

UNITED STATES TAX COURT
WASHINGTON, DC 20217

ROY E. HAHN & LINDA G. MONTGOMERY,))	
)	
Petitioners,))	
)	
v.))	Docket No. 1910-14.
)	
COMMISSIONER OF INTERNAL REVENUE,))	
)	
Respondent))	

ORDER

This case was tried during the Court’s October 21, 2016, San Francisco, California, trial session. On July 2, 2018, the Court issued an Opinion sustaining respondent’s deficiency determinations. Montgomery v. Commissioner, T.C. Memo. 2018-100. Only the issue of petitioners’ liability for the accuracy-related penalty under section 6662¹ for their taxable year 2000 remains under consideration by this Court.

On April 26, 2019, the Court issued an Order ordering the parties to file responses with the Court addressing the impact of Clay v. Commissioner, 152 T.C. No. 13, on the remaining issue in this case. On June 3, 2019, respondent filed a Response to Order dated April 26, 2019. In that response, respondent conceded the accuracy-related penalty under section 6662 for tax year 2000. On June 3, 2019, petitioners filed a Response to Order dated April 26, 2019.

The record shows that petitioners engaged and were co-creators of the CARDS transaction and their involvement in the CARDS transaction was solely tax motivated. Because respondent concedes the accuracy-related penalty, we shall order the parties to submit Rule 155 computations for the Court’s consideration.

¹Unless otherwise indicated, all section references are to the Internal Revenue Code in effect for the year at issue, and Rule references are to the Tax Court Rules of Practice and Procedure.

Accordingly, it is

ORDERED that petitioners' motion for partial summary judgment filed February 9, 2018, as supplemented, is denied as moot. It is further

ORDERED that respondent's motion to reopen the record filed February 9, 2018, is denied as moot. It is further

ORDERED that on or before September 3, 2019, the parties shall in the above docketed case furnish agreed Rule 155 computations in accordance with the determination reached by this Court in the aforementioned Opinion. In the absence of an agreement, the parties shall submit separate computations in accordance with the determinations reached by this Court.

**(Signed) Joseph W. Nega
Judge**

Dated: Washington, D.C.
June 5, 2019