

STATE OF NEW YORK

DIVISION OF TAX APPEALS

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In the Matter of the Petition	:	
of	:	
<b>G &amp; B COLLISION CENTER, INC.</b>	:	
	:	DETERMINATION
	:	DTA NO. 830365
for Revision of a Determination or for Refund of Sales and Use Taxes under Articles 28 and 29 of the Tax Law for the Tax Periods December 1, 2015 through August 31, 2018.	:	

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Petitioner, G & B Collision Center, Inc., filed a petition for revision of a determination or for refund of sales and use taxes under articles 28 and 29 of the Tax Law for the periods December 1, 2015 through August 31, 2018. Pursuant to 20 NYCRR 3000.9 (a) (4), the Division of Tax Appeals issued a notice of intent to dismiss petition, dated December 3, 2021, on the grounds that the Division of Tax Appeals lacks jurisdiction of the subject matter of the petition because the petition did not appear to have been filed in a timely manner. The parties were given until January 3, 2022 to respond to said notice. The Division of Taxation, appearing by Amanda Hiller, Esq. (Melanie Spaulding, Esq., of counsel), submitted documents in support of dismissal. Petitioner, appearing by Sales Tax Helper, LLC (Gerald Donnini II, Esq.), did not submit a response by January 3, 2022, which date triggered the 90-day deadline for issuance of this determination. The deadline for the issuance of the determination was extended 30 days for good cause. After due consideration of the documents submitted, Herbert M. Friedman, Jr., Supervising Administrative Law Judge, renders the following determination.

***ISSUE***

Whether petitioner filed a timely petition with the Division of Tax Appeals following the issuance of a notice of determination.

***FINDINGS OF FACT***

1. The Division of Taxation (Division) issued to petitioner, G & B Collision Center, Inc., a notice of determination, dated February 6, 2020, bearing assessment number L-051220541 and assessing sales and use taxes for the periods December 1, 2015 through August 31, 2018. The notice of determination asserted tax of \$84,089.08, penalty of \$24,825.45, and interest of \$39,701.32, for a total of \$148,615.85. The audit case ID for the period December 1, 2015 through August 31, 2018 that resulted in the notice of determination was X187365609.

2. Petitioner filed a petition that was received by the Division of Tax Appeals on April 1, 2021. The envelope containing the petition bears a United States Postal Service postmark indicating the petition was mailed March 26, 2021. The March 26, 2021 petition challenged sales and use taxes asserted for the period December 1, 2015 through August 31, 2018. It also identified the amount of tax determined and contested as \$84,089.08. Further, it included a consent to extension of time for audit case number X187365609. However, the March 26, 2021 petition identified the notice being challenged as number L-050146949. A statutory notice was not attached to the March 26, 2021 petition.

3. Notice number L-050146949 asserted sales tax liability in the form of interest and penalties only in the amount of \$909.98 for the quarterly period ended May 31, 2019. It did not include the period December 1, 2015 through August 31, 2018.

4. On April 15, 2021, petitioner filed a petition challenging notice of determination number L-051220541, assessing sales and use taxes for the periods December 1, 2015 through August 31, 2018. The notice of determination asserted tax of \$84,089.08, penalty of \$24,825.45, and interest of \$39,701.32, for a total of \$148,615.85. At petitioner's request, a copy of notice of determination L-051220541 was obtained from the Division and attached to the petition. The audit case ID associated with this petition was X187365609.

5. By email of April 22, 2021 to the Division of Tax Appeals, petitioner confirmed that it had placed the incorrect assessment number on the original March 26, 2021 petition and that it only intended to challenge the notice issued for the period December 1, 2015 through August 31, 2018. Thus, petitioner's April 15, 2021 petition constituted a duplicate, corrected filing of its March 26, 2021 petition.

6. On May 10, 2021, petitioner filed a motion for leave to amend its petition. As the period for the Division's answer had not expired, petitioner's amended petition was accepted. The amended petition identified case ID X187365609 as the notice being challenged, but also stated that the formal notice was not received by petitioner until it was requested from the Division subsequent to the March 26, 2021 petition filing as noted in finding of fact 4.

7. The May 10, 2021 amended petition confirmed the challenge to the notice assessing sales and use taxes for the periods December 1, 2015 through August 31, 2018. The audit case ID associated with this amended petition was identified as X187365609. Petitioner, however, asserted that it never received the statutory notice and, therefore, should have a hearing. It also argued the substance of the audit in the amended petition.

8. On October 8, 2021, Supervising Administrative Law Judge Herbert M. Friedman, Jr., of the Division of Tax Appeals, issued a notice of intent to dismiss petition (notice of intent) to petitioner on the basis that the petition in this matter did not appear to be timely filed. On December 3, 2021, the Division of Tax Appeals, re-issued the notice of intent due to a clerical error.<sup>1</sup> The notice of intent indicated that the notice of determination was issued on February 6, 2020, but the petition was not filed until March 26, 2021, or in excess of 90 days later.

9. In response to the issuance of the notice of intent, the Division submitted among other documents: (i) an affirmation, dated December 14, 2021, of Melanie Spaulding, an attorney employed by the Office of Counsel of the Division; (ii) an affidavit, dated November 9, 2020, of Deena Picard, Data Processing Fiscal Systems Auditor 3 and Acting Director of the Management Analysis and Project Services Bureau (MAPS); (iii) an affidavit, dated November 18, 2020, of Susan Ramundo, Manager of the Mail Room of the Department of Taxation and Finance; (iv) a “Certified Record for Presort Mail - Assessments Receivable” (CMR) postmarked February 6, 2020; (v) a copy of the notice of determination, dated February 6, 2020 together with associated mailing cover sheets; and (vi) a copy of the petitioner’s form e-FILED Part-Quarterly ST-809 for the tax period December 1, 2019 through December 31, 2019, filed on January 20, 2020.

10. The affidavit of Deena Picard, who has been in her current position since May 2017, and was previously a Data Processing Fiscal Systems Auditor 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

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<sup>1</sup> The October 8, 2021 notice of intent to dismiss erroneously identified the date of filing of the petition as April 15, 2021.

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 first and last page of the CMR in the present case to the actual mailing date of February 6, 2020. 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.

11. 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 the 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 Address, Street, and PO Address."

12. The February 6, 2020 CMR consists of 16 pages and lists 165 certified control numbers along with corresponding assessment numbers, names and addresses. Each page of the CMR includes 11 such entries, with the exception of page 16 which contains 0 entries. 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 February 6, 2020 to each page of

the CMR, wrote the number “165” next to the heading “Total Pieces Received at Post Office” on page 16, and initialed or signed the first and last page of the CMR.

13. Page 9 of the CMR indicates that a notice with reference number L-051220541 and certified control number 7104 1002 9730 0101 5771 was mailed to petitioner at 569 GRAND AVE BROOKLYN NY 11238-2271. The corresponding mailing cover sheet, attached to the Picard affidavit as exhibit A, bears this certified control number and petitioner’s name and address as noted.

14. The affidavit of Susan Ramundo, a manager in the Division’s mail room since 2017 and currently an associate administrative analyst whose duties include the management of the mail processing center staff, attested to the practices of the mail room with regard to statutory notices. The notices are received in the mail room and placed in the “Outgoing Certified Mail” area. Each notice in a batch is preceded by its mailing cover sheet and is accompanied by any required enclosures, and each batch includes its accompanying CMR. A member of the mail room staff retrieves the notices and associated documents and operates a machine that puts each statutory notice and associated documents into a windowed envelope so that the address and certified number from the mailing cover sheet shows through the window. The staff member then weighs, seals and affixes postage and fee amount on each envelope. A mail processing clerk thereafter checks the first and last pieces of certified mail listed on the CMR against the information contained on the CMR, and then performs a random review of up to 30 pieces listed on the CMR, by checking those envelopes against the information contained 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 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. As noted, each page of the CMR attached to the Picard affidavit as Exhibit A contains a USPS postmark dated February 6, 2020. In addition, she attests that the USPS employee's initials, or signature appear on the last page of the CMR. According to Ms. Ramundo, the affixation of the postmarks and the USPS employee's initials indicates that all 165 articles of mail listed on the CMR, including the article addressed to petitioner, was received by the USPS for mailing on February 6, 2020.

15. According to the Picard and Ramundo affidavits, the notice was mailed to petitioner on February 6, 2020, as claimed.

16. Petitioner did not submit a response to the notice of intent.

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

A. The petition in this matter seeks review of a notice of determination. There is a 90-day statutory time limit for filing a petition following the issuance of a notice of determination (*see* Tax Law §§ 1138 [a]; 2006 [4]). The Division of Tax Appeals lacks jurisdiction to consider the merits of any petition filed beyond the 90-day time limit (*see Matter of Voelker*, Tax Appeals Tribunal, August 31, 2006). 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).

B. In *Matter of Victory Bagel Time, Inc.* (Tax Appeals Tribunal, September 13, 2012), the Tax Appeals Tribunal held that the standard to employ for reviewing a notice of intent to dismiss petition is the same as that used for reviewing a motion for summary determination.

C. A motion for summary determination may 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 and that the administrative law judge can, therefore, as a matter of law, issue a determination in favor of any party” (20 NYCRR 3000.9 [b] [1]).

D. Where, as here, the timeliness of a taxpayer’s protest of a notice or conciliation order is in question, the initial inquiry is on the mailing of the notice or conciliation order because a properly mailed notice or conciliation conference creates a presumption that such document was delivered in the normal course of the mail (*see Matter of Katz*, Tax Appeals Tribunal, November 14, 1991). However, the “presumption of delivery” does not arise unless or until sufficient evidence of mailing has been produced and the burden of demonstrating proper mailing rests with the Division (*see id.*).

E. The evidence required of the Division in order to establish proper mailing is two-fold: first, there must be proof of a standard procedure used by the Division for the issuance of statutory notices by one with knowledge of the relevant procedures, and second, there must be 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). The Division may meet its burden of establishing proper mailing by providing evidence of its standard mailing procedures, corroborated by direct testimony or documentary evidence of mailing (*see Matter of Accardo*, Tax Appeals Tribunal, August 12, 1993).



F. In this case, the Division has introduced adequate proof of its standard mailing procedures through the affidavits of Ms. Picard and Ms. Ramundo, Division employees involved in and possessing knowledge of the process of generating reviewing and issuing (mailing) statutory notices (*see Matter of Victory Bagel Time*).

G. The Division has also presented sufficient documentary proof, i.e., a properly completed CMR to establish that the notice of determination was mailed as addressed on February 6, 2020. Petitioner's address on the subject notice of determination, the corresponding mailing cover sheet and the CMR all conform with the address listed on petitioner's form e-FILED Part-Quarterly ST-809 for the tax period December 1, 2019 through December 31, 2019, filed on January 20, 2020. This was the last return filed prior to the issuance of the notice. Meanwhile, petitioner has offered no evidence to counter the Division's evidence that the notice of determination was issued on February 6, 2020. Mere denial of receipt, as offered in its amended petition, is insufficient to rebut the presumption that a properly mailed notice of determination was delivered or offered for delivery in the normal course of the mail (*Matter of New York City Billionaires Construction Corp.*, Tax Appeals Tribunal, October 20, 2011; *see Matter of T. J. Gulf v. New York State Tax Commn.*, 124 AD2d 314 [1986]). It is thus concluded that the Division properly mailed the notice of determination on February 6, 2020, 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 § 1138 [a] [1]).

H. In sum, the Division has established the notice of determination L-051220541 was properly mailed to petitioner at its last known address on February 6, 2020. Having established that the notice of determination was properly mailed to petitioner, it was incumbent upon

petitioner to file a petition with the Division of Tax Appeals within 90 days thereafter.

However, the petition was not filed until on March 26, 2021, a date that falls beyond 90 days after the date of issuance of the notice of determination. Accordingly, the petition is untimely, and the Division of Tax Appeals is without jurisdiction to consider its merits (*see Matter of Lukacs*, Tax Appeals Tribunal, November 8, 2007).

I. The petition of G & B Collision Center, Inc., is dismissed.

DATED: Albany, New York  
April 28, 2022

/s/ Herbert M. Friedman, Jr.  
SUPERVISING ADMINISTRATIVE LAW JUDGE