

No. 25-7145

ORIGINAL

SEP 23 2025
OFFICE OF THE CLERK
SUPREME COURT, U.S.

IN THE
SUPREME COURT OF THE UNITED STATES

Lori Michelle Patitz - n/k/a Lori Michelle Moody — PETITIONER

vs.

The Commissioner of the Internal Revenue Service — RESPONDENT(S)

ON PETITION FOR A WRIT OF CERTIORARI TO
United States Court of Appeals for the Eleventh Circuit

PETITION FOR WRIT OF CERTIORARI

Lori Michelle Patitz (n/k/a Lori Michelle Moody)

(Your Name)

7709 Paradise Drive

(Address)

Donalsonville, GA 39845

(City, State, Zip Code)

(310) 701-6010

(Phone Number)

QUESTIONS PRESENTED

1. Does the Internal Revenue Service have the right to collect taxes from citizens that are not legally owed?
2. Can the Tax Court levy taxes and penalties against taxpayers despite the fact that they have provided substantiation for their deductions in compliance with the Treasury Rules and Regulations?
3. Are Courts confined to interpreting Treasury Rules and Regulations according to the literal meaning of the words employed?

LIST OF PARTIES

[X] All parties appear in the caption of the case on the cover page. Petitioner Lori M. Patitz (n/k/a Lori Michelle Moody) is the sole Petitioner in this action. Andrew Robert Moody is not a party in this action.

RELATED CASES

- *Lori Michelle Patitz, and Andrew Robert Moody v. Commissioner of Internal Revenue, Agency No. 2784-19, U.S. Tax Court. Decision entered April 21, 2023.*
- *Lori Michelle Patitz, and Andrew Robert Moody v. Commissioner of Internal Revenue, No. 23-12440 United States Court of Appeals For the Eleventh Circuit, Judgment entered April 23, 2025. Rehearing Denied June 25, 2025.*

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OPINIONS BELOW

The opinion of the United States Court of Appeals for the Eleventh Circuit appears at Appendix A to the petition and is unpublished.

The opinion of the United States Tax Court appears at Appendix B to the petition and is unpublished.

JURISDICTION

The date on which the United States Court of Appeals for the Eleventh Circuit decided my case was April 23, 2025.

A timely petition for rehearing was denied by the United States Court of Appeals for the Eleventh Circuit on the following date: June 25, 2025 and a copy of the order denying rehearing appears at Appendix C.

The jurisdiction of this Court is invoked under 28 U. S. C. § 1254(1).

**CONSTITUTIONAL AND STATUTORY
PROVISIONS INVOLVED**

26 U.S. Code § 7803(a)(3)

(3) Execution of duties in accord with taxpayer rights

In discharging his duties, the Commissioner shall ensure that employees of the Internal Revenue Service are familiar with and act in accord with taxpayer rights as afforded by other provisions of this title, including—

- (A) the right to be informed,
- (B) the right to quality service,
- (C) the right to pay no more than the correct amount of tax,
- (D) the right to challenge the position of the Internal Revenue Service and be heard,
- (E) the right to appeal a decision of the Internal Revenue Service in an independent forum,
- (F) the right to finality,
- (G) the right to privacy,
- (H) the right to confidentiality,

- (I) the right to retain representation, and
- (J) the right to a fair and just tax system.

26 U.S.C. § 6001

Every person liable for any tax imposed by this title, or for the collection thereof, shall keep such records, render such statements, make such returns, and comply with such rules and regulations as the Secretary may from time to time prescribe. Whenever in the judgment of the Secretary it is necessary, he may require any person, by notice served upon such person or by regulations, to make such returns, render such statements, or keep such records, as the Secretary deems sufficient to show whether or not such person is liable for tax under this title. The only records which an employer shall be required to keep under this section in connection with charged tips shall be charge receipts, records necessary to comply with section 6053(c), and copies

of statements furnished by employees under section 6053(a).

26 U.S.C. § 213(a)

(a) Allowance of deduction

There shall be allowed as a deduction the expenses paid during the taxable year, not compensated for by insurance or otherwise, for medical care of the taxpayer, his spouse, or a dependent (as defined in section 152, determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B) thereof), to the extent that such expenses exceed 7.5 percent of adjusted gross income.

Treas. Reg. § 1.213-1(h)

(h) *Substantiation of deductions.* In connection with claims for deductions under section 213, the taxpayer shall furnish the name and address of each person to whom payment for medical expenses was made and the amount and date of the payment thereof in each case. If payment was made in kind,

such fact shall be so reflected. Claims for deductions must be substantiated, when requested by the district director, by a statement or itemized invoice from the individual or entity to which payment for medical expenses was made showing the nature of the service rendered, and to or for whom rendered; the nature of any other item of expense and for whom incurred and for what specific purpose, the amount paid therefor and the date of the payment thereof; and by such other information as the district director may deem necessary.

STATEMENT OF THE CASE

On November 7, 2018, the Department of the Treasury Internal Revenue Service Small Business and Self-Employed section located in Jacksonville, Florida issued a Notice of Deficiency to the Taxpayers stating that they had a Deficiency in tax for the Tax Year Ended December 31, 2015 in the amount of \$7,495.00, and for the Tax Year Ended December 31, 2016 in the amount of \$15,366.00, with resulting Penalties under IRC 6662(a) in the amount of \$1,499.00 for 2015 and \$3,073.20 for 2016. On February 5, 2019, Taxpayers, Lori M. Patitz (n/k/a Lori M. Moody) and Andrew R. Moody, a married couple, filed a timely petition in the Tax Court making the following claims:

- 1) Taxpayer Patitz was self employed in the business of insurance and therefore entitled to certain deductions under Schedule C;
- 2) Both Taxpayers incurred significant vehicle expenses driving their own vehicles while

performing jobs for employers, another allowable tax deduction;

- 3) The Taxpayers incurred medical expenses that are allowable deductions; and
- 4) The Taxpayers have receipts and/or documentation of these expenses which will be presented to the court.

From the inception of this case, the above claims have never changed.

On July 15, 2021, the U.S. Tax Court scheduled trial for December 13, 2021. On November 10, 2021, the IRS submitted their Proposed Trial Exhibits with 184 pages. On November 29, 2021, the Taxpayers submitted their Proposed Trial Exhibits to the Tax Court. The trial was held via Zoom on December 13, 2021. During the trial, the Taxpayers made an oral motion to amend pleadings to conform to the evidence, which was granted. At trial, the Attorney for the IRS stated, "(t)his case is about Petitioners' failure to substantiate the amount of

alleged Schedule A and Schedule C expenses, as well as the business purposes¹ for the same expenses for tax years 2015 and 2016.” (Transcript p.8:17-21) The Tax Court ruled all of the Proposed Evidence from both parties to be admitted in full. (Transcript p.31:6-8) The trial concluded and the Tax Court Ordered Seriatim Briefs.

Briefs were submitted to the Tax Court by both parties, and Judge Weiler rendered his opinion and that the decision in the case would be entered under Rule 155. On October 7, 2022, the Attorney for the IRS submitted a computation, and on January 6, 2023, the Taxpayers filed an “Opposition to Computation for Entry of Decision.” In this filing, the Taxpayers objected to the overall format of the proposed Computation submitted by the IRS because it was unclear and confusing and the Taxpayers do not have access to the same software that the IRS

¹ The IRS never questioned the business purposes of the deductions, instead they just disallowed the Schedule C deductions in their entirety.

utilized in creating the Computation. Therefore, the Taxpayers asked that the Tax Court to include a Computation that would be understandable showing the calculations on forms that would be readily available to the public and therefore to the Taxpayers. On February 8, 2023, the Tax Court ordered that the Attorney for the IRS submit a supplement to his computation based on the fact that “the Court notes potential discrepancies in respondent’s Computation.” This computation was submitted on March 1, 2023, and on April 21, 2023, Judge Weiler entered his Decision utilizing the computation provided by the attorney for the IRS.

Ultimately, the Decision by the U.S. Tax Court rendered on April 21, 2023 states that the Taxpayers have a Deficiency for 2015 in the amount of \$5,238.00, and for 2016 in the amount of \$14,241 which in 2016 resulted in a Penalty under I.R.C. § 6662 in the amount of \$2,848.20.

On July 20, 2023, the Taxpayers timely filed their Notice of Appeal to the United States Court of Appeals For the Eleventh Circuit. On April 23, 2025, after briefing and without oral arguments, the Eleventh Circuit affirmed the Tax Court Decision with an unpublished opinion. On June 25, 2025, the panel denied rehearing without any additional information and the Mandate was issued on July 7, 2025. This Writ of Certiorari follows.

REASONS FOR GRANTING THE PETITION

In a letter dated November 13, 1789, Benjamin Franklin wrote “(o)ur new Constitution is now established, everything seems to promise it will be durable; but, in this world, nothing is certain except death and taxes.” While this statement rings true even today over two hundred years after it was written, as citizens of this great country, one should certainly expect to pay taxes, but one should also

only expect to pay those taxes which are duly and legally owed. Every citizen should be afforded this right, and Congress must agree since in 2015 it added 26 U.S. Code § 7803(a)(3) commonly known as the “Taxpayer Bill of Rights” which states, “the Commissioner shall ensure that employees of the Internal Revenue Service are familiar with and act in accord with taxpayer rights as afforded by other provisions of this title, including— (C) the right to pay no more than the correct amount of tax, and (J) the right to a fair and just tax system.

Furthermore, the sixteenth amendment of the United States Constitution reads, “The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration.” So, the right of the collection of taxes lies with Congress, and this Court must step in when the Internal Revenue Service (hereinafter referred to as “IRS”) is

overstepping their authority in an attempt to collect taxes from Taxpayers that are not legally due.

This case exemplifies that the IRS does not abide by this, but creates deficiency notices and then attempts to collect additional taxes from Taxpayers even if those taxpayers prove they are entitled to their deductions in complete compliance with the law and Treasury Regulations. In *Commissioner v. Groetzinger*, 480 U.S. 23 (1987), this Court seemed to realize that income tax law is not based on fairness when it stated:

If a taxpayer, as Groetzinger is stipulated to have done in 1978, devotes his full-time activity to gambling, and it is his intended livelihood source, it would seem that basic concepts of fairness (if there be much of that in the income tax law)" demand that his activity be regarded as a trade or business just as any other readily accepted activity, such as being a retail store proprietor or, to come closer categorically, as being a casino operator or as being an active trader on the exchanges. *Id.*

In this case the basic concepts of fairness (if there be much of that in the income tax law) demand that these Taxpayers be given credit for the deductions they have proved they are entitled to under the law.

The 11th Circuit Court of Appeals decision to affirm the Tax Court's decision in this case has violated this right of these taxpayers to only pay the amount of tax legally due and therefore departed from the usual course of judicial proceedings. This Court should review this case because if the Tax Court has arbitrarily levied taxes against these taxpayers despite them being in full compliance with Treasury Regulations, how many citizens of this great nation have been affected in a similar way? This matter is therefore of great importance and should be reviewed by this Court.

When the IRS fails to follow its own rules and levy taxes that are not legally owed, it erodes public trust in the government and cannot stand. While, this is one case, it brings before this Court the

importance of oversight and accountability in regard to the IRS and their procedures for collecting taxes. They are enforcing only what the Sixteenth Amendment of the United States Constitution gives them the power to do, so shouldn't they be required to get it right?

The crux of this case is that the Taxpayers provided documentation of their deductions that complied with Treasury Rules, yet neither the Tax Court, nor the U.S. Court of Appeals gave any heed whatsoever to the evidence. So, it stands to reason that if the law requires taxpayers in this country to abide by the Treasury Rules when proving they are entitled to deductions, then why does the IRS not have to accept evidence asserted by taxpayers in compliance with the Treasury Rules?

This case deals with three different deduction types and although the Taxpayers proved they were entitled to a deduction in each, the Tax Court decided they were not and that there was still a large

deficiency owed. The deduction types are for 2016 those taken on Schedule A for medical expenses and for employee expenses, and for 2015 and 2016, deductions taken on a Schedule C.

As to the first deduction type of medical expenses for 2016, the rule states:

A taxpayer is generally allowed to deduct medical expenses "paid during the taxable year, not compensated for by insurance or otherwise, for medical care of the taxpayer, his spouse, or a dependent." 26 U.S.C. § 213(a). To prove she is entitled to a deduction under 26 U.S.C. § 213, a taxpayer must substantiate her medical expenses with "the name and address of each person to whom payment for medical expenses was made and the amount and date of the payment thereof in each case." Treas. Reg. § 1.213-1(h). And the taxpayer must satisfy the general substantiation requirements of 26 U.S.C. § 6001. (Emphasis Added.)

The above statement of law and should have been interpreted by both the Tax Court and the Eleventh Circuit Court of Appeals exactly as it is written. This idea is not new and even dates back to the

1950's when in *Flora v. United States*, 357 U.S. 63 (1958), this Court stated, "(i)n matters of statutory construction, the duty of this Court is to give effect to the intent of Congress, and, in doing so, our first reference is, of course, to the literal meaning of words employed." *Id.* Despite the Taxpayers submitting documents having the required information, the Eleventh Circuit Court of Appeals stated: "(d)espite testifying that she paid the larger medical bills, Patitz failed to substantiate the remaining amounts with payment information, including dates, amounts, and 'the name and address of each party to whom the payment was made.' Treas. Reg. § 1.213-1(h)." Yet, the rule does not require that the payment be made by mail, it just requires the substantiation to have the following: (1) name of each person to whom payment for medical expenses was made; (2) address of each person to whom payment for medical expenses was made; (3) the amount of the payment; and (4) the date of the payment. The documentary

evidence submitted by the Taxpayers to the Tax Court has each of these required elements and therefore substantiates these expenses.

In addition, there are multiple pages of receipts contained in the evidence where the Taxpayers made payments at the time medical services were rendered. *See* Petitioners Trial Exhibits 1005-p, p.26-35, 45-55, 59-60, 62, and 65-69)

The Tax Court seemed to make a large issue of hand-written notes contained on bills paid, which seems absurd since those notes were made by Taxpayer Patitz contemporaneously with when made the medical payments over the phone. The notes reflect the date the payment was made, and how the payment was made.

Of note is that in affirming the Tax Court's decision, the Eleventh Circuit Court of Appeals relied heavily on *Gatlin v. Comm'r*, 754 F.2d 921 (11th Cir. 1985), which has no bearing and provides no precedent applicable to the instant case. First, the

issue in *Gatlin* was the following, which is clearly distinguishable:

(T)he taxpayers donated some of their Insurex stock to certain qualified charities. Based upon these contributions, the appellants claimed charitable deductions on their joint Federal Income Tax returns. Upon reviewing the returns, the Commissioner of Internal Revenue determined the fair market value of the Insurex stock contributed to be zero and disallowed the deductions. The taxpayers appealed this ruling to the Tax Court for a decision on the fair market value of the Insurex stock contributed. *Id.*

In *Gatlin*, the Tax Court after testimony from experts valued the Insurex stock at \$2.00 per share in 1973 and 1974, and \$1.00 per share in 1975, which was credited to the taxpayers' deductions. In the appeal that followed to this Court, the *Gatlin* Appellants misplaced their arguments on appeal. Instead of appealing the appealable issue that the Tax Court's fair market value determination was incorrect, they attempted to "allege that the Commissioner's original deficiency notice was

arbitrary, excessive, and without a rational basis or foundation, and therefore, the burden of proof with respect to valuation was shifted to the government.”

Id.

In contrast, in the instant case, the Taxpayers had the majority of their 2016 Schedule A deductions and nearly all of their 2015 and 2016 Schedule C deductions disallowed by the Tax Court, despite the Tax Court receiving sufficient documentary evidence that complies with the Treasury Rules.

In this case, the Taxpayers submitted into evidence medical receipts totaling \$25,501.55 for medical expenses, which does not include the receipts for the \$18,598 that were stipulated to by the IRS prior to trial, bringing the grand total to \$44,099.55 in substantiated medical expenses for 2016 for these Taxpayers. (See Also Transcript p.52-53) The receipts in evidence provided by the Taxpayers comply with the substantiation requirements contained in Section 1.213-1(h) of the Treasury Regulations, but

the Taxpayers failed to receive credits for these documented expenses from the IRS.

The next deduction issue was the mileage deduction for 2016 taken by Taxpayer Patitz in connection with her employment with Ricoh. The substantiation provided by the Taxpayers for the Ricoh mileage was identical for both tax year 2015 and tax year 2016. (See Petitioners Trial Exhibits 1005-p, pp.151-154) Despite this fact, the U.S. Tax Court only allowed the deduction for 2015, and the Eleventh Circuit affirmed while stating “and despite Patitz testifying that Ricoh did not reimburse her for mileage in 2016, Ricoh’s records showed that she received reimbursement through 2017.” Taxpayer Patitz does not dispute that she received reimbursement for various expenses during her employment with Ricoh, including mileage in some instances, but these were not the mileage expenses that were claimed by the Taxpayers on the 2016 taxes.

The factual difference between 2015 and 2016 is that on June 15, 2016, Ms. Moody accepted a new position within Ricoh (*See* Petitioners Trial Exhibits 1005-p, pp.134), one in which she was reimbursed for her mileage when traveling to customers or prospects outside of her home area, and only after she actually moved fully into the new position. Since her previous role was a major one in the company (she handled all the Miami Dade County government accounts), there was a three month transition period where she worked both roles. Her 2015-2016 role as a Major Account Executive in South Florida did not officially end until September 30, 2016. Between June 15, 2016, and September 30, 2016, Taxpayer Patitz trained in her new role mostly in the field, and also still managed her south Florida customers and trained her replacement for her previous role. That is why the mileage tracking for 2016 shows a major downturn beginning October 1, 2016. (*See* Petitioners Trial Exhibits 1005-p, pp.154) The tracking

documentation provided to the court for 2016 only contains the mileage driven when Taxpayer Patitz served in the same role as 2015, or for her trips driven within Duval County, Florida after she was working exclusively in her new role beginning October 1, 2016. Therefore, the mileage claimed on the 2016 taxes was not mileage for which Taxpayer Patitz was reimbursed. Her testimony also supports and verifies this fact. (See Transcript p.31-41, and p.60-63)² The bottom line is that the Ricoh unreimbursed mileage was substantiated in the same way for both tax year 2015 and tax year 2016, so if the documentation was valid for the IRS for 2015, it is arbitrary and a violation of the Taxpayers' rights to deny the exact same documentation for 2016 and

² It is possible that a mistake may have arisen because of a transcription error on page 32, lines 24-25 which state, "Just so you know, I was reimbursed for my mileage." This statement is transcribed the exact opposite of what Ms. Moody testified, so the transcription should read, "Just so you know, I was NOT reimbursed for my mileage."

refuse to give these taxpayers the deduction they legally deserve.

Finally, as to the issue of the Schedule C deductions, the Eleventh Circuit Court of Appeals in its Opinion states: "As for the other business expenses, Patitz provided receipts for some miscellaneous transactions, but the receipts alone did not establish if the associated expenses were personal or related to her insurance business." While, once again, looked at in a vacuum this statement is true, but the issue must be evaluated in light of all of the evidence provided, including testimony given to the Tax Court. There was extensive testimony from Taxpayer Patitz where she references the documents provided to the court and where she states what those "miscellaneous transactions" were actually for and why they were related to her insurance business. (See Transcript p.46.15-51.13, and p.65.9-69.5)

This case started with the Internal Revenue Service disallowing all of the Taxpayers Schedule C deductions for both tax year 2015 and 2016, so the Taxpayers gathered what documents they could and provided them. That information was provided to the Tax Court and now is in the record as admitted evidence. In light of the precedent set in *Cohan v. Commissioner*, 39 F.2d 540 (2d Cir. 1930), it seems arbitrary for the IRS to disallow all of the Schedule C deductions for these Taxpayers.

Ultimately the Tax Court and the Eleventh Circuit Court of Appeals was going to ensure the IRS collected back taxes from these Taxpayers, no matter what evidence was provided. It seems these Taxpayers were punished for putting deductions in the wrong place on their tax forms. For example, the 11th Circuit states:

Like all deductions, Patitz must substantiate the deduction. *Gatlin*, 754 F.2d at 924. Patitz failed to do so because she admitted that she used the home office for both her Ricoh work and her insurance business, meaning the use of her home office would be partially deductible under Schedule A and partially deductible under Schedule C.

So, because the home office would be deductible on two places of the Internal Revenue forms, for the IRS that results in the Taxpayers not being entitled to the deduction at all. This is the same thing that seems to have happened with the mileage deduction for 2016. Because the Taxpayers mistakenly claimed the employee mileage on their Schedule C instead of their Schedule A, the IRS decided they are not entitled to it at all, which both the Tax Court and the Eleventh Circuit affirmed. Where is justice or fairness in that decision? How does that align with a

taxpayer's right to pay only the amount of tax legally due?

Unfortunately, this case is convoluted and the facts can be confusing and need clarification, which no one attempted to get. There was a two hour hearing in the Tax Court, but it seems that maybe it was not long enough to put all of the evidence in front of the court, or to give the detailed explanations needed in some aspects of this case. Instead, many factual issues appeared for the first time in the Tax Court's opinion which were not raised by either side during the trial. Instead, unresolved facts came forth in the Tax Court's opinion that the Taxpayers had no real opportunity to dispute or to clarify. Then the Eleventh Circuit Court of Appeals ignored the evidence relying only on the Tax Court's interpretation of the evidence.

Additionally, there are mistakes in the transcript which also give the testimony a whole different meaning.

These Taxpayers followed the law and tried to challenge the deficiency notice in the proper way, it is not like in *Cheek v. United States*, 498 U.S. 192 (1991) where this Court's hands were tied because Cheek tried to circumvent the correct procedure, as this Court stated, "(a)lso, without paying the tax, he could have challenged claims of tax deficiencies in the Tax Court, 26 U.S.C. § 6213, with the right to appeal to a higher court if unsuccessful. § 7482(a) (1)."

Court decisions must ultimately be based on facts and the law, and the facts here are the many pages of documents which prove these Taxpayers are entitled to more deductions.

So, this Court should grant certiorari because the issue of the IRS collecting taxes that are not legally due from taxpayers is a widespread national concern which must cease.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully Submitted,

/s/ Lori Michelle Patitz

Lori Michelle Patitz (n/k/a Moody)

Date: January 20, 2026

