

Administrative:

New York City: Taxpayer Asks Federal Court to Hear UBT Dispute by Claiming Absence of ALJs at Tax Appeals Tribunal

Case No. 1:25-cv-04651, S.D.N.Y. (complaint filed 6/3/25). An investment management company has filed suit in federal court requesting that the federal court intervene in its New York City Unincorporated Business Tax (UBT) dispute with the New York City (City) Department of Finance. The taxpayer argued that the federal court must exercise jurisdiction to resolve the underlying substantive tax issues given the City Tax Appeals Tribunal's (Tribunal) failure to "provide a functioning adjudicative forum to hear and decide" its petition and motion for summary determination, which thus deprives it of its right to procedural due process under the US Constitution. In its filed complaint, the taxpayer states that the Tribunal's administrative law judge (ALJ) Division "currently has no ALJs to hear or decide cases; instead, it merely has a Chief ALJ responsible for some ministerial matters, such as granting extensions and assigning matters to other ALJs if or when they are ever appointed." As a result, according to the taxpayer, which had paid all tax, interest and penalties asserted as due in order to stop the running of interest in this matter, it has "no remedy to retrieve the money it paid to the City and must forego use of those funds." Please contact us with any questions.

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