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U.S. Tax Court: Reconsideration denied in BBA partnership equitable tolling case

The U.S. Tax Court yesterday denied the IRS's motion for reconsideration of its September 21, 2026, decision in *Kings Road Property, LLC v. Commissioner*, in which the court held that the 90-day partnership petition deadline under section 6234(a), as enacted under the Bipartisan Budget Act of 2015 (BBA), is not jurisdictional and is subject to equitable tolling (read *TaxNewsFlash*).

The case is: *Kings Road Property, LLC, Kings Road Manager, LLC, Partnership Representative v. Commissioner*, 167 T.C. No. 14 (November 2, 2026). Read the Tax Court's opinion.

The IRS argued that the court's BBA decision conflicted with *North Wall Holdings, LLC v. Commissioner*, involving the former Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) partnership regime. The court concluded, however, that it had already considered and rejected that argument, explaining in *Kings Road* and *Big Apple Tompkins Realty LLC v. Commissioner* (read *TaxNewsFlash*) that differences between the TEFRA and BBA regimes supported different treatment of their petition deadlines. The court explained that the "complex, multilayered assessment process" under TEFRA that led to the result in *North Wall* "was ameliorated by the enactment of the BBA."

The court also declined to consider the IRS's newly raised arguments concerning potential administrative burdens and uncertainties associated with equitable tolling, stating that 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."

Accordingly, the court left undisturbed its holding that the BBA petition deadline may be equitably tolled.

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