



TREASURY DEPARTMENT

WASHINGTON

OFFICE OF
COMMISSIONER OF INTERNAL REVENUE

ADDRESS REPLY TO
COMMISSIONER OF INTERNAL REVENUE
AND REFER TO

DEC 14 1923

IT:PA:1
SDP-104-App.

Mr. W. R. Walker,
Athens, Alabama.

Sir:

An examination of your income tax return and of your books of account and records for the year 1918 discloses an additional tax aggregating \$476.71, as shown in detail in the attached statement.

In accordance with the provisions of Section 250 (d) of the Revenue Act of 1921, you are granted thirty days within which to file an appeal and to show cause or reason why this tax or deficiency should not be paid. The appeal, if filed, must be addressed to the Commissioner of Internal Revenue, Washington, D. C., for the specific attention of IT:PA:1, SDP-104-App.

Treasury Decision No. 3492, setting forth the privileges of taxpayers in cases of appeal, is attached for your information and guidance.

Where a taxpayer has been given an opportunity to appeal and has not done so, as set forth above, and an assessment has been made, or where a taxpayer has appealed and an assessment in accordance with the final decision on such appeal has been made, no claim in abatement of the assessment will be entertained.

This assessment is in addition to all other outstanding and unpaid assessments appearing upon the Collector's lists.

Payment should not be made until a bill is received from the Collector of Internal Revenue for your district, and remittance should then be made to him.

Respectfully,

J. GL BRIGHT,

Deputy Commissioner.

Inclosure: T. D. 3492.

By

W B Ristic
Assistant Head of Division.

In re: Mr. W. R. Walker,
Athens, Alabama.

AGREEMENT CONSENTING TO ASSESSMENT OF ADDITIONAL TAX

I hereby consent to immediate assessment of the additional tax, aggregating \$ 476.71, as indicated by letter from the Commissioner of Internal Revenue, Washington, D. C., dated DEC 14 1923, 192....., and bearing the symbols IT:PA:1. SDP-104-App.

(SIGNED)..... Date.....

Street Address..... City.....

State..... District.....

For your information you are advised that Section 250 (d) of the Revenue Act of 1921 provides that tax discovered upon the basis of an examination of the taxpayer's return shall not be assessed until the taxpayer has been notified of the proposed assessment and has been granted a period of thirty days from the date of such notice in which to file an appeal and show cause or reason why the tax or deficiency should not be paid. If you agree to the findings of the Bureau, action can be expedited if you will sign and return to this office without delay the agreement consenting to immediate assessment of the tax as indicated in the accompanying letter.

STATEMENT

DEC 14 1923

IT:PA:1
SDP-104-App.

In re: Mr. W. R. Walker,
Athens, Alabama.

Additional Tax

1918

\$476.71

The audit as made by the examining officer
has been reviewed and approved by this office.

(T. D. 3492.)

Appeals and hearings.

Article 1006, Regulations No. 62, as amended by T. D. 3409, further amended.

**TREASURY DEPARTMENT,
OFFICE OF COMMISSIONER OF INTERNAL REVENUE,
Washington, D. C.**

To Collectors of Internal Revenue and Others Concerned:

Article 1006, Regulations No. 62, as amended by T. D. 3409, is hereby further amended to read as follows:

Appeals and hearings.—Section 250 (d) of the revenue act of 1921 provides that if upon examination of a return made under the revenue act of 1916, 1917, 1918, or 1921, an income or excess-profits tax or a deficiency therein (which deficiency is defined in section 250 (b) as meaning the difference, to the extent not covered by any credit due to the taxpayer under section 252, between the amount of the tax already paid and that which should have been paid) is discovered the taxpayer shall be notified thereof and shall have the right of an appeal and a hearing before an assessment is made. As soon as practicable, therefore, after a return is filed, whether by the taxpayer or as provided in section 3176, Revised Statutes, as amended, it is examined, and if a tax or a deficiency in tax is discovered, the taxpayer shall be notified thereof by registered mail and a period of not less than 30 days given the taxpayer in which to file an appeal to the commissioner and show cause or reason why such tax or deficiency should not be paid. Full 30 days from the mailing (not the receipt) of such notice to file an appeal shall be given the taxpayer. The appeal must be addressed to the Commissioner of Internal Revenue, Washington, D. C., and must be filed in his office within 31 days from the mailing of the notice, but if it is mailed in time to be received by the commissioner within such period in the ordinary course of the mails it will be considered as having been filed within such period. The appeal should be clearly designated as an appeal from the income-tax unit to the commissioner and must be under oath. It should contain (a) the name and address of the taxpayer (in the case of an individual the residence and in the case of a corporation the principal office or place of business); (b) in the case of a corporation the name of the State of incorporation; (c) a designation by date and symbol of the registered notice or notices from which the appeal originates; (d) a designation of the year or years involved and a statement of the amount of tax in dispute for each year; (e) an itemized schedule of the findings of the unit to which the taxpayer takes exception, accompanied by a summary statement of the grounds upon which the taxpayer relies in connection with each exception; (f) in case the taxpayer desires further conference with the income-tax unit, as provided in the second paragraph of this article, a request for such conference; and (g) a statement that the appeal is not taken for the purpose of delay.

Upon the receipt of the appeal and before it is made the subject of a hearing by the agency designated by the commissioner as hereinafter provided, the appeal will be referred to the income tax unit in Washington. The taxpayer may at the time of appealing request a conference before the income tax unit to be held within a period prior to the expiration of 30 days after the time for the filing of an appeal. All data relied upon by the taxpayer in connection with his appeal (including affidavits as to facts and briefs of argument) shall be filed with the income tax unit 5 days prior to the date fixed for any such conference, or, if no such conference is requested, such data shall be filed with the income tax unit within a period prior to the expiration of 25 days after the time for the filing of an appeal. Upon cause shown the taxpayer may obtain from the income tax unit a reasonable extension of time for holding such conference or filing such data beyond the periods of limitation hereinbefore specified. Any request for such additional time shall state specifically the reasons therefor and such statement shall be under oath. If, pursuant to conference, the income tax unit and the taxpayer reach an agreement respecting the amount of the proposed assessment, such amount shall be assessed forthwith, and in case upon examination of the data submitted by

the taxpayer without conference the unit concedes that no additional tax is due, the taxpayer shall be so notified forthwith. If the income tax unit and the taxpayer are unable to reach an agreement respecting the amount of the proposed assessment, or if the taxpayer fails to request a conference before the income tax unit, the appeal shall be transmitted by the income tax unit to such agency as the commissioner may designate for consideration and hearing, accompanied by a letter of transmittal (of which a copy shall be sent contemporaneously to the taxpayer by registered mail) containing the following information and data: (a) A designation of the division of the income tax unit from which the appeal is transmitted, (b) the name and address of the taxpayer, (c) a designation of the taxable period or periods involved and of the additional assessments proposed for each such period, (d) a statement of such issues raised by the appeal as are not conceded by the unit together with a brief summary of the unit's grounds for not conceding such issues, including a reference to the law, regulations, and rulings upon which the unit relies in support of its position, and (e) a statement of the dates of any conferences between the income tax unit and the taxpayer, and specifically a statement whether any conference was requested by and granted to the taxpayer subsequent to the registered notice as provided in this article. Opportunity for an oral hearing on appeal before the agency designated by the commissioner shall be granted if requested in the appeal or within 20 days after the mailing of the transmittal letter, as hereinbefore provided. The appeal must not, however, be made the occasion for the presentation of new evidence other than that submitted to the income tax unit as provided in this paragraph.

In the case of a return which is examined in the collector's office, where a tax or deficiency therein is discovered, the taxpayer will be notified thereof by registered mail and the same period given the taxpayer in which to file an appeal to the commissioner and show cause or reason why such tax or deficiency should not be paid. Such appeal shall be filed in the manner prescribed above. The procedure in connection with such appeal shall be the same as hereinbefore provided in the case of appeals from decisions of the income tax unit, except that upon receipt of the appeal it will be referred to the collector's office where the proposed assessment is being considered and the taxpayer's conference prior to the prosecution of the appeal shall be a conference with the collector or his representatives.

No assessment under section 250 (d) shall be made without notification to the taxpayer of his right to appeal and show cause, except that in any case where the commissioner believes that the collection of the amount due will be jeopardized by delay, he may make the assessment without giving such notice or awaiting the conclusion of a hearing.

Where a taxpayer has been given an opportunity to appeal and has not done so, as above set forth, and an assessment has been made, or where a taxpayer has appealed and an assessment in accordance with the final decision on such appeal has been made, no claim in abatement of the assessment shall be entertained.

Where an assessment has been made without giving the taxpayer an opportunity to appeal, or without awaiting a decision on an appeal that has been perfected, a bona fide claim in abatement of the assessment, filed within 10 days after notice and demand by the collector, may be entertained.

When a taxpayer shall have taken advantage (or had the opportunity so to do) of the procedure outlined in this article, and the case has been completed pursuant thereto by notification to the taxpayer of final decision on appeal as approved by the commissioner or by assessment, the case will not be reopened except where it is materially affected by the change of regulations or by the final decision of another case either by the Commissioner of Internal Revenue or by a court of competent jurisdiction. The application for reopening a case must be addressed to the Commissioner of Internal Revenue, must state succinctly the circumstances upon which the application is based, and must be supported by the affidavit of the petitioner.

D. H. BLAIR,
Commissioner of Internal Revenue.

Approved June 16, 1923:
A. W. MELLON,
Secretary of the Treasury.