UNITED STATES COURT OF APPEALS
for the Fifth Circuit

No. 93-5092
Summary Calendar

SAM R. AND PAM K. DILLON,

Petitioners-Appellants,

VERSUS

COMMISSIONER OF INTERNAL REVENUE,

Respondent-Appellee.

Appeal from the Decision of the
United States Tax Court
(20824-88)

(December 27, 1993)

Before DAVIS, JONES and DUHÉ, Circuit Judges.

PER CURIAM:[1]

Appellants contest the deficiency assessed against them for tax years 1984 and 1985. The Dillons argue a single issue on appeal: that the 1099 forms were fraudulently issued to them by the Houston Chronicle.

Our review of the record reveals that the commissioner conceded at trial that the 1099 forms did not accurately reflect

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[1]Local Rule 47.5 provides: "The publication of opinions that have no precedential value and merely decide particular cases on the basis of well-settled principles of law imposes needless expense on the public and burdens on the legal profession." Pursuant to that Rule, the Court has determined that this opinion should not be published.

the taxpayers' income. The tax court therefore did not rely on the 1099 forms in computing the taxes due. As to the deductions the taxpayers claim for business expenses, the taxpayers offered no evidence that they were entitled to deductions in excess of the amounts conceded by the commissioner. Because the issue raised on appeal--the alleged fraudulent 1099 form--played no part in the computation of the taxes owed, the taxpayers' argument has no merit and is therefore rejected.

The tax court also did not abuse its discretion in imposing a penalty under § 6673 of $500 against the taxpayers. The tax court was justified in concluding that the taxpayers unreasonably failed to pursue administrative remedies and cooperate in entering stipulations prior to trial as required by the tax court rules.

AFFIRMED.