

## UNITED STATES TAX COURT

### John W. Schroeder, Jr. v. Commissioner of Internal Revenue

84 T.C.M. (CCH) 141 (2002) · No. 8820-01L · Decided August 5, 2002

#### SUMMARY

The United States Tax Court granted the Commissioner's motion for summary judgment in a collection due process proceeding involving the petitioner's unpaid 1992 federal income tax liability. The court held that the Appeals officer satisfied the verification requirements under section 6330 and that the petitioner could not validly challenge the underlying liability or notice-and-demand procedures. The court also imposed a \$1,000 penalty under section 6673(a)(1) because the proceeding was primarily for delay and rested on frivolous arguments.

#### CASE DETAILS

|                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| COURT                 | United States Tax Court                                                                                                                                                                                                                                                                                                                                                                                                                           |
| WRITING FOR THE COURT | Robert N. Armen, Jr., Special Trial Judge                                                                                                                                                                                                                                                                                                                                                                                                         |
| JURISDICTION          | USA                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| DECIDED               | August 5, 2002                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| DOCKET                | 8820-01L                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| DISPOSITION           | other                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| PROCEDURAL POSTURE    | Petitioner sought judicial review under section 6330(d) of the Commissioner's notice of determination sustaining collection by levy of petitioner's 1992 federal tax liability. The Commissioner moved for summary judgment under Tax Court Rule 121.                                                                                                                                                                                             |
| STANDARD OF REVIEW    | Summary judgment is appropriate when the pleadings, discovery materials, admissions, affidavits, and other acceptable materials show no genuine issue of material fact and the moving party is entitled to judgment as a matter of law. In reviewing a section 6330 determination, the Tax Court reviews whether the Appeals Office complied with applicable legal requirements and satisfied the verification requirement of section 6330(c)(1). |
| PRECEDENTIAL VALUE    | Unpublished memorandum opinion; limited precedential value under applicable Tax Court practice.                                                                                                                                                                                                                                                                                                                                                   |
| PARTIES               | John W. Schroeder, Jr. v. Commissioner of Internal Revenue                                                                                                                                                                                                                                                                                                                                                                                        |

## TOPICS

tax collection   tax court procedure   tax deficiency   summary judgment   tax penalties

## PRACTICE AREAS

Federal income tax   Tax collection   Tax Court procedure   Civil procedure   Tax penalties

## QUESTIONS PRESENTED

1. Whether summary judgment was proper because there was no genuine dispute of material fact concerning the collection of petitioner's 1992 tax liability.
2. Whether section 6330(c)(2)(B) barred petitioner from contesting the existence or amount of his underlying tax liability because he received a notice of deficiency and had an earlier opportunity to challenge it.
3. Whether the Appeals officer satisfied the verification requirement of section 6330(c)(1) by reviewing a TXMODA transcript of petitioner's account.
4. Whether the record established that the Commissioner issued the required notice and demand for payment under section 6303(a).
5. Whether petitioner should be assessed a penalty under section 6673(a)(1) for maintaining a proceeding primarily for delay and advancing frivolous or groundless arguments.

## HOLDINGS

1. Summary judgment was proper because there was no genuine issue as to any material fact and the Commissioner was entitled to judgment as a matter of law.
2. Because petitioner received a notice of deficiency and had an earlier opportunity to challenge his 1992 liability, section 6330(c)(2)(B) barred him from contesting the existence or amount of that liability in the collection review proceeding.
3. Petitioner's arguments that wages and other income earned by a United States citizen are not subject to federal income tax were frivolous and groundless.
4. The Appeals officer satisfied section 6330(c)(1)'s verification requirement by obtaining and reviewing the TXMODA transcript of petitioner's account.
5. The record established that the Commissioner issued petitioner a notice and demand for payment as required by section 6303(a).
6. The Court imposed a \$1,000 penalty on its own motion because petitioner instituted and maintained the proceeding primarily for delay and advanced frivolous and groundless positions.

## KEY QUOTATIONS

*"We perceive no need to refute these arguments with somber reasoning and copious citation of precedent; to do so might suggest that these arguments have some colorable merit."* (206)

## FACTUAL BACKGROUND

Petitioner failed to file a 1992 federal income tax return despite receiving wage income, nonemployee compensation, and unemployment compensation. The Commissioner issued a notice of deficiency, which was not returned undelivered, but petitioner did not seek redetermination; the resulting liability was assessed and notice and demand for payment were issued. After petitioner requested a collection due process hearing concerning the limitations period and other tax-law arguments, the Appeals officer reviewed a TXMODA transcript and determined that the applicable requirements had been satisfied. Petitioner did not respond to two attempts to schedule the hearing.

## PROCEDURAL HISTORY

The Commissioner issued a 1994 notice of deficiency for petitioner's 1992 income tax, additions to tax, and interest. Petitioner did not petition for redetermination, and the liabilities were assessed in 1995. After receiving a final notice of intent to levy, petitioner requested a collection due process hearing, did not respond to attempts to schedule the hearing, and then petitioned the Tax Court after the Appeals Office sustained collection. The Tax Court granted the Commissioner's motion for summary judgment and imposed a \$1,000 penalty under section 6673(a)(1).

## DISPOSITION

other

## CASES CITED

- Fla. Peach Corp. v. Commissioner, 90 T.C. 678, 681 (1988)
- Sundstrand Corp. v. Commissioner, 98 T.C. 518, 520 (1992), aff'd, 17 F.3d 965 (7th Cir. 1994)
- Zaentz v. Commissioner, 90 T.C. 753, 754 (1988)
- Naftel v. Commissioner, 85 T.C. 527, 529 (1985)
- Dahlstrom v. Commissioner, 85 T.C. 812, 821 (1985)
- Jacklin v. Commissioner, 79 T.C. 340, 344 (1982)
- Davis v. Commissioner, 115 T.C. 35, 37 (2000)
- Goza v. Commissioner, 114 T.C. 176, 179 (2000)
- Sego v. Commissioner, 114 T.C. 604, 609 (2000)
- Crain v. Commissioner, 737 F.2d 1417, 1417 (5th Cir. 1984)
- United States v. Romero, 640 F.2d 1014, 1016 (9th Cir. 1981)
- Madge v. Commissioner, T.C. Memo 2000-370, aff'd, 23 Fed. Appx. 604 (8th Cir. 2001)
- Corcoran v. Commissioner, T.C. Memo 2002-18
- Roberts v. Commissioner, 118 T.C. 365, 371 (2002)
- Weishan v. Commissioner, T.C. Memo 2002-88
- Lindsey v. Commissioner, T.C. Memo 2002-87
- Tolotti v. Commissioner, T.C. Memo 2002-86

- Duffield v. Commissioner, T.C. Memo 2002-53
- Kuglin v. Commissioner, T.C. Memo 2002-51
- Davis v. Commissioner, 115 T.C. 35, 41 (2000)
- Mann v. Commissioner, T.C. Memo 2002-48
- Nicklaus v. Commissioner, 117 T.C. 117, 120-121 (2001)
- Hughes v. United States, 953 F.2d 531, 536 (9th Cir. 1992)
- Hansen v. United States, 7 F.3d 137, 138 (9th Cir. 1993)
- Pierson v. Commissioner, 115 T.C. 576, 580-581 (2000)
- Williams v. Commissioner, T.C. Memo 2002-111
- Roberts v. Commissioner, 118 T.C. No. 23 (2002)
- Perry v. Commissioner, T.C. Memo 2002-165
- Crow v. Commissioner, T.C. Memo 2002-149
- Smeton v. Commissioner, T.C. Memo 2002-140
- Newman v. Commissioner, T.C. Memo 2002-135
- Yacksyzn v. Commissioner, T.C. Memo 2002-99
- Watson v. Commissioner, T.C. Memo 2001-213
- Davis v. Commissioner, T.C. Memo 2001-87

## OPINION

### PER CURIAM.

JOHN W. SCHROEDER, JR., Petitioner v. COMMISSIONER OF INTERNAL REVENUE, Respondent  
 SCHROEDER v. COMMISSIONER  
 No. 8820-01L  
 United States Tax Court  
 T.C. Memo 2002-190; 2002 Tax Ct. Memo LEXIS 194; 84 T.C.M. (CCH) 141; August 5, 2002, Filed \*194  
 Respondent's motion for summary judgment granted and penalty assessed. John W. Schroeder, Jr., pro se.  
 Rollin G. Thorley and Karen Baker, for respondent.

Armen, Robert N., Jr. ARMEN  
 MEMORANDUM OPINION  
 ARMEN, Special Trial Judge: This matter is before the Court on respondent's Motion For Summary Judgment, filed pursuant to Rule 121. 1 Respondent contends that there is no dispute as to any material fact with respect to this levy action and that respondent's determination to proceed with collection of petitioner's outstanding tax liabilities for 1992 should be sustained as a matter of law. Summary judgment is intended to expedite litigation and avoid unnecessary and expensive trials.

Fla. Peach Corp. v. Commissioner, 90 T.C. 678  
 90 T.C. 678, 681 (1988). \*195 Summary judgment may be granted with respect to all or any part of the legal issues in controversy "if the pleadings, answers to interrogatories, depositions, admissions, and any other acceptable materials, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that a decision may be rendered as a matter of law."

Rule 121(a) and (b); *Sundstrand Corp. v. Commissioner*, 98 T.C. 518, 520 (1992), affd. 17 F.3d 965 (7th Cir. 1994); *Zaentz v. Commissioner*, 90 T.C. 753, 754 (1988); *Naftel v. Commissioner*, 85 T.C. 527, 529 (1985).

The moving party bears the burden of proving that there is no genuine issue of material fact, and factual inferences will be read in a manner most favorable to the party opposing summary judgment. *Dahlstrom v. Commissioner*, 85 T.C. 812, 821 (1985); *Jacklin v. Commissioner*, 79 T.C. 340, 344 (1982). As explained in detail below, there is no genuine issue as to any material fact, and a decision may be rendered as a matter of law.

Accordingly, we shall grant respondent's motion for summary judgment. **Background** The record establishes and/or the parties do not dispute the following. **A. Petitioner's Failure To File** Petitioner has a history of failing to file Federal income tax returns. Specifically, petitioner failed to file a Federal income tax return for 1992. **B. Respondent's Notice of Deficiency** On December 28, 1994, respondent issued a notice of deficiency to petitioner.

In the notice, respondent determined, in pertinent part, a deficiency in petitioner's Federal income tax for 1992 in the amount of \$ 15,402, an addition to tax under section 6651(a)(1) for failure to timely file a tax return in the amount of \$ 4,544.60, and an addition to tax under section 6654(a) for failure to pay estimated tax in the amount of \$ 635.78. 2 The deficiency was based principally on respondent's determination that petitioner failed to report: (1) Wage income in the amount of \$ 16,936 (as reported to respondent on Form W-2 by Granite Construction Co.); (2) nonemployee compensation in the amount of \$ 43,624; and (3) unemployment compensation in the amount of \$ 6,095 (as reported to respondent on Form 1099-G). 197 Respondent's records reflect that the notice of deficiency was not returned undelivered to respondent by the Postal Service.

Petitioner has not denied that he received the notice of deficiency. **C. Assessment of Petitioner's Liability** Petitioner did not file a petition for redetermination with the Court challenging the notice of deficiency. Accordingly, on May 22, 1995, respondent assessed the determined deficiency and additions to tax, as well as statutory interest.

On that same day, respondent sent petitioner a notice and demand for payment, informing petitioner that he had a liability for 1992 and requesting that he pay it. Petitioner failed to do so. On October 9, 2000, respondent sent petitioner a second collection notice for 1992. Once again, petitioner failed to pay the amount owing. **D. Respondent's Final Notice and Petitioner's Response** On November 10, 2000, respondent sent petitioner a Final Notice -- Notice of Intent to Levy and Notice of Your Right to a Hearing (the Final Notice).

The Final Notice was issued in respect of petitioner's outstanding liability for 1992. On November 29, 2000, petitioner submitted to respondent a Form 12153, Request for a Collection Due Process Hearing. Petitioner's request stated that the period of limitations had expired with respect

to the assessment of petitioner's tax liability for 1992.E. Respondent's Efforts To Schedule a HearingOn January 30, 2001, and May 1, 2001, Appeals Officer Joe Gurnaby issued letters to petitioner requesting that he contact the Appeals Office to arrange an administrative hearing at a mutually convenient time.

Petitioner did not contact the Appeals Office with regard to either letter.F. Respondent's Notice of DeterminationOn June 4, 2001, Appeals Officer Gurnaby prepared an Appeals Office transmittal memorandum. The memorandum stated that the Appeals officer reviewed an Internal Revenue Service TXMODA transcript of account dated December 21, 2000, and determined that respondent had complied with all applicable legal requirements with regard to the assessment of petitioner's tax liability for 1992.

3 A copy of the transcript of account was attached as an exhibit to the Declaration that accompanied respondent's Motion for Summary Judgment.\*199 On June 8, 2001, respondent sent petitioner a Notice of Determination Concerning Collection Action(s) Under Section 6320 and/or 6330.

The notice stated that the Appeals Office had determined that it was appropriate for respondent to proceed with the collection of petitioner's outstanding tax liability for 1992.G. Petitioner's PetitionOn July 12, 2001, petitioner filed with the Court a petition for lien or levy action seeking review of respondent's notice of determination. 4 The following allegations reflect the crux of the petition: For Americans, including the self-employed, the only tax authorized under the sections referred to above [sections 1, 6001, 6011, and 6012] is Form 2555, titled "Foreign Earned Income," not Form 1040, as Americans have been led to believe.

The only code sections that establish liability for the income tax\*200 or the withholding of it refer to nonresident aliens, foreign corporations, and their withholding agents, who are required to file a 1040 return (26 USC sections 7701, 1441, 1442, 1443, and 1461). Internal revenue employees were instructed long ago by the Treasury Secretary that Form 1040 was for the above purpose; it was never intended by law to be used for U.S. citizens who earn their income within the 50 states and whose income is not by law subject to the income tax.

Wages of most citizens have never been intended by law to be subject to the income tax. \* \* \* \* \*  
\* \* Wages of most Americans are not, by law, subject to the income tax. Although wages are income, they do not meet the formal legal definition for inclusion as " Gross Income" from which the tax is calculated. \* \* \* \* \* IRS revenue officers are authorized by law to conduct only civil enforcement under Subtitle\*201 E (pertaining to alcohol, tobacco and firearms taxes), not under Subtitle A (income taxes.) \* \* \*The petition also includes allegations that petitioner never received a notice and demand for payment and that petitioner was confused by "the various amounts sought in numerous conflicting notices".

Finally, petitioner attached to the petition several exhibits, including a copy of the Appeals officer's January 30, 2001, letter attempting to schedule an administrative hearing. Respondent's Motion For Summary Judgment As indicated, respondent filed a Motion For Summary Judgment asserting that there is no dispute as to a material fact and that respondent is entitled to judgment as a matter of law.

In particular, respondent contends that because petitioner received the notice of deficiency dated December 28, 1994, petitioner cannot challenge the existence or amount of his underlying tax liability for 1992 in this proceeding. Respondent further contends that the Appeals officer's review of the transcript of account with regard to petitioner's account for 1992 satisfied the verification requirement imposed under section 6330(c)(1) and demonstrates that petitioner was issued\*202 a notice and demand for payment. Petitioner filed an Opposition to respondent's motion.

In his Opposition, petitioner repeats many of the allegations made in the petition. Thus, for example, the Opposition includes the following allegations: Petitioner disagrees with respondent's decision because I am not required to file a 1040 return and claim my wages as gross taxable income as claimed by the respondent. I have never had a filing requirement therefore respondent has no authority to collect any tax or require petitioner to file, or waste a bunch of time communicating with them over nonsense.

This is an infringement on the petitioner's freedom. \* \* \* Petitioner and the courts can assume the respondent had no authority for sending the notices of proposed assessment or the final notices, and demand for payment to the petitioner.

The respondent has no authority to collect a tax from the petitioner because the petitioner has No Filing Requirement! And the only sections that authorize an income tax and the respondent to send these notices are sections which apply to non-resident\*203 aliens, foreign corporations and their withholding agents who are required to file a 1040 under 26 USC sections 7701, 1441, 1442, 1443 and 1461! In his Opposition, petitioner also alleges that he was not offered an administrative hearing. Pursuant to notice, respondent's motion was called for hearing at the Court's motions session in Washington, D.C.

Counsel for respondent appeared at the hearing and presented argument in support of the pending motion. In contrast, there was no appearance by or on behalf of petitioner, nor did petitioner file a statement pursuant to Rule 50(c), the provisions of which were mentioned by the Court in its Order calendaring respondent's motion for hearing. Discussion Section 6331(a) provides that if any person liable to pay any tax neglects or refuses to pay such tax within 10 days after notice and demand for payment, the Secretary is authorized to collect such tax by levy on the person's property.

Section 6331(d) provides that at least 30 days before enforcing collection by levy on the person's property, the Secretary is obliged to provide the person with a final notice of intent to levy, including notice\*204 of the administrative appeals available to the person. Section 6330 generally provides that the Commissioner cannot proceed with collection by levy until the person has been given notice and the opportunity for an administrative review of the matter (in the form of an Appeals Office hearing) and, if dissatisfied, with judicial review of the administrative determination.

See *Davis v. Commissioner*, 115 T.C. 35">115 T.C. 35, 37 (2000); *Goza v. Commissioner*, 114 T.C. 176">114 T.C. 176, 179 (2000). Section 6330(c) prescribes the matters that a person may raise at an Appeals Office hearing.

In sum, section 6330(c) provides that a person may raise collection issues such as spousal defenses, the appropriateness of the Commissioner's intended collection action, and possible alternative means of collection. Section 6330(c)(2)(B) provides that the existence and amount of the underlying tax liability can be contested at an Appeals Office hearing only if the person did not receive a notice of deficiency for the taxes in question or did not otherwise have an earlier opportunity to dispute the tax liability.

See *Sego v. Commissioner*, 114 T.C. 604">114 T.C. 604, 609 (2000); *Goza v. Commissioner*, supra.\*205 Section 6330(d) provides for judicial review of the administrative determination in the Tax Court or a Federal District Court, as may be appropriate. A. Summary Judgment Petitioner challenges the assessment made against him on the ground that he is not subject to the Federal income tax.

The record implies that petitioner received the notice of deficiency for 1992 and disregarded the opportunity to file a petition for redetermination with this Court. See sec. 6213(a). Under such circumstances, section 6330(c)(2)(B) would bar petitioner from challenging the existence or amount of his underlying tax liability in this collection review proceeding. Even if petitioner is permitted to challenge the amount of his underlying liability, petitioner's arguments are frivolous and groundless.

See *Goza v. Commissioner*, supra. Further, as the Court of Appeals for the Fifth Circuit has remarked: "We perceive no need to refute these arguments with somber reasoning and copious citation of precedent; to do so might suggest that these arguments have some colorable merit." *Crain v. Commissioner*, 737 F.2d 1417">737 F.2d 1417, 1417 (5th Cir. 1984). Suffice it to say that: Petitioner is a taxpayer\*206 subject to the Federal income tax, see secs.

1, 7701(a)(1), (14); sec. 1.1-1(a)(1) and (b), Income Tax Regs.; compensation for labor or services rendered constitutes income subject to the Federal income tax, sec. 61(a)(1); *United States v.*

Romero, 640 F.2d 1014">640 F.2d 1014, 1016 (9th Cir. 1981); gross income derived from business and unemployment compensation is also subject to the Federal income tax, secs.

61(a)(2), 85(a); and in case of failure to file a return, tax may be assessed at any time, see sec. 6501(c)(3). See also Madge v. Commissioner, T.C. Memo 2000-370">T.C. Memo 2000-370 (rejecting as frivolous the contention that only foreign income is subject to Federal income tax), affd. 23 Fed. Appx. 604">23 Fed. Appx. 604 (8 th Cir. 2001); cf. Corcoran v. Commissioner, T.C.

Memo 2002-18">T.C. Memo 2002-18 (rejecting as frivolous the contention that income earned by U. S. citizens from sources within the United States is excluded from U. S. taxation under the source rules of the Internal Revenue Code).We likewise conclude that the Appeals officer obtained verification from the Secretary that the requirements of all applicable laws and administrative procedures were met as required by \*207 section 6330(c)(1).

The record shows that the Appeals officer obtained and reviewed a TXMODA transcript of account with regard to petitioner's taxable year 1992.Federal tax assessments are formally recorded on a record of assessment. Sec. 6203. "The summary record, through supporting records, shall provide identification of the taxpayer, the character of the liability assessed, the taxable period, if applicable, and the amount of the assessment."

Sec. 301.6203-1, Proced. & Admin. Regs.Section 6330(c)(1) does not require the Commissioner to rely on a particular document to satisfy the verification requirement imposed therein. Roberts v. Commissioner, 118 T.C. 365">118 T.C. 365, 371, 2002 U.S. Tax Ct. LEXIS 22">2002 U.S. Tax Ct. LEXIS 22, 118 T.C. No. 23">118 T.C. No. 23, n. 10 (2002); Weishan v. Commissioner, T.C.

Memo 2002-88">T.C. Memo 2002-88; Lindsey v. Commissioner, T.C. Memo 2002-87">T.C. Memo 2002-87; Tolotti v. Commissioner, T.C. Memo 2002-86">T.C. Memo 2002-86; Duffield v. Commissioner, T.C. Memo 2002-53">T.C. Memo 2002-53; Kuglin v. Commissioner, T.C. Memo 2002-51">T.C. Memo 2002-51.

In this regard, we observe that the TXMODA transcript of account on which the Appeals officer relied contained all the information prescribed in section 301.6203-1, Proced. & Admin. Regs. See Weishan v. Commissioner, supra T.C. Memo 2002-88">T.C. Memo 2002-88;\*208 Lindsey v. Commissioner, supra T.C. Memo 2002-87">T.C. Memo 2002-87; Tolotti v. Commissioner, supra T.C.

Memo 2002-86">T.C. Memo 2002-86; Duffield v. Commissioner, supra T.C. Memo 2002-53">T.C. Memo 2002-53; Kuglin v. Commissioner, supra T.C. Memo 2002-51">T.C. Memo 2002-51Petitioner has not alleged any irregularity in the assessment procedure that would raise a question about the validity of the assessments or the information contained in the transcript of account.

See *Davis v. Commissioner*, supra at 41; *Mann v. Commissioner*, T.C. Memo 2002-48 > T.C. Memo 2002-48. Accordingly, we hold that the Appeals officer satisfied the verification requirement of section 6330(c)(1). Cf. *Nicklaus v. Commissioner*, 117 T.C. 117 > 117 T.C. 117, 120-121 (2001). Petitioner also contends that he never received a notice and demand for payment for 1992.

The requirement that the Secretary issue a notice and demand for payment is set forth in section 6303(a), which provides in pertinent part: SEC. 6303(a). General Rule. -- Where it is not otherwise provided by this title, the Secretary shall, as soon as practicable, and within 60 days, after the making of an assessment of a tax pursuant to section 6203, give notice to each person liable\*209 for the unpaid tax, stating the amount and demanding payment thereof. \* \* \* The transcript of account on which the Appeals officer relied during the administrative process shows that respondent sent petitioner a notice and demand for payment on the same date that respondent made assessments against petitioner for the tax and additions to tax determined in the notice of deficiency.

See, e.g., *Hughes v. United States*, 953 F.2d 531 > 953 F.2d 531, 536 (9th Cir. 1992); *Weishan v. Commissioner*, supra T.C. Memo 2002-88 > T.C. Memo 2002-88; see also *Hansen v. United States*, 7 F.3d 137 > 7 F.3d 137, 138 (9th Cir. 1993). Petitioner has failed to raise a spousal defense, make a valid challenge to the appropriateness of respondent's intended collection action, or offer alternative means of collection.

These issues are now deemed conceded. Rule 331(b)(4). In the absence of a valid issue for review, we conclude that respondent is entitled to judgment as a matter of law sustaining the notice of determination dated June 8, 2001. B. Imposition of a Penalty Under Section 6673 As relevant herein, section 6673(a)(1) authorizes the Tax Court to require a taxpayer to pay to the United States a penalty not in excess of\*210 \$ 25,000 whenever it appears that proceedings have been instituted or maintained by the taxpayer primarily for delay or that the taxpayer's position in such proceeding is frivolous or groundless.

The Court has indicated its willingness to impose such penalty in lien and levy cases, *Pierson v. Commissioner*, 115 T.C. 576 > 115 T.C. 576, 580-581 (2000), and has in fact imposed a penalty in several such cases, *Roberts v. Commissioner*, 118 T.C. No. 23, 2002 U.S. Tax Ct. LEXIS 22 > 2002 U.S. Tax Ct. LEXIS 22, 118 T.C. 365 > 118 T.C. 365 (2002) (imposing a penalty in the amount of \$ 10,000); *Perry v. Commissioner*, T.C.

Memo 2002-165 > T.C. Memo 2002-165 (imposing a penalty in the amount of \$ 2,500); *Crow v. Commissioner*, T.C. Memo 2002-149 > T.C. Memo 2002-149 (imposing a penalty in the amount of \$ 1,500); *Smeton v. Commissioner*, T.C. Memo 2002-140 > T.C. Memo 2002-140 (imposing a penalty in the amount of \$ 1,000); *Newman v. Commissioner*, T.C. Memo 2002-135 > T.C. Memo 2002-135 (imposing a penalty in the amount of \$ 1,000); *Yacksyzn v. Commissioner*, T.C.

Memo 2002-99">T.C. Memo 2002-99 (imposing a penalty in the amount of \$ 1,000); Watson v. Commissioner, T.C. Memo 2001-213">T.C. Memo 2001-213 (imposing a penalty in the amount of \$ 1,500); Davis v. Commissioner, T.C. Memo 2001-87">T.C. Memo 2001-87 (imposing\*211 a penalty in the amount of \$ 4,000).In the present case, respondent has not specifically requested imposition of a penalty under section 6673(a)(1).

However, in a collection review case, the Court may impose such a penalty on its own motion. See Williams v. Commissioner, T.C. Memo 2002-111">T.C. Memo 2002-111 (imposing sua sponte a penalty in the amount of \$ 1,000).We are convinced that petitioner instituted the present proceeding primarily for delay.

In this regard, it is clear that petitioner regards this proceeding as nothing but a vehicle to protest the tax laws of this country and to espouse his own misguided views, which are frivolous and groundless. In short, having to deal with this matter wasted the Court's time, as well as respondent's, and taxpayers with genuine controversies may have been delayed.Under the circumstances, we shall, on our own motion, impose a penalty on petitioner pursuant to section 6673(a)(1) in the amount of \$ 1,000.C.

ConclusionWe have considered all of petitioner's arguments that are not discussed herein, and we find them to be without merit and/or irrelevant. 5\*212 In order to give effect to the foregoing,An order granting respondent's motion and decision for respondent, including a penalty on petitioner under section 6673(a)(1), will be entered. Footnotes1. All Rule references are to the Tax Court Rules of Practice and Procedure, and, unless otherwise indicated, all section references are to the Internal Revenue Code, as amended.↵2.

Although the notice of deficiency also sets forth respondent's determination of deficiencies in petitioner's Federal income taxes for 1990 and 1991, we are concerned in this proceeding only with petitioner's liability for 1992.↵3. A TXMODA transcript contains current account information obtained from respondent's master file. "TXMODA" is the command code (CC) that is entered into respondent's integrated data retrieval system (IDRS) to obtain the transcript.

IDRS is essentially the interface between respondent's employees and respondent's various computer systems.↵4. At the time that the petition was filed, petitioner resided in Citrus Heights, California.↵5. For example, petitioner's allegation that he was not offered an administrative hearing is belied by the Appeals officer's letters dated Jan. 30, 2001, and May 1, 2001, the first of which was specifically referenced in the petition and a copy attached as an exhibit.

Moreover, petitioner's allegation that he was confused by "the various amounts sought" is explained, in part, by the fact that petitioner's liability changed with the accrual of statutory interest (and the compounding thereof). See secs. 6601(a), (e)(2), 6622. Further, petitioner's

allegation regarding not receiving notice and demand is belied by the TXMODA transcript of account, as well as the Nov.

10, 2000, final notice (a copy of which was attached to petitioner's Request for a Collection Due Process Hearing), and the collection notice dated Oct. 9, 2000 (see supra "C"). See, e.g., *Hughes v. United States*, 953 F.2d 531, 536 (9th Cir. 1992); *Weishan v. Commissioner, T.C. Memo 2002-88*; see also *Hansen v. United States*, 7 F.3d 137, 138 (9th Cir.

1993).