



News

Anshuman Vaidya Analyzes How a Recent SCOTUS Ruling Limiting Tax Court Jurisdiction Will Affect Taxpayers Seeking to Resolve a Tax Dispute

June 18, 2025

Hinshaw partner Anshuman Vaidya was quoted in a recent *Accounting Today* article reporting on the U.S. Supreme Court's June 2025 decision in *Zuch v. Commissioner*. The 8-1 decision limits the U.S. Tax Court's jurisdiction when an IRS tax levy is no longer in effect. The Court held that once the IRS removes a levy, the Tax Court loses authority to hear the taxpayer's challenge, even if underlying tax issues remain unresolved.

Anshuman explained that the decision marks a significant exception to the general rule allowing taxpayers to choose their preferred forum for resolving tax disputes:

"A taxpayer ordinarily gets to choose whether to go to the U.S. Tax Court, a U.S. district court or the U.S. Court of Federal Claims to resolve their dispute with the IRS regarding the amount of tax owed. The Tax Court is often a preferred venue for taxpayers, as petitioners may file for relief without having paid the underlying tax first.

However, the Tax Court generally hears cases taking place before the IRS issues a formal assessment. The district court or Court of Federal Claims are typically appropriate after assessment, but a taxpayer would first have to pay the IRS the tax owed and then sue the IRS for a refund in one of those forums."

Anshuman also emphasized that the U.S. Supreme Court's opinion clarifies the IRS's ability to influence where a tax dispute is heard, and cautions that taxpayers should be wary of relying on IRS collection actions to secure Tax Court review of their tax dispute:

"What this opinion makes clear is that if the IRS drops its levy, the Tax Court no longer has jurisdiction over the underlying tax dispute. The taxpayer's only recourse may be to start over and file a suit for refund in the district court or the Court of Federal Claims if the statute of limitations for filing a refund suit has not expired.

Thus, it is the rare instance where the IRS has some control over the forum in which a taxpayer's dispute is actually heard. Taxpayers should therefore be wary of using IRS collection actions as a vehicle to get into the Tax Court to challenge their underlying tax disputes, as the IRS ultimately controls the keys to that vehicle."

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[Read the full article](#) (*subscription may be required*).

- *Accounting Today*: "[SCOTUS limits Tax Court jurisdiction if an IRS tax levy disappears](#)" (June 18, 2025)