

STATE OF NEW YORK

DIVISION OF TAX APPEALS

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In the Matter of the Petition	:	
of	:	
<b>USMAN YAAKUB AND HUSEINA ABDALLAH</b>	:	DETERMINATION
	:	DTA NO. 830521
for Redetermination of a Deficiency or for Refund of New York State and New York City Personal Income Tax under Article 22 of the Tax Law and the Administrative Code of the City of New York for the Year 2019.	:	

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Petitioners, Usman Yaakub and Huseina Abdallah, filed a petition for redetermination of a deficiency or for refund of New York State and New York City personal income tax under article 22 of the Tax Law and the Administrative Code of the City of New York for the year 2019.

The Division of Taxation, by its representative, Amanda Hiller, Esq. (Maria Matos, Esq., of counsel), brought a motion dated May 2, 2022, seeking an order dismissing the petition, or in the alternative, summary determination in the above-referenced matter pursuant to sections 3000.5 and 3000.9 (a) and (b) of the Rules of Practice and Procedure of the Tax Appeals Tribunal. Petitioners, appearing by Timothy S. Hart, Esq., did not respond to the Division of Taxation’s motion.<sup>1</sup> The 90-day period for issuance of this determination commenced on June 1, 2022. Based upon the motion papers, the affidavits and documents submitted therewith, and all pleadings and documents submitted in connection with this matter, Nicholas A. Behuniak, Administrative Law Judge, renders the following determination.

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<sup>1</sup> Mr. Hart was not added as power of attorney for this matter until after the June 1, 2022 response due date had passed.

***ISSUE***

Whether petitioners filed a timely request for a conciliation conference with the Bureau of Conciliation and Mediation Services following the issuance of a notice of deficiency.

***FINDINGS OF FACT***

1. The subject of the motion of the Division of Taxation (Division) is the timeliness of petitioners' protest of a notice of deficiency, dated January 11, 2021, and bearing assessment identification number L-052462415 (notice). The notice was addressed to petitioners, Usman Yaakub and Huseina Abdallah, at an address in Bronx, New York. The notice stated, in part:

“If you do not formally protest by **4/11/2021**, the proposed amount due will become assessed and subject to collection actions.”

2. Petitioners filed a request for conciliation conference (request) with the Division's Bureau of Conciliation and Mediation Services (BCMS) in protest of a notice bearing assessment identification number L-052462415 by way of facsimile on April 21, 2021. Petitioners listed the date of the notice as November 25, 2020. The request includes a fax machine date and time stamp indicating that the faxed transmission of the request was completed on April 21, 2021 at 3:32 p.m.

3. On May 7, 2021, BCMS issued a conciliation order dismissing request (conciliation order) to petitioners. The conciliation order determined that petitioners' protest of the notice was not within their jurisdiction and stated, in part:

“The Bureau of Conciliation and Mediation Services does not have jurisdiction over this matter. The notice(s) at issue do not provide for prepayment hearing rights. Therefore, the Bureau of Conciliation and Mediation Services is precluded from making a determination on the merits of this case.”

4. Petitioners filed a timely petition with the Division of Tax Appeals in protest of the conciliation order on June 24, 2021.

5. The Division timely filed their answer to the petition with the Division of Tax Appeals on August 18, 2021. Paragraphs two through seven of the Division's answer indicate that an audit was initially performed on petitioners' 2019 tax return, resulting in a proposed balance due and prompting the issuance of a statement of proposed audit change, also bearing assessment identification number L-052462415, to petitioners on November 25, 2020. A copy of the statement of proposed audit change was not entered into the record.

6. The Division's motion was filed on May 2, 2022. To show proof of proper mailing of the notice, the Division provided the following: (i) an affidavit of Deena Picard, a Data Processing Fiscal Systems Auditor 3 and Acting Director of the Division's Management Analysis and Project Services Bureau (MAPS), dated April 21, 2022; (ii) a certified mail record titled: "CERTIFIED RECORD FOR – DTF – 962-F-E – Not of Det Follow Up" (CMR) postmarked January 11, 2021; (iii) an affidavit of Susan Ramundo, a manager in the Division's mail room, dated April 29, 2022; (iv) a copy of the notice with the associated mailing cover sheet addressed to petitioners; (v) an affirmation of the Division's attorney, Maria Matos, Esq., dated May 2, 2022; and, (vi) a copy of the petitioner's electronically filed New York State resident income tax return (form IT-201) for the year 2019, filed on May 7, 2020, which lists the same address for petitioners as that listed on the notice, request, conciliation order and petition, except that petitioners' address on the notice includes an additional four zip code digits to petitioners' five-digit zip code. According to the affidavit of Ms. Matos, the 2019 income tax return was the last return filed with the Division by petitioners before the notice was issued.

7. The affidavit of Deena Picard, who has been in her current position since May 2017, and 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 familiar with the

Division's Case and Resource Tracking System (CARTS), which generates statutory notices prior to mailing. As the Acting Director of MAPS, which is responsible for the receipt and storage of CMRs, Ms. Picard is familiar with 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 is manually changed on the first and last page of the CMR to the actual date of mailing, which in this case was "1/11/21." 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 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 P.O. ADDRESS."

9. The January 11, 2021 CMR consists of 94 pages and lists 1,275 certified control numbers along with corresponding assessment numbers, names and addresses. Ms. Picard notes that the copy of the CMR 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 January 11, 2021, to each page of the CMR, initialed and wrote the number “1275” on the last page next to the heading “TOTAL PIECES RECEIVED AT POST OFFICE”.

10. Page 18 of the CMR indicates that a notice of deficiency with certified control number 7104 1002 9735 0413 8700, and reference number L-052462415, was mailed to petitioners at the Bronx, New York, address listed on the subject notice of deficiency. The corresponding mailing cover sheet, attached to the Picard affidavit as exhibit “B,” bears this same certified control number and petitioners’ name and address as noted.

11. The affidavit of Susan Ramundo describes the general operations and procedures of the Division’s mail room. Ms. Ramundo has been a manager in the mail room since 2017 and has been employed there since 2012, 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. Ms. Ramundo 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 of mail 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. According to Ms. Ramundo’s affidavit, a USPS employee initialed the last page of the CMR and affixed a postmark to each page of the CMR. 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. A review of the January 11, 2021 CMR indicates that a USPS employee complied with this request by writing the number of pieces received on the CMR.

12. According to the affidavits submitted, a copy of the notice was properly mailed to petitioners at their Bronx, New York, address on the date indicated as claimed.

13. Petitioners did not respond to the Division's motion.

### ***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, 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 petitioners' 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 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*).

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

D. 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 the date of mailing of such notice (*see 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 deficiency 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 is at issue, the initial inquiry is whether the Division has carried its burden of demonstrating the fact and date of the mailing to petitioners' 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 introduced adequate proof of its standard mailing procedures through the affidavits of Ms. Picard and Ms. Ramundo, Division employees involved in and possessing knowledge of the process of generating, reviewing and issuing (mailing) statutory notices (*see Matter of Victory Bagel Time*, Tax Appeals Tribunal, September 13, 2012).

G. On this motion, the Division has also presented adequate proof that it followed its standard procedure in mailing the notice to petitioners. The affidavits of Ms. Picard and Ms. Ramundo show that the certified control number assigned to the certified mail article containing the notice and addressed to petitioners is found on page 18 of the CMR and that all 1,275

certified articles covered by the CMR were delivered into the possession of the USPS on January 11, 2021, as evidenced by the fact that the postal employee who received the CMR and associated certified articles handwrote “1275” on that last page and initialed the page. Further, the address on the mailing cover sheet and CMR matches the address listed on petitioners’ 2019 form IT-201, which satisfies the “last known address” requirement. While it is noted that the Division added four additional zip code digits to petitioners’ zip code as reflected on their 2019 resident income tax return, such a difference is deemed inconsequential (*see Matter of Perk*, Tax Appeals Tribunal, December 13, 2001; *Matter of Rubinovs*, Tax Appeals Tribunal, April 3, 2017). Moreover, petitioners do not contend that the notice was improperly addressed.

H. It is thus concluded that the Division properly mailed the notice on January 11, 2021, 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]).

I. While the language of the May 7, 2021 conciliation order appears to only address the November 25, 2020 statement of proposed audit change, the January 11, 2021 notice of deficiency had, in fact, been issued for assessment number L-052462415. It is well settled that a petition (or request for conciliation conference) filed before issuance of a notice of determination or a notice of deficiency cannot function as a petition of the notice (*see Matter of West Mountain Corp. v Dept. of Taxation and Fin.*, 105 AD2d 989 [3d Dept 1984], *affd* 64 NY2d 991 [1985]). The Tax Appeals Tribunal has held that where a formal protest is filed before a notice of deficiency has been issued, “[r]eview by the Division of Tax Appeals would be premature and meaningless if the Division of Taxation’s assessment was only a proposed one, subject to change under the internal procedures within the Division of Taxation” (*Matter of*

*Yegnukian*, Tax Appeals Tribunal, March 22, 1990). As such, the notice of deficiency, issued January 11, 2021, is the only petitionable notice bearing protest rights for the assessment identification number listed on the BCMS request and at issue here. Since the notice of deficiency was properly issued on January 11, 2021, and the BCMS request form was not filed until April 21, 2021, or in excess of 90 days from the issuance of the notice, petitioners' request for a conciliation conference was properly dismissed by the May 7, 2021 order issued by BCMS, and the Division of Tax Appeals is without jurisdiction to address the merits of the notice.

J. The Division's motion for summary determination is hereby granted, the petition of Usman Yaakub and Huseina Abdallah is denied, and the May 7, 2021 conciliation order dismissing petitioners' request is sustained.

DATED: Albany, New York  
August 25, 2022

/s/ Nicholas A. Behuniak  
ADMINISTRATIVE LAW JUDGE