

STATE OF NEW YORK

DIVISION OF TAX APPEALS

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In the Matter of the Petition :  
of :  
**PANCO EQUIPMENT CORP.** : DETERMINATION  
for Revision of a Determination or for Refund of Tax on : DTA NO. 828966  
Petroleum Businesses under Article 13-A of the Tax Law :  
for the Period June 1, 2015 through October 31, 2017. :

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Petitioner, Panco Equipment Corp., filed a petition for revision of a determination or for refund of tax on petroleum businesses under article 13-A of the Tax Law for the period June 1, 2015 through October 31, 2017.

The Division of Taxation, by its representative, Amanda Hiller, Esq. (Brian Evans, Esq., of counsel), brought a motion, on December 19, 2019, seeking an order dismissing the petition or, in the alternative, summary determination in the above-referenced matter pursuant to sections 3000.5, 3000.9 (a) (i) and 3000.9 (b) of the Rules of Practice and Procedure of the Tax Appeals Tribunal. Petitioner, appearing by its treasurer, Joseph M. Tedesco, did not respond to the motion. The 90-day period for issuance of this determination commenced on January 21, 2020, and was extended for an additional three months for good cause pursuant to section 3000.15 (e) (1) . Based upon the motion papers, the affidavits and documents submitted therewith, and all pleadings and documents submitted in connection with this matter, Kevin R. Law, 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 a notice of determination.

***FINDINGS OF FACT***

1. The subject of the motion of the Division of Taxation (Division) is the timeliness of petitioner's protest of a notice of determination, dated April 19, 2018, and bearing assessment identification number L-047941942 (notice). The notice was addressed to petitioner, Panco Equipment Corp., at an address in Stony Point, New York.

2. Petitioner filed a request for conciliation conference with the Division's Bureau of Conciliation and Mediation Services (BCMS) in protest of the notice on October 17, 2018.

3. On November 9, 2018, BCMS issued a conciliation order dismissing request (conciliation order) to petitioner.<sup>1</sup> The conciliation order determined that petitioner's protest of the notice 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 April 19, 2018, but the request was not mailed until October 17, 2018, or in excess of 90 days, the request is late filed.”

4. Petitioner filed a timely petition with the Division of Tax Appeals in protest of the conciliation order on November 15, 2018.

5. To show proof of proper mailing of the notice, the Division provided the following with its motion papers: (i) an affidavit, dated December 12, 2019, of Deena Picard, a Data Processing Fiscal Systems Auditor 3 and Acting Director of the Division's Management Analysis and Project Services Bureau (MAPS); (ii) a “Certified Record for – DTF-962-F-E-Not of Def Follow Up DTF-963-E-Notice of Determination” (CMR), postmarked April 19, 2018; (iii) a copy of the April 19, 2018 notice with the associated mailing cover sheet; (iv) an affidavit,

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<sup>1</sup> BCMS initially sent a letter to petitioner, dated October 26, 2018, advising petitioner that no further action would be taken on its request because the notice and demand, also bearing assessment number L-047941942, did not have formal protest rights. On November 1, 2018, BCMS issued another letter to petitioner, rescinding the October 26, 2018 letter, as it referenced a notice and demand which was issued subsequent to the April 19, 2018 notice of determination at issue herein.

dated December 16, 2019, of Fred Ramundo, a supervisor in the Division's mail room; (v) a copy of petitioner's request for conciliation conference date-stamped received by BCMS on October 19, 2018; (vi) a copy of the conciliation order issued to petitioner on November 9, 2018 (CMS No. 000304733); and (vii) a copy of petitioner's form IFTA-100, quarterly fuel use tax return for the period October 1, 2017 through December 31, 2017, filed on January 31, 2018, which lists the same address for petitioner as that listed on the notice, the request for conciliation conference and the petition. The January 31, 2018 tax return was the last return filed with the Division by petitioner before the notice was issued.

6. The affidavit of Deena Picard, who has been in her current position since May 2017, and a Data Processing Fiscal Systems Auditor 3 since February 2006, sets forth the Division's general practice and procedure for processing statutory notices. Ms. Picard is the Acting Director of MAPS, which is responsible for the receipt and storage of CMRs, and 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. Statutory notices are generated from CARTS and are predated with the anticipated date of mailing. Each page of the CMR lists an initial date that is approximately 10 days in advance of the anticipated date of mailing. Following the Division's general practice, this date was manually changed on the one page CMR in the present case to the actual mailing date of "4/19." In addition, as described by Ms. Picard, generally all pages of the CMR are banded together when the documents are delivered into 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. All notices 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 one page and lists five certified control numbers along with corresponding assessment numbers, names and addresses. Ms. Picard 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 April 19, 2018 to the CMR, wrote the number "5," next to the heading "Total Pieces Received at Post Office," and initialed or signed the CMR.

9. The CMR indicates that a notice of determination with certified control number 7104 1002 9735 4208 9699 and assessment ID number L-047941942 was mailed to petitioner at the Stony Point, New York, address listed on the notice. The corresponding mailing cover sheet, attached to the Picard affidavit as exhibit "B," bears this certified control number and petitioner's name and address as noted.

10. The affidavit of Fred Ramundo, describes the mail room's general operations and procedures. Mr. Ramundo has been a supervisor in the mail room since 2013 and, as a result, is familiar with the practices of the mailroom with regard to statutory notices. The mail room receives the notices and places them in an "Outgoing Certified Mail" area. Mr. Ramundo

confirms that a mailing cover sheet precedes each notice. A staff member retrieves 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.

11. The CMR attached to the Picard affidavit as exhibit "A" contains a USPS postmark of April 19, 2018. Corresponding to "Total Pieces and Amounts," is the preprinted number "5" and next to "Total Pieces Received at Post Office," the USPS employee wrote the number "5," wrote his or her initials or a signature, and affixed a postmark. According to Mr. Ramundo, the affixation of the postmark and the USPS employee's initials indicate that all of the five articles of mail listed on the CMR, including the article addressed to petitioner, were received by the USPS on April 19, 2018.

12. According to both the Picard and Ramundo affidavits, a copy of the notice was mailed to petitioner on April 19, 2018, as claimed.

### ***CONCLUSIONS OF LAW***

A. As noted, the Division brings a motion to dismiss the petition under section 3000.9 (a) of the 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, 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 v Tri-Pac Export Corp.*, 22 NY2d 439 [1968]; *Museums at Stony Brook v Village 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 v Baiden*, 36 NY2d 539 [1975]; *John William Costello Assocs. v Standard Metals Corp.*, 99 AD2d 227 [1st Dept 1984], *appeal dismissed* 62 NY2d 942 [1984]). Petitioner has presented no evidence to contest the facts alleged in the Picard and Ramundo affidavits; consequently, those facts are deemed admitted (*Kuehne & Nagel 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 date of mailing of such notice (Tax Law *see* §§ 288 [5]; 315 [a]). 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 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 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* Tax Law §§288 [a] [5]; 315 [a]); *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 sufficient proof to establish the mailing of the notice to petitioner's last known address on April 19, 2018. 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 January 31, 2018 tax return, which satisfies the "last known address" requirement. It is thus concluded that the Division properly mailed the notice on April 19, 2018, 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]; 288 [a] [5]; 315 [a]*).

H. Since the Division has demonstrated proper mailing of the notice, such a showing gives rise to a presumption of receipt of the notice by the person to whom it is addressed. Here, petitioner did not contest that the Division properly mailed the notice, but rather, the petition asserted that it never received the notice. Denial of receipt, without more, is insufficient to overcome the statutory presumption of receipt (*see Matter of T.J. Gulf v New York State Tax Commn.*, 124 AD2d 314 [3d Dept 1986]; *Matter of Rosenbaum*, Tax Appeals Tribunal, November 5, 2018).



I. Petitioner's request for conciliation conference was filed on October 17, 2018. This date falls after the 90-day period of limitations for the filing of such a request. Consequently, the request was untimely filed (*see* Tax Law §§ 170 [3-a] [b]; 288 [a] [5]; 315 [a]) and was properly dismissed by the November 9, 2018 conciliation order issued by BCMS. Petitioner has offered no claim or evidence to meet its burden of proving that a protest was filed before the 90-day period of limitations for challenging the notice expired.

J. The Division's motion for summary determination is hereby granted, the petition of Panco Equipment Corp. is denied, and the November 9, 2018 conciliation order dismissing petitioner's request is sustained.

DATED: Albany, New York  
July 16, 2020

/s/ Kevin R. Law  
ADMINISTRATIVE LAW JUDGE