



TaxNewsFlash

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U.S. Tax Court: Taxpayers automatically entitled to extension to file petition by reason of COVID-19 disaster declaration

The U.S. Tax Court today held that the taxpayers were automatically entitled to an extension to file a petition with the court under section 7508A(d) by reason of the federal coronavirus (COVID-19) pandemic disaster declaration. In particular, the court found the regulations under section 7508A(d) to be invalid to the extent they limit non-pension related “time-sensitive acts that are postponed for the mandatory 60-day postponement period . . . [to] the acts determined to be postponed by the Secretary’s exercise of authority under section 7508A(a).”

The case is: *Abdo & Farah v. Commissioner*, 162 T.C. No. 7 (April 2, 2024). Read text of the Tax Court’s [opinion](#)

Summary

The IRS issued the taxpayers a notice of deficiency dated December 2, 2019. The notice specified March 2, 2020 as the last day to petition the Tax Court, but the taxpayers did not mail their petition until March 17, 2020.

The taxpayers resided in Ohio at all relevant times. On March 31, 2020, the President issued a major disaster declaration with respect to Ohio as a result of the COVID-19 pandemic. The declaration identified the disaster conditions as “beginning on January 20, 2020, and continuing.”

On September 2, 2020, the IRS filed a motion to dismiss for lack of jurisdiction on the ground that the taxpayers’ petition was not filed within the time prescribed by section 6213(a) or 7502. The taxpayers argued that section 7508A(d), which provides for a mandatory 60-day extension of certain tax-related deadlines by reason of a federally declared disaster, operated in conjunction with the President’s declaration to automatically extend the filing deadline until March 20, 2020.

On June 11, 2021, final regulations were issued under section 7508A(d), and the parties agreed that the deadline for the taxpayer to file their petition would not have been extended under the regulations, which would have required the Secretary to specifically exercise its authority to apply the 60-day postponement period. The parties further agreed that *Chevron* provided the proper framework for the court to review the regulations. The court ultimately agreed with the taxpayers that the regulations were invalid because the taxpayers' petition was timely under all reasonable constructions of section 7508A(d), which provides for an unambiguously self-executing postponement period for the filing of a petition with the court for a redetermination of a deficiency.

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