

STATE OF NEW YORK

DIVISION OF TAX APPEALS

In the Matter of the Petition :
of : DETERMINATION
ADHM DELI CORP. : DTA NO. 850446
for Revision of a Determination or for Refund of :
Cigarette Tax under Article 20 of the Tax Law for the :
Tax Year 2022. :

Petitioner, ADHM Deli Corp., filed a petition for revision of a determination or for refund of cigarette tax under article 20 of the Tax Law for the year 2022.

The Division of Taxation, by its representative, Amanda Hiller, Esq. (Bruce D. Lennard, Esq., of counsel), brought a motion dated July 10, 2023, 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. Petitioner, appearing by Timothy P. Alnwick, Esq., failed to respond to the Division of Taxation's motion. Pursuant to 20 NYCRR 3000.5 (d), the 90-day period for issuance of this determination commenced on August 9, 2023. Based upon the motion papers, the affidavits and documents submitted therewith, and all pleadings and documents submitted in connection with this matter, Barbara J. Russo, 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 notice of determination number L-056332932.

FINDINGS OF FACT

1. The subject of the motion of the Division of Taxation (Division) is the timeliness of petitioner, ADHM Deli Corp.'s protest of a notice of determination, dated June 22, 2022, and bearing assessment identification number L-056332932 (notice). The notice is addressed to petitioner at an address in Brooklyn, New York.

2. Petitioner filed a request for conciliation conference (request) with the Division's Bureau of Conciliation and Mediation Services (BCMS) on October 24, 2022 in protest of the notice.

3. On November 25, 2022, BCMS issued a conciliation order dismissing request (conciliation order) to petitioner. The conciliation 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 date of the statutory notice. Since the notice(s) was issued on June 22, 2022, but the request was not faxed until October 24, 2022, 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 February 22, 2023.

5. To show proof of proper mailing of the June 22, 2022 notice, the Division provided the following with its motion papers: (i) an affirmation, dated April 26, 2023, of Bruce D. Lennard, the Division's representative; (ii) an affidavit, dated May 19, 2023, of Marianna Denier, a Principal Administrative Analyst and Director of the Division's Management Analysis and Project Services Bureau (MAPS); (iii) a “Certified Record for Presort Mail - Assessments Receivable” (CMR) postmarked June 22, 2022; (iv) an affidavit, dated May 23, 2023, of Susan Ramundo, a manager in the Division's mail room; (v) a copy of the June 22, 2022 notice with the associated mailing cover sheet; (vi) a copy of petitioner's request for conciliation conference,

with a facsimile time-stamp of October 24, 2022 at 4:42 P.M.; and (vii) petitioner's Electronically filed form ST-100, New York State and Local Quarterly Sales Tax Return, for the period March 1, 2022 to May 31, 2022, filed on June 20, 2022 (quarterly return), which lists the same Brooklyn, New York, address for petitioner as that listed on the subject notice. The quarterly return was the last return filed with the Division by petitioner before the notice was issued.

6. The affidavit of Marianna Denier sets forth the Division's general practice and procedure for processing statutory notices. Ms. Denier has been the Director of MAPS since July 2022 and a Principal Administrative Analyst since August 2022. She was a supervisor of Administrative Analysis from July 2019 through August 2022. Ms. Denier began working for the Division in February 1986 and has been a supervisor in MAPS since October 2004. MAPS is responsible for the receipt and storage of CMRs. As a result of her duties in those positions, Ms. Denier 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. Her affidavit explains the procedures surrounding the issuance of notices. CARTS generates the CMR. The CMR is produced (printed) approximately 10 days in advance of the anticipated date of issuance of the notices set forth thereon and lists an initial date (run date) in the upper left corner. That date is expressed as the year, Julian day of the year, and military time of day, in this case "20221651700." Following the Division's general practice, this date was manually changed on the first and last pages of the CMR in the present case to "6/22/22." In addition, as described by Ms. Denier, generally all pages of the CMR are banded together when the documents are delivered into the 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.

7. Statutory notices that are generated from CARTS are predated with the anticipated date of mailing and 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 33 pages and lists 357 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 33, which contains 5 entries. Ms. Denier 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 June 22, 2022 to each page of the CMR, wrote the number “357” on page 33 next to the heading “Total Pieces Received at Post Office” and initialed or signed page 33.

9. Page 11 of the CMR indicates that a notice of determination with certified control number 7104 1002 9730 0594 0116 and reference number L-056332932 was mailed to petitioner at the Brooklyn, New York, address listed on the subject notice. The corresponding mailing cover sheet, attached to the Denier affidavit as exhibit “B,” bears this certified control number

and petitioner's name and address as noted.

10. The affidavit of Susan Ramundo describes the Division's mail room's general operations and procedures. 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 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. Each page of the CMR in exhibit "A" of the Denier affidavit contains a USPS postmark of June 22, 2022. On page 33, corresponding to "Total Pieces and Amounts," is the preprinted number 357, and next to "Total Pieces Received At Post Office" is the handwritten entry "357." There is a set of initials or a signature on page 33.

11. According to both the Denier and Ramundo affidavits, a copy of the subject notice was mailed to petitioner on June 22, 2022, as claimed.

CONCLUSIONS OF LAW

A. As noted, the Division brings a motion to dismiss the petition under section 3000.9 (a) of the Tax Appeals Tribunal's 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 [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 [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, it 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 Lennard affirmation and the Denier 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 determination by filing a petition for a hearing with the Division of Tax Appeals within 90 days from the date of mailing of such notice (Tax Law § 478). 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 statutory notice to petitioner's last known address on June 22, 2022. 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 DeWeese*, Tax Appeals Tribunal, June 20, 2002). Further, the address on the mailing cover sheet and CMR conforms with the address listed on petitioner's quarterly return, which satisfies the "last known address" requirement. It is thus concluded that the Division properly mailed the notice on June 22, 2022, 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 (*see Tax Law §§ 170 [3-a] [a]; 478*).

H. Petitioner's request for conciliation conference was filed on October 24, 2022. This date falls after the 90-day period of limitations for the filing of such a request. Consequently, the request was untimely (*see Tax Law §§ 478; 170 [3-a] [b]*) and was properly dismissed by the November 25, 2022 conciliation order issued by BCMS. Petitioner has offered no claim or evidence to meet its burden to prove that any timely protest was filed before the 90-day period of

limitations for challenging the notice expired.

I. The Division's motion for summary determination is hereby granted, the conciliation order, dated November 25, 2022, dismissing petitioner's request is sustained, and the petition is denied.

DATED: Albany, New York
November 2, 2023

/s/ Barbara J. Russo
ADMINISTRATIVE LAW JUDGE