United States Tax Court

167 T.C. No. 14

KINGS ROAD PROPERTY, LLC, KINGS ROAD MANAGER, LLC, PARTNERSHIP REPRESENTATIVE,
Petitioner

v.

COMMISSIONER OF INTERNAL REVENUE,
Respondent

Docket No. 10272-25. Filed November 2, 2026.

In *North Wall Holdings, LLC v. Commissioner*, 165 T.C. 143 (2025), we held that the TEFRA petition deadline was jurisdictional, and even if not jurisdictional, it was not subject to equitable tolling. In *Big Apple Tompkins Realty LLC v. Commissioner*, No. 19040-23, 167 T.C. (Aug. 5, 2026), we held that the BBA petition deadline is not jurisdictional, and we reconciled our conclusion with *North Wall*. In a prior opinion in this case, we held that the BBA petition deadline is subject to equitable tolling, and we again reconciled our conclusion with *North Wall*. *Kings Rd. Prop., LLC v. Commissioner*, No. 10272-25, 167 T.C. (Sep. 21, 2026).

R seeks reconsideration of both our conclusion that the BBA petition deadline is not jurisdictional and our conclusion that equitable tolling may apply. In so doing, he argues that our conclusions in this case and in *Big Apple* conflict with our conclusions in *North Wall*. We already considered and rejected that argument. *See Kings Rd.*, 167 T.C., slip op. at 8–9; *Big Apple*, 167 T.C., slip op. at 20–25. He also offers new arguments as to why equitable tolling should not apply.

Served 11/02/26

Held: "Reconsideration is not the appropriate forum for rehashing previously rejected legal arguments or tendering new legal theories to reach the end result desired by the moving party." *Estate of Quick v. Commissioner*, 110 T.C. 440, 441–42 (1998), *supplementing* 110 T.C. 172 (1998), followed.

Kristin Martin Centeno, *Ronald A. Levitt*, *Olla F. Jaraysi*, *Gregory P. Rhodes*, *Michelle A. Levin*, *Sarah E. Green*, *Sidney W. Jackson IV*, *Emily C. Ellis*, *Carneil D. Wilson*, and *Ryder A. Winborn*, for petitioner.

Danielle P. Costigan, *Erin A. Schaffer-Williams*, and *Courtney S. Bacon*, for respondent.

OPINION

BUCH, *Judge*: On October 21, 2026, the Commissioner filed a Motion for Reconsideration of Findings or Opinion Pursuant to Rule 161,[1] arguing that the Court made a substantial error of law. In that Motion, the Commissioner reasserts arguments the Court already rejected and tenders new legal theories. Thus, we will deny the Motion.

Background

Beginning in the early 2000s, the Supreme Court endeavored to "bring some discipline" to the use of the jurisdictional label. *See Henderson ex rel. Henderson v. Shinseki*, 562 U.S. 428, 435 (2011) (first citing *Reed Elsevier, Inc. v. Muchnick*, 559 U.S. 154, 161–62 (2010); and then citing *Kontrick v. Ryan*, 540 U.S. 443, 455 (2004)); *Arbaugh v. Y & H Corp.*, 546 U.S. 500, 514 (2006). For a deadline to be jurisdictional, Congress must "clearly state[]" that a filing deadline is jurisdictional; absent such a clear statement, "courts should treat the restriction as nonjurisdictional in character." *Arbaugh*, 546 U.S. at 515–16. The Supreme Court has instructed: "To determine whether Congress has made the necessary clear statement, we examine the 'text, context, and relevant historical treatment' of the provision at issue." *Musacchio*

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[1] Unless otherwise indicated, statutory references are to the Internal Revenue Code, Title 26 U.S.C., in effect at all relevant times, and Rule references are to the Tax Court Rules of Practice and Procedure.

v. United States, 577 U.S. 237, 246 (2016) (quoting *Reed Elsevier*, 559 U.S. at 166).

The Tax Court has endeavored to bring some discipline to its own jurisdictional rulings. In *Hallmark Research Collective v. Commissioner*, 159 T.C. 126 (2022), we chronicled the 98-year history of the petition deadline in deficiency cases having been jurisdictional. Currently, the circuits are split on whether the petition deadline in deficiency cases is jurisdictional. *Compare Culp v. Commissioner*, 75 F.4th 196 (3d Cir. 2023), *with Organic Cannabis Found., LLC v. Commissioner*, 962 F.3d 1082 (9th Cir. 2020). There is also the added wrinkle of one circuit finding that the deadline is not jurisdictional but that it nonetheless is not subject to equitable tolling. *Kyick Holdings, LLC v. Commissioner*, 188 F.4th 39, 58–59 (1st Cir. 2026).

With respect to partnership matters, there is yet another wrinkle: two separate statutory schemes. For nearly four decades, the adjustment of partnership items was governed by the provisions enacted by the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), Pub. L. No. 97-248, §§ 401–407, 96 Stat. 324, 648–71 (enacting sections 6221–6232). But the TEFRA provisions governing adjustments to partnership items were repealed by the Bipartisan Budget Act of 2015 (BBA), Pub. L. No. 114-74, § 1101(a), (g), 129 Stat. 584, 625, 638. The BBA provisions generally apply to returns filed for partnership taxable years beginning after December 31, 2017. BBA § 1101(g)(1), 129 Stat. at 638. Notably, the BBA was enacted long after the Supreme Court began its effort to bring some discipline to the use of the jurisdictional label.

In recent cases, we have been called upon to bring some discipline to our jurisdictional rulings in partnership cases. In *North Wall Holdings, LLC v. Commissioner*, 165 T.C. 143, 168 (2025), we held that the TEFRA petition deadline was jurisdictional. We went one step further and held that, even if not jurisdictional, the TEFRA petition deadline was not subject to equitable tolling. *Id.* In contrast, in *Big Apple Tompkins Realty LLC v. Commissioner*, No. 19040-23, 167 T.C. (Aug. 5, 2026), we held that the BBA petition deadline was not jurisdictional. We left open the question of whether the BBA petition deadline could be subject to equitable tolling.

That brings us to this case and the pending Motion. In *Kings Road Property, LLC v. Commissioner*, No. 10272-25, 167 T.C. (Sep. 21, 2026), we held that the BBA petition deadline can be subject to equitable tolling. The Commissioner's Motion followed.

Discussion

Pending before the Court is the Commissioner's Motion for Reconsideration, in which the Commissioner argues:

> The Court based its decision to deny Respondent's Motion to Dismiss for Lack of Jurisdiction in part on *Big Apple*, in which the Court held section 6234(a)'s deadline to be nonjurisdictional. [*Kings Rd.*, 167 T.C., slip op.] at 7 (citing *Big Apple*, 167 T.C. No. 7, at 28). However, *Big Apple* conflicts with *North Wall*, in which the Tax Court held that identical language under TEFRA provided a jurisdictional deadline that was not subject to equitable tolling. 165 T.C. at 154. Failing to revisit the Opinion would perpetuate the errors present in *Big Apple* and subject the IRS to significant administrative burdens. Respondent is simultaneously filing a motion for reconsideration of the Court's opinion in *Big Apple*, together with a motion for leave to file the motion for reconsideration in *Big Apple* out of time.

These arguments, however, have already been considered and rejected.

In *Big Apple*, we devoted several pages to explaining why TEFRA and BBA proceedings are fundamentally different, necessarily leading to different results. *Big Apple*, 167 T.C., slip op. at 20–25. We concluded that section of the opinion by stating: "In sum, although the text of sections 6234 of the BBA and 6226 of TEFRA is nearly identical, we do not find in the BBA the same legal and administrative complexities that led us to our holding in *North Wall*." *Id.* at 25 (footnote omitted).

And in our previous opinion in this case, we explained that the "complex, multilayered assessment process" in TEFRA cases that led to the result in *North Wall* "was ameliorated by the enactment of the BBA." *Kings Rd.*, 167 T.C., slip op. at 9. Much of that complexity was chronicled in *North Wall*. We observed by footnote:

> The BBA was a wholesale revision of the former TEFRA partnership procedures. To describe what is absent in the BBA would require a description of the entire repealed TEFRA regime. To give but one example of the complexity in TEFRA that is not present with the BBA, TEFRA allowed multiple partners to file petitions during different timeframes with provisions that governed the

> interplay of those various deadlines. *See* I.R.C. § 6226(a) and (b) (TEFRA). There is no BBA equivalent.

Id. at 9 n.4.

Contrary to the Commissioner's Motion, *North Wall*, *Big Apple*, and our previous opinion in this case are not in conflict. Our opinions in these cases are reconciled with each other within the very body of those opinions, addressing the same arguments the Commissioner makes in his Motion for reconsideration and some he now raises for the first time. "Reconsideration is not the appropriate forum for rehashing previously rejected legal arguments or tendering new legal theories to reach the end result desired by the moving party." *Estate of Quick v. Commissioner*, 110 T.C. 440, 441–42 (1998) (citing *Stoody v. Commissioner*, 67 T.C. 643, 644 (1977)), *supplementing* 110 T.C. 172 (1998).

With specific regard to "tendering new legal theories," we observe that petitioner made an extensive equitable-tolling argument in its objection to the Commissioner's Motion to Dismiss for Lack of Jurisdiction. The Commissioner did not mention equitable tolling in any of his Motion papers, including those filed following petitioner's objection. In his Motion for Reconsideration, the Commissioner for the first time suggests that there may be "substantial administrative burdens that can result from tolling section 6234(a)'s deadline." He then chronicles several "uncertainties" that may arise, but uncertainties will exist with any deadline that may be tolled. In *North Wall*, by contrast, we found that allowing equitable tolling would make TEFRA "unworkable." *N. Wall Holdings*, 165 T.C. at 161.

Conclusion

In *North Wall*, we held that the TEFRA petition deadline was jurisdictional, and even if not jurisdictional, not subject to equitable tolling. In *Big Apple*, we held that the BBA petition deadline is not jurisdictional, and we reconciled our conclusion with *North Wall*. And in this case, we held that the BBA petition deadline is subject to equitable tolling, and we again reconciled our conclusion with *North Wall*. We have addressed and rejected the Commissioner's arguments, including those belatedly raised. Accordingly, we will deny the Commissioner's Motion for Reconsideration.

An appropriate order will be issued.