwick" is missing the "k" on the IT-370) for petitioner as that listed on his request for conciliation conference, the subject Notice of Determination and his petition to the Division of Tax Appeals.

6. The affidavit of Mary Ellen Nagengast, who has been in her current position since October 2005, sets forth the Division's general practice and procedure for processing statutory notices. Ms. Nagengast is the Director of MAPS, which is responsible for the receipt and storage of CMRs, and is familiar with the Division's Case and Resource Tracking System (CARTS) and the Division's past and present procedures as they relate to statutory notices. Statutory notices are generated from CARTS and are predated with the anticipated date of mailing. Each page of the CMR lists an initial date that is approximately 10 days in advance of the anticipated date of mailing. Following the Division's general practice, this date was manually changed on the first and last page of the CMR in the present case to the actual mailing date of "7/26/13." In addition, as described by Ms. Nagengast, generally all pages of the CMR are banded together when the documents are delivered into possession of the U.S. Postal Service (USPS) and remain so when returned to the Division. The pages of the CMR stay banded together unless otherwise ordered. The page numbers of the CMR run consecutively, starting with "PAGE: 1," and are noted in the upper right corner of each page.

7. All notices are assigned a certified control number. The certified control number of each notice is listed on a separate one-page mailing cover sheet, which also bears a bar code, the

mailing address and the Departmental return address on the front, and taxpayer assistance information on the back. The certified control number is also listed on the CMR under the heading entitled "Certified No." The CMR lists each notice in the order the notices are generated in the batch. The assessment numbers are listed under the heading "Reference No." The names and addresses of the recipients are listed under "Name of Addressee, Street, and PO Address."

8. The CMR in the present matter consists of 20 pages and lists 214 certified control numbers along with corresponding assessment numbers, names and addresses. Each page of the CMR includes 11 such entries with the exception of page 20, which contains 5 entries. Ms. Nagengast notes that the copy of the CMR that is attached to her affidavit has been redacted to preserve the confidentiality of information relating to taxpayers who are not involved in this proceeding. A USPS representative affixed a postmark dated July 26, 2013 to each page of the CMR, wrote and circled the number "214" on page 20 next to the heading "Total Pieces Received at Post Office" and initialed page 20. Ms. Nagengast adds that the total number of statutory notices mailed pursuant to the CMR was 214.

9. Page 1 of the CMR indicates that a notice of determination with certified control number 7104 1002 9730 0044 4770 and reference number L-039786411 was mailed to petitioner at the Bronx, New York, address listed on the subject notice of determination. The corresponding mailing cover sheet, attached to the Nagengast affidavit as exhibit "B," bears this certified control number and petitioner's name and address as noted.

10. The affidavit of Bruce Peltier, a supervisor in the mail room since 1999 and currently a mail and supply supervisor, describes the mail room's general operations and procedures. The mail room receives the notices and places them in an "Outgoing Certified Mail" area. Mr. Peltier confirms that a mailing cover sheet precedes each notice. A staff member retrieves the notices

and mailing cover sheets and operates a machine that puts each notice and mailing cover sheet into a windowed envelope. Staff members then weigh, seal and place postage on each envelope. The first and last pieces listed on the CMR are checked against the information contained on the CMR. A clerk then performs a random review of 30 or fewer pieces listed on the CMR by checking those envelopes against the information contained on the CMR. A staff member then delivers the envelopes and the CMR to one of the various USPS branches located in the Albany, New York, area. A USPS employee affixes a postmark and also places his or her initials or signature on the CMR, indicating receipt by the post office. Here, as noted, the USPS employee initialed page 20 and affixed a postmark dated July 26, 2013 to each page of the CMR. The Center further requests that the USPS either circle the total number of pieces received or indicate the total number of pieces received by writing the number on the CMR. Here, the USPS employee complied with this request by writing and circling the number “214” on the last page next to the heading “Total Pieces Received at Post Office.”

11. According to the Peltier affidavit, a copy of the subject notice was mailed to petitioner on July 26, 2013, as claimed.

12. In response to the Division’s motion, petitioner concedes that his request for conciliation conference was late but blames this on ignorance of the appeals process following issuance of the notice of determination. Petitioner believes the estimated audit methodology used to determine his tax due was incorrect. Petitioner claims that he has suffered severe hardship because of his failed business and requests that he be granted a hearing and that the Division’s motion be denied.

CONCLUSIONS OF LAW

A. A motion for summary determination “shall be granted if, upon all the papers and proof submitted, the administrative law judge finds that it has been established sufficiently that no material and triable issue of fact is presented” (20 NYCRR 3000.9[b][1]).

B. Section 3000.9(c) of the Rules provides that a motion for summary determination is subject to the same provisions as a motion for summary judgment pursuant to CPLR 3212. “The proponent of a summary judgment motion must make a prima facie showing of entitlement to judgment as a matter of law, tendering sufficient evidence to eliminate any material issues of fact from the case” (*Winegrad v. New York Univ. Med. Ctr.*, 64 NY2d 851, 853 [1985], *citing Zuckerman v. City of New York*, 49 NY2d 557, 562 [1980]). As summary judgment is the procedural equivalent of a trial, it should be denied if there is any doubt as to the existence of a triable issue or where the material issue of fact is “arguable” (*Glick & Dolleck, Inc. v. Tri-Pac Export Corp.*, 22 NY2d 439, 441 [1968]; *Museums at Stony Brook v. Vil. of Patchogue Fire Dept.*, 146 AD2d 572 [2d Dept 1989]). If material facts are in dispute, or if contrary inferences may be drawn reasonably from undisputed facts, then a full trial is warranted and the case should not be decided on a motion (*Gerard v. Inglese*, 11 AD2d 381, 382 [2d Dept 1960]). “To defeat a motion for summary judgment, the opponent must . . . produce ‘evidentiary proof in admissible form sufficient to require a trial of material questions of fact on which he rests his claim’” (*Whelan v. GTE Sylvania*, 182 AD2d 446, 449 [1st Dept 1992] *citing Zuckerman*).

C. Petitioner’s response to the Division’s motion does not dispute that his request for conciliation conference was not filed within 90 days of the mailing of the Notice of Determination. Instead, he argues that he should be granted a hearing because the audit which led to the issuance of the Notice of Determination was erroneous and that he is suffering severe

financial problems due to his failed business. Unfortunately, petitioner's arguments have no validity if it is demonstrated that he failed to timely file his request for conference after a notice of determination was properly issued to him.

D. A taxpayer may protest a notice of determination by filing a petition for a hearing with the Division of Tax Appeals within 90 days from date of mailing of such notice (Tax Law §§ 681[b]; 689[b]). Alternatively, a taxpayer may contest a notice by filing a request for a conciliation conference with BCMS "if the time to petition for such a hearing has not elapsed" (Tax Law § 170[3-a][a]). It is well established that the 90-day statutory time limit for filing either a petition or a request for a conciliation conference is strictly enforced and that, accordingly, protests filed even one day late are considered untimely (*see e.g. Matter of American Woodcraft*, Tax Appeals Tribunal, May 15, 2003; *Matter of Maro Luncheonette*, Tax Appeals Tribunal, February 1, 1996). This is because, absent a timely protest, a notice of determination becomes a fixed and final assessment and, consequently, the Division of Tax Appeals is without jurisdiction to consider the substantive merits of the protest (*see Matter of Lukacs*, Tax Appeals Tribunal, November 8, 2007; *Matter of Sak Smoke Shop*, Tax Appeals Tribunal, January 6, 1989).

E. Where, as here, the timeliness of a request for conciliation conference or petition is at issue, the initial inquiry is whether the Division has carried its burden of demonstrating the fact and date of the mailing to petitioner's last known address (*see Matter of Katz*, Tax Appeals Tribunal, November 14, 1991). To meet its burden, the Division must show proof of a standard procedure used by the Division for the issuance of statutory notices by one with knowledge of the relevant procedures, and must also show proof that the standard procedure was followed in this

particular instance (*see Matter of Katz; Matter of Novar TV & Air Conditioner Sales & Serv.*, Tax Appeals Tribunal, May 23, 1991).

F. Here, the Division has offered proof sufficient to establish the mailing of the statutory notice to petitioner's last known address on July 26, 2013. The CMR has been properly completed and therefore constitutes highly probative documentary evidence of both the date and fact of mailing (*see Matter of Rakusin*, Tax Appeals Tribunal, July 26, 2001). The affidavits submitted by the Division adequately describe the Division's general mailing procedure as well as the relevant CMR and thereby establish that the general mailing procedure was followed in this case (*see Matter of Dewese*, Tax Appeals Tribunal, June 20, 2002).

Further, the address on the Mailing Cover Sheet and CMR conforms with the address listed on petitioner's Application for Automatic Six-Month Extension of Time to File for Individuals, form IT-370, which satisfies the "last known address" requirement when read in conjunction with the address provided by petitioner on his request for conference, the statutory notice and his petition for a hearing in the Division of Tax Appeals.¹ Further, petitioner does not contend that the address was inaccurate. It is thus concluded that the Division properly mailed the notice on July 26, 2013 and the statutory 90-day time limit to file either a Request for Conciliation Conference with BCMS or a petition with the Division of Tax Appeals commenced on that date (Tax Law §§ 170[3-a][a]; 681[b]; 689[b]).

G. Petitioner's Request for Conciliation Conference was filed on May 3, 2014. This date falls after the 90-day period of limitations for the filing of such a request. Consequently, the

¹The misspelling of the street, which omitted the "k" on the IT-370 was merely clerical error and is adjudged inconsequential. (*Matter of Combemale*, Tax Appeals Tribunal, March 31, 1994.)

Request was untimely (*see* Tax Law §§ 681[b]; 689[b]; 170[3-a][a]) and the same was properly dismissed by the June 6, 2014 Order issued by BCMS. Petitioner has offered no claim or evidence to meet his burden to prove that any timely protest was filed before the 90-day period of limitations for challenging the notice expired.

H. The Division's motion for summary determination is hereby granted, the June 6, 2014 Order dismissing petitioner's Request is sustained and the petition is denied.

DATED: Albany, New York
October 1, 2015

/s/ Joseph W. Pinto, Jr.
ADMINISTRATIVE LAW JUDGE