

**UNITED STATES TAX COURT
WASHINGTON, DC 20217**

MELISSA S. MORSI,)	
)	
Petitioner,)	
)	
v.)	Docket No. 15920-16S
)	
COMMISSIONER OF INTERNAL REVENUE,)	
)	
Respondent.)	

ORDER

Pursuant to Rule 152(b), Tax Court Rules of Practice and Procedure, it is

ORDERED that the Clerk of the Court shall transmit herewith to petitioner and to respondent a copy of the pages of the transcript of the trial in the above case before Chief Special Trial Judge Lewis R. Carluzzo at Denver, Colorado, containing his oral findings of fact and opinion rendered at the trial session at which the case was heard.

In accordance with the oral findings of fact and opinion, decision will be entered for respondent.

**(Signed) Lewis R. Carluzzo
Special Trial Judge**

Dated: Washington, D.C.
April 27, 2018

1 Bench Opinion by Special Trial Judge Lewis R. Carluzzo
2 April 18, 2018
3 Melissa S. Morsi v. Commissioner of Internal Revenue
4 Docket No. 15920-16S

5 The Court has decided to render oral findings of
6 fact and opinion in this case and the following represents
7 the Court's oral findings of fact and opinion (bench
8 opinion). Section references made in this bench opinion
9 are to the Internal Revenue Code of 1986, as amended, in
10 effect for the relevant periods, and Rule references are
11 to the Tax Court Rules of Practice and Procedure. This
12 bench opinion is made pursuant to the authority granted by
13 section 7459(b) and Rule 152.

14 This proceeding for the redeterminations of
15 deficiencies is a small tax case subject to the provisions
16 of section 7463 and Rules 170 through 174. Pursuant to
17 section 7463(b) the decision entered in this case shall
18 not be treated as precedent for any other case.

19 There was no appearance by or on behalf of
20 petitioner. Miles B. Fuller appeared on behalf of
21 respondent.

22 In a notice of deficiency dated April 12, 2016
23 (notice), respondent determined deficiencies in, and
24 imposed section 6662(a) penalties with respect to
25 petitioner's 2013 and 2014 Federal income taxes. The

1 issues for decision are whether petitioner is liable for
2 those deficiencies and penalties.

3 At the time the petition was filed, petitioner
4 was a resident of Colorado.

5 According to the notice, for each year in issue,
6 petitioner failed to report certain income and overstated
7 certain deductions. In the petition, petitioner
8 challenges only the disallowance of those deductions. We
9 proceed as though petitioner has conceded the omitted
10 income items. Otherwise, petitioner bears the burden of
11 proving that she is entitled to the deductions here in
12 dispute, see Rule 142, and her failure to appear for trial
13 to satisfy that burden, coupled with no concession of
14 error by respondent, leaves us no choice but to sustain
15 the adjustments giving rise to the deficiency.

16 Respondent bears the burden of production with
17 respect to the section 6662(a) penalty imposed in the
18 notice for each year in issue. See sec. 7491(c).
19 According to respondent, the penalty applies for each year
20 because the underpayment of tax required to be shown on
21 petitioner's Federal income tax return is a substantial
22 understatement of income tax. In this case, the
23 deficiency, the underpayment of tax, and the
24 understatement of income tax for each year are computed in
25 the same manner and exceed \$5,000. See secs. 6211,

1 6664(a), and 6662(d)(2). That being so, because the
2 underpayment of tax required to have been shown on
3 petitioner's Federal income tax return for each year in
4 issue is a substantial understatement of income tax,
5 because respondent has introduced evidence showing the
6 necessary written approval for the imposition of the
7 penalty for each year, see sec. 6751 (b); Graev v.
8 Commissioner, 149 T.C. (Dec. 20, 2017), supplementing 147
9 T.C. ___ (Nov. 30, 2016), and because petitioner has failed
10 to show reasonable cause for the underpayment, see sec.
11 6664(c); Higbee v. Commissioner, 116 T.C. 438 (2001),
12 respondent's imposition of the section 6662(a) penalty is
13 sustained for both years in issue.

14 To reflect the foregoing, decision will be
15 entered for respondent.

16 This concludes the Court's bench opinion in this
17 matter.

18 (Whereupon, at 4:13 p.m., the above-entitled
19 matter was concluded.)
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