

12-562 UNITED STATES V. WOODS

DECISION BELOW: 471 Fed. Appx. 320

LOWER COURT CASE NUMBER: 11-50487

QUESTION PRESENTED:

Section 6662 of the Internal Revenue Code prescribes a penalty for an underpayment of federal income tax that is "attributable to" an overstatement of basis in property. 26 U.S.C. 6662(a), (b)(3), (e)(l)(A) and (h)(l).

The question presented is as follows:

Whether the overstatement penalty applies to an underpayment resulting from a determination that a transaction lacks economic substance because the sole purpose of the transaction was to generate a tax loss by artificially inflating the taxpayer's basis in property.

IN ADDITION TO THE QUESTION PRESENTED BY THE PETITION, THE PARTIES ARE DIRECTED TO BRIEF AND ARGUE THE FOLLOWING QUESTION: WHETHER THE DISTRICT COURT HAD JURISDICTION IN THIS CASE UNDER 26 U.S.C. §6226 TO CONSIDER THE SUBSTANTIAL VALUATION MISSTATEMENT PENALTY
CERT. GRANTED 3/25/2013