

# Sources of Federal Income Tax Law

## Constitution

Corporations - Article I, section 8 (1787)

Individuals - 16th Amendment (1913)

## Legislation

*Internal Revenue Code, 26 U.S.C.*

Codifies income tax laws on books for decades

(individual income tax since 1913)

Codifications: 1939, 1954, 1986

*Internal Revenue Code of 1986, as amended*

## Administrative Law

*Internal Revenue Service*

### Rulemaking

Regulations (26 C.F.R.)

### Guidance

Revenue rulings and revenue procedures

Lesser types of rulings

### Adjudication

[Withholding/estimated tax]

[Annual return (self-assessment) by taxpayer]

IRS examination (“audit”) of return

Notice of proposed deficiency (“30-day letter”)

Taxpayer protest, administrative appeal

***Notice of Deficiency (“90-day letter”)***

IRS assessment and collection (unless stayed by taxpayer

filing petition in Tax Court or filing in

Bankruptcy Court)

*(Settlement possible at any stage)*

## Litigation

*Federal courts*

**U.S. Tax Court**  
*Litigate without prepayment*

U.S. Bankruptcy Court  
*Bankruptcy cases only*

U.S. District Court  
*Refund suits only*

Court of Federal Claims  
*Refund suits only*

U.S. Court of Appeals  
*Taxpayer’s home circuit*

U.S. Court of Appeals  
*Federal Circuit*

U.S. Supreme Court

