

STATE OF NEW YORK

DIVISION OF TAX APPEALS

In the Matter of the Petition :
of :
HESHAM M. ALY : DETERMINATION
for Redetermination of Deficiencies or for Refund of New : DTA NO. 828298
York State and New York City Personal Income Taxes :
under Article 22 of the Tax Law and the Administrative :
Code of the City of New York for the Years 2014 and 2015. :
:

Petitioner, Hesham M. Aly, filed a petition for redetermination of deficiencies or for refund of New York State and New York City personal income taxes under article 22 of the Tax Law and the Administrative Code of the City of New York for the years 2014 and 2015.

The Division of Taxation, by its representative, Amanda Hiller, Esq. (Charles Fishbaum, Esq., of counsel), brought a motion dated November 14, 2017, seeking an order dismissing the petition, or in the alternative, summary determination in the above-referenced matter pursuant to sections 3000.5, 3000.9 (a), and 3000.9 (b) of the Rules of Practice and Procedure of the Tax Appeals Tribunal. Petitioner, appearing pro se, did not respond to the Division of Taxation's motion. The 90-day period for issuance of this determination commenced on December 14, 2017. Based upon the motion papers, the affidavits and documents submitted therewith, and all pleadings and documents submitted in connection with this matter, Kevin R. Law, 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 notices of deficiency.

FINDINGS OF FACT

1. The subject of the motion of the Division of Taxation (Division) is the timeliness of petitioner's protest of notices of deficiency, dated September 12, 2016 and December 14, 2016, and bearing assessment identification numbers L-045265665 and L-045412814 (notices), respectively. The notices are addressed to petitioner, Hesham M. Aly, at an address in Brooklyn, 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 notices. The request was signed by petitioner on May 18, 2017, and received by BCMS on May 22, 2017. The postmark date is faded and only partially legible on the copy of the envelope provided in the motion papers.

3. On June 2, 2017, BCMS issued a conciliation order dismissing request (conciliation order) to petitioner. The conciliation order determined that petitioner's protest of the notice was untimely and stated, in part:

“The Tax Law requires that a request be filed within 90 days from the date of the statutory notice. Since the notices were issued on December 14, 2016 and September 12, 2016, but the request was not mailed until May 18, 2017, 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 August 2, 2017.

5. To show proof of proper mailing of notice of deficiency number L-045265665, the Division provided the following with its motion papers: i) an affidavit, dated September 15,

2017, of Deena Picard, a Data Processing Fiscal Systems Auditor 3 and Acting Director of the Division's Management Analysis and Project Services Bureau (MAPS); (ii) a "Certified Record for - DTF 962-F-E - Not of Def Follow Up" (CMR) postmarked September 12, 2016; (iii) an affidavit, dated September 21, 2017, of Fred Ramundo, a supervisor in the Division's mail room; (iv) a copy of the September 12, 2016 notice with the associated mailing cover sheet; (v) a copy of petitioner's request for conciliation conference, signed by petitioner on May 18, 2017 and in dated as received by BCMS on May 22, 2017; and (vi) a copy of petitioner's electronically filed 2015 New York resident income tax return, filed on March 1, 2016, which lists the same address for petitioner as that listed on the notices and the petition. The 2015 income tax return was the last return filed with the Division by petitioner before this notice was issued.

6. To show proof of proper mailing of notice of deficiency number L-045412814, the Division provided the following with its motion papers: i) an affidavit, dated September 15, 2017, of Deena Picard, a Data Processing Fiscal Systems Auditor 3 and Acting Director of the Division's Management Analysis and Project Services Bureau (MAPS); (ii) a "Certified Record for - DTF 962-F-E - Not of Def Follow Up - DTF 963-F-E Not of Def Follow Up" (CMR) postmarked December 14, 2016; (iii) an affidavit, dated September 21, 2017, of Fred Ramundo, a supervisor in the Division's mail room; (iv) a copy of the December 14, 2016 notice with the associated mailing cover sheet; (v) a copy of petitioner's request for conciliation conference, signed by petitioner on May 18, 2017 and dated as received by BCMS on May 22, 2017; and (vi) a copy of petitioner's electronically filed 2015 New York resident income tax return, filed on March 1, 2016, which lists the same address for petitioner as that listed on the notices and the petition. The 2015 income tax return was the last return filed with the Division by petitioner before this notice was issued.

7. The affidavits of Deena Picard, who has been in her current position since May 2017, and was previously a Data Processing Fiscal Systems Auditor 3 since February 2006, sets forth the Division's general practice and procedure for processing statutory notices. Ms. Picard is the Acting 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 pages of the respective CMRs in the present case to the actual mailing dates of "9/12/16" and "12/14/16." In addition, as described by Ms. Picard, generally all pages of the CMR are banded together when the documents are delivered into possession of the United States 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.

8. 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."

9. The September 12, 2016 CMR consists of 24 pages and lists 351 certified control numbers along with corresponding assessment numbers, names and addresses. Each page of the CMR includes 12 to 15 such entries. Ms. Picard 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 September 12, 2016 to each page of the CMR, wrote the number “351” on page 24 next to the heading “Total Pieces and Amounts” and initialed or signed page 24.

10. Page 13 of the September 12, 2016 CMR indicates that a notice with certified control number 7104 1002 9735 3057 4220 and reference number L-045265665 was mailed to petitioner at the Brooklyn, New York, address listed on that notice. The corresponding mailing cover sheet, attached to the Picard affidavit as exhibit “B,” bears this certified control number and petitioner’s name and address as noted.

11. The December 14, 2016 CMR consists of 14 pages and lists 179 certified control numbers along with corresponding assessment numbers, names and addresses. Each page of the CMR includes 12 to 15 such entries, except for page 14, which contains 9 entries. Ms. Picard 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 December 14, 2016 to each page of the CMR, wrote the number “179” on page 14 next to the heading “Total Pieces Received at Post Office” and initialed or signed page 14.

12. Page 7 of the December 14, 2016 CMR indicates that a notice with certified control number 7104 1002 9735 3340 7815 and reference number L-045412814 was mailed to petitioner at the Brooklyn, New York, address listed on that notice. The corresponding mailing cover

sheet, attached to the Picard affidavit as exhibit “B,” bears this certified control number and petitioner’s name and address as noted.

13. Each of the affidavits of Fred Ramundo describe the Division’s mail room’s general operations and procedures. Mr. Ramundo has been in his position since 2013 and, as a result, is familiar with the practices of the mail room with regard to statutory notices. The mail room receives the notices and places them in an “Outgoing Certified Mail” area. Mr. Ramundo confirms that a mailing cover sheet precedes each notice. A staff member receives 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 of mail are checked against the information on the CMR. A clerk then performs a random review of up to 30 pieces listed on the CMR, by checking those envelopes against the information listed 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. The mail room 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.

14. Mr. Ramundo’s review of the September 12, 2016 CMR in exhibit “A” of the Picard affidavit indicates that each page of the CMR contains a USPS postmark of September 12, 2016. On page 24, corresponding to “Total Pieces and Amounts,” is the preprinted number 351 and next to that is the handwritten entry “351.” There is a set of initials or a signature on page 24.

15. Mr. Ramundo’s review of the December 14, 2016 CMR in exhibit “A” of the Picard affidavit indicates that each page of the CMR contains a USPS postmark of December 14, 2016.

On page 13, there are three faded USPS postmarks. One is partially covered by the redaction of unrelated taxpayer information, rendering the date illegible. Of the other two, only the month, ‘Dec,’ and the year, ‘16,’ are legible. The certified numbers appear to follow consecutively from the last entry on page 12, through page 13, and onto page 14. There is no information regarding the taxpayer on page 13. On page 14, corresponding to ‘Total Pieces and Amounts,’ is the preprinted number 179 and next to ‘Total Pieces Received At Post Office’ is the handwritten entry ‘179.’ There is a set of initials or a signature on page 14.

16. According to the Picard and Ramundo affidavits, copies of the subject notices were mailed on the dates indicated, as claimed.

CONCLUSIONS OF LAW

A. As noted, the Division brings a motion to dismiss the petition under section 3000.9 (a) of the Rules of Practice and Procedure (Rules) or, in the alternative, a motion for summary determination under section 3000.9 (b). As the petition in this matter was filed within 90 days of the conciliation order (*see* Finding of Fact 4), the Division of Tax Appeals has jurisdiction over the petition and, accordingly, a motion for summary determination under section 3000.9 (b) of the Rules is the proper vehicle to consider the timeliness of petitioner’s request for conciliation conference. This determination shall address the instant motion as such.

B. 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]).

C. 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 Village 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*).

D. Petitioner did not respond to the Division’s motion. Accordingly, he is deemed to have conceded that no question of fact requiring a hearing exists (*see Kuehne & Nagel, Inc. v Baiden*, 36 NY2d 539 [1975]; *John William Costello Assocs. v Standard Metals*, 99 AD2d 227 [1st Dept 1984] *lv dismissed* 62 NY2d 942 [1984]). Petitioner has thus presented no evidence to contest the facts alleged in the Picard and Ramundo affidavits; consequently, those facts are deemed admitted (*Kuehne & Nagel, Inc. v Baiden* at 544; *Whelan v GTE Sylvania*).

E. A taxpayer may protest a notice of deficiency 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).

F. 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).

G. Here, the Division has offered proof sufficient to establish the mailing of the notices to petitioner's last known address on September 12, 2016 and December 14, 2016. The CMRs have been properly completed and therefore constitute 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 CMRs and thereby establish that the general mailing procedure was followed in this case (*see Matter of DeWeese*, Tax Appeals Tribunal, June 20, 2002).

Further, the address on the mailing cover sheets and CMRs conform with the address listed on petitioner's 2015 e-filed resident income tax return, which satisfies the "last known address" requirement. It is thus concluded that the Division properly mailed the notices on September 12, 2016 and December 14, 2016, 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 those dates (Tax Law §§ 170 [3-a] [a]; 681 [b]; 689 [b]).

H. Petitioner's request for conciliation conference was received by BCMS on May 22, 2017. The postmark date on the copy of the envelope provided in the motion papers, containing the request and addressed to BCMS, is faded and only partially legible. However, viewing the evidence in the light most favorable to petitioner, the earliest the request could have been postmarked is May 18, 2017, the date the request was signed by petitioner. This date falls after both of the 90-day periods of limitation for the filing of such a request. Consequently, the request was untimely (*see* Tax Law §§ 170 [3-a] [a]; 681 [b]; 689 [b]) and the same was properly dismissed by the May 26, 2017 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 notices expired.

I. The Division's motion for summary determination is hereby granted, the petition is denied, and the June 2, 2017 order dismissing petitioner's request is sustained.

DATED: Albany, New York
March 8, 2018

/s/ Kevin R. Law
ADMINISTRATIVE LAW JUDGE