STATE OF MINNESOTA | TAX COURT

COUNTY OF OLMSTED | REGULAR DIVISION

Phillip Taddei,

Appellant,

vs.

Commissioner of Revenue,

Appellee.

ORDER GRANTING THE COMMISSIONER'S MOTION TO DISMISS

Docket No.: 9730-R

This matter came before the Honorable Bradford S. Delapena, Judge of the Minnesota Tax Court, on the Commissioner of Revenue's motion to dismiss.

Appellant Phillip Taddei is self-represented.

Wendy S. Tien, Assistant Minnesota Attorney General, represents Appellee Commissioner of Revenue.

The Commissioner brings this motion to dismiss for lack of subject matter jurisdiction, arguing Mr. Taddei's claims do not arise under Minnesota's tax laws. Mr. Taddei did not file a written response to the Commissioner's motion and failed to appear at a remote motion hearing held on January 28, 2026. Based on the files, records, and proceedings herein, the court now makes the following:

ORDER

1. Appellee Commissioner of Revenue's motion to dismiss is granted.

2. Appellant Phillip Taddei's appeal is dismissed.

IT IS SO ORDERED. THIS IS A FINAL ORDER. LET JUDGMENT BE ENTERED ACCORDINGLY.

BY THE COURT:

Bradford S. Delapena

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Bradford S. Delapena, Judge
MINNESOTA TAX COURT

Dated: April 28, 2026

MEMORANDUM

I. BACKGROUND

The Commissioner issued a Notice of Change Order ("Order") on May 6, 2025, adjusting Mr. Taddei's 2024 Minnesota individual income tax.[1] The adjustments, although not outlined in the Order, resulted in a $591 tax refund for Taddei.[2] That same day, the Commissioner sent Taddei correspondence explaining that the refund to which he was otherwise entitled would instead be applied to a debt Taddei owed the Internal Revenue Service.[3] Taddei subsequently filed a timely notice of appeal in this Court alleging that he does not owe money to the IRS and, accordingly, that the IRS levy of his refund was improper.[4]

[1] Not. Appeal (filed June 2, 2025); Decl. Jason Weyer (signed Sept. 30, 2025) ¶ 5.

[2] Not. Appeal; Weyer Decl. ¶ 5.

[3] Weyer Decl. ¶ 6, Ex. 2.

[4] Not. Appeal 1.

The Commissioner now moves to dismiss Mr. Taddei's appeal for lack of subject matter jurisdiction, asserting that Taddei's claims relate exclusively to his *federal* tax liability.[5] Specifically, the Commissioner argues that federal law, not Minnesota law, governs disputes over IRS levies upon state tax refunds and, thus, that we lack authority to hear this matter.[6] Because we agree, we grant the Commissioner's motion to dismiss Mr. Taddei's appeal.

II. GOVERNING LAW

A. Subject Matter Jurisdiction

The legislature created the tax court as an administrative agency of the executive branch and granted it limited jurisdiction. *Wilson v. Comm'r of Revenue*, 619 N.W.2d 194, 199 (Minn. 2000). "The scope of an administrative agency's authority, including the jurisdiction of executive branch courts, generally depends upon the language of the statute delegating authority to the agency." *Giersdorf v. A & M Constr., Inc.*, 820 N.W.2d 16, 20 (Minn. 2012). Although a court may determine its own jurisdiction, *see, e.g.*, *Reid v. Indep. Union of All Workers*, 275 N.W. 300, 301 (Minn. 1937), an executive branch court may not "expand its statutory grant of jurisdiction." *Wiebesick v. Comm'r of Revenue*, No. 7864-R, 2007 WL 329151, at *2 (Minn. T.C. Jan. 31, 2007).

Our jurisdiction is limited to questions "arising under the tax laws of the state," Minn. Stat. § 271.01, subd. 5 (2024), and we have a duty to dismiss a claim when we lack subject matter jurisdiction, Minn. R. Civ. P. 12.08(c). While "matters administered by the commissioner of revenue" are "considered tax laws of this state subject to the jurisdiction of the Tax Court," Minn. Stat. § 271.01, subd. 5, we may not adjudicate disputes regarding federal tax liabilities.

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[5] Comm'r's Not. Mot. & Mot. Dismiss (filed Sept. 30, 2025); Comm'r's Mem. Law Supp. Mot. Dismiss (filed Sept. 30, 2025).

[6] Comm'r's Mem. Law Supp. Mot. Dismiss 3-5.

B. Federal Levies upon State Tax Refunds

Under Minnesota Statutes section 270C.41, subdivision 1 (2024), the Commissioner may form agreements with the IRS to identify taxpayers with liabilities and to allow IRS levies upon state tax refunds. IRS authority to levy for unpaid federal tax derives from federal law. I.R.C. § 6331(a) ("If any person liable to pay any tax neglects or refuses to pay the same, it shall be lawful for the Secretary to collect such tax by levy.") (cleaned up).

Generally, the Secretary of the Treasury is required to notify a taxpayer of their right to a hearing *before* a levy is made. I.R.C. § 6330(a)(1). However, if the levy is upon a state tax refund, a taxpayer need only be given an opportunity for a hearing within a reasonable period *after* the levy. I.R.C. § 6330(f)(2). A post-levy notice must include information on a taxpayer's right to request a federal Collection Due Process hearing and any administrative appeals available to them. Treas. Reg. § 301.6330-1(a)(3). If a taxpayer desires review of a CDP hearing determination, they may petition the United States Tax Court. I.R.C. § 6330(d) ("The person may, within 30 days of a [CDP] determination under this section, petition the Tax Court for review of such determination (and the Tax Court shall have jurisdiction with respect to such matter)."); *Clark v. Comm'r*, 125 T.C. 108, 110 (2005) ("We [the United States Tax Court] now hold that the Court has jurisdiction under section 6330(d) to review respondent's determination regarding the levy.").

III. ANALYSIS

The Minnesota Tax Court lacks subject matter jurisdiction over this case because the matter does not involve issues arising under Minnesota's tax laws. Instead, the case turns on federal law: whether the IRS had the authority to levy Taddei's return and whether the amount levied was accurate.

Rather than requesting a federal Collection Due Process hearing to obtain review of these federal law issues, Mr. Taddei instead filed a notice of appeal in the Minnesota Tax Court. This Court, however. may not review a levy by the federal government, as such review must be sought under federal law. *See* IRC § 6330; Treas. Reg. § 301.6330-1. The Commissioner's motion to dismiss is granted.

B.S.D.