

Syllabus

NOTE: Where it is feasible, a syllabus (headnote) will be released, as is being done in connection with this case, at the time the opinion is issued. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States v. Detroit Timber & Lumber Co.*, 200 U. S. 321, 337.

SUPREME COURT OF THE UNITED STATES

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EC TERM OF YEARS TRUST *v.* UNITED STATESCERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR
THE FIFTH CIRCUIT

No. 05–1541. Argued February 26, 2007—Decided April 30, 2007

Under 26 U. S. C. §7426(a)(1), if the Internal Revenue Service (IRS) levies upon a third party’s property to collect taxes owed by another, the third party may bring a wrongful levy action against the United States, so long as such action is brought before “the expiration of 9 months from the date of the levy,” §6532(c)(1). In contrast, the limitations period for a tax refund action under 28 U. S. C. §1346(a)(1) begins with an administrative claim that may be filed within at least two years, and may be brought to court within another two years after an administrative denial. The IRS levied on a bank account in which petitioner (Trust) had deposited funds because the IRS assumed that the Trust’s creators had transferred assets to the Trust to evade taxes. The bank responded with a check to the Treasury. Almost a year later, the Trust and others brought a §7426(a)(1) action claiming wrongful levies, but the District Court dismissed the complaint because it was filed after the 9-month limitations period had expired. After unsuccessfully pursuing a tax refund at the administrative level, the Trust filed a refund action under §1346(a)(1). The District Court held that a wrongful levy claim under §7426(a)(1) was the sole remedy possible and dismissed, and the Fifth Circuit affirmed.

Held: The Trust missed §7426(a)(1)’s deadline for challenging a levy, and may not bring the challenge as a tax refund claim under §1346(a)(1). Section 7426(a)(1) provides the exclusive remedy for third-party wrongful levy claims. “[A] precisely drawn, detailed statute pre-empts more general remedies,” *Brown v. GSA*, 425 U. S. 820, 834, and it braces the preemption claim when resort to a general remedy would effectively extend the limitations period for the specific one, see *id.*, at 833. If third parties could avail themselves of §1346(a)(1)’s general tax refund jurisdiction, they could effortlessly

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evade §7426(a)(1)'s much shorter limitations period. The Trust argues that, because *United States v. Williams*, 514 U. S. 527, construed §1346(a)(1)'s general jurisdictional grant expansively enough to cover third parties' wrongful levy claims, treating §7426(a)(1) as the exclusive avenue for these claims would amount to a disfavored holding that §7426(a)(1) implicitly repealed §1346(a)(1)'s pre-existing jurisdictional grant. But this reads *Williams* too broadly. *Williams* involved a lien and was decided on the specific understanding that no other remedy was open to the plaintiff. Here, the Trust challenges a levy and could have made a timely claim under §7426(a)(1). Even if the presumption against implied repeals applied here, §7426(a)(1)'s 9-month limitations period cannot be reconciled with the notion that the same challenge would be open under §1346(a)(1) for up to four years. Nor can the two statutory schemes be harmonized by construing §7426(a)(1)'s filing deadline to cover only those actions seeking predeprivation remedies unavailable under §1346(a)(1). On its face, §7426(a)(1) applies to predeprivation and postdeprivation claims alike. Pp. 4–7.

434 F. 3d 807, affirmed.

SOUTER, J., delivered the opinion for a unanimous Court.