



Appellants assert that they could not file a return because their tax preparer failed to respond to their attempts at communication. Reasonable cause may exist when taxpayers reasonably rely on a tax professional for substantive tax advice. (*Appeal of Summit Hosting LLC*, 2021-OTA-216P.) In this case, appellants' tax preparer failed to respond to appellants, but did not give any tax advice. Therefore, appellants have not shown reasonable cause based on reliance on substantive tax advice.

Appellants contend that, due to a reduction in accounting graduates, it is generally more difficult to find a tax preparer. However, appellants have a personal, non-delegable obligation to file a tax return by the due date. (*United States v. Boyle* (1985) 469 U.S. 241, 252.) In this case, appellants do not provide evidence of their attempts to find a tax preparer or other attempts to timely file their return after their tax preparer failed to respond to their inquiries.

Appellants contend that their tax return was complex because of their ownership of multiple rental real estate properties. As stated in the Opinion, appellants do not specifically explain or provide evidence establishing the complexities of their tax preparation process, and it is well settled that general difficulties in making computations or determining taxable income with exactitude does not constitute reasonable cause for filing late. (*Appeal of Xie*, 2018-OTA-076P.)

Citing *Appeal of Xie, supra*, the Opinion stated that taxpayers have an obligation to timely file returns with the best available information and then subsequently file an amended return if necessary. Appellants contend that knowingly filing an incomplete or inaccurate return contradicts federal law under Internal Revenue Code section 7206 and R&TC sections 19705(a)(1) and 19706. However, those statutes relate to the intentional filing of a fraudulent return, which is distinct from filing a return with the best available information.

In conclusion, appellants have not established that the Opinion is contrary to law or that any ground exists to warrant a rehearing. Therefore, appellants' petition for rehearing is denied.

Signed by:  
*Josh Lambert*  
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Josh Lambert  
Administrative Law Judge

We concur:

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Hearing Officer

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