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SUPREME COURT OF THE UNITED STATES

Syllabus

UNITED STATES *v.* WILLIAMS

CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

No. 94-395. Argued February 22, 1995—Decided April 25, 1995

The Government assessed a tax against Jerrold Rabin and placed a lien on all of his property, including his interest in the home he jointly owned with respondent Lori Williams, his then-wife. Before the Government recorded its lien, Rabin transferred his interest in the home to Williams, as part of a division of assets in contemplation of divorce. Although Williams was not personally liable for the tax, she paid it under protest to remove the lien and sued for a refund under 28 U. S. C. §1346(a)(1), which waives the Government's sovereign immunity from suit in "[a]ny civil action . . . for the recovery of any internal-revenue tax alleged to have been erroneously or illegally assessed or collected." The Government responded that it was irrelevant whether the Government had a right to Williams' money because she lacked standing to seek a refund under §1346(a)(1). According to the Government, that provision authorizes refund actions only by the assessed party, *i.e.*, Rabin. The District Court accepted this jurisdictional argument, but the Court of Appeals reversed.

Held: Section 1346(a)(1) authorizes a refund suit by a party who, though not assessed a tax, paid the tax under protest to remove a federal tax lien from her property. Pp. 3-13.

(a) Williams' plea falls squarely within §1346(a)(1)'s broad and unequivocal language authorizing suit for "any . . . tax . . . erroneously . . . collected." Pp. 3-5.

(b) The Government's strained reliance on the interaction of three other provisions to narrow §1346(a)(1)'s waiver of sovereign immunity is rejected. The Government argues: Under 26 U. S. C. §7422, a party may not bring a refund action without first exhausting administrative remedies; under 26 U. S. C. §6511, only a "taxpayer" may exhaust; under 26 U. S. C.

§7701(a)(14), Williams is not a taxpayer. The Government's argument fails at two statutory junctures. First, the word "taxpayer" in §6511(a)—the provision governing administrative claims—cannot bear the weight the Government puts on it. This provision's plain terms provide only a deadline for filing for administrative relief, not a limit on who may file. Further, the Government's claim that Williams is not at this point a "taxpayer" is unpersuasive. In placing a lien on her home and then accepting the tax payment she made under protest, the Government surely subjected Williams to a tax, even though she was not the assessed party. *Colorado Nat. Bank of Denver v. Bedford*, 310 U. S. 41, 52, distinguished. Pp. 5-8.

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(c) The Government's strained reading of §1346(a)(1) would leave people in Williams' position without a remedy. This consequence reinforces the conclusion that Congress did not intend refund actions under §1346(a)(1) to be unavailable to persons situated as Lori Williams is. Though the Government points to the levy, quiet-title, and separate-fund remedies authorized by 26 U. S. C. §7426, 28 U. S. C. §2410(a)(12), and 26 U. S. C. §6325(b)(3), respectively, none of those realistically would be available to Williams or others in her situation. Moreover, because those remedies offer pre-deprivation relief, they do not become superfluous if some third party suits are authorized by §1346(a)(1), a post-deprivation remedy available only if the taxpayer has paid the Government in full. Pp. 8-11.

(d) The principle on which the Government relies, that parties generally may not challenge the tax liabilities of others, is not unyielding. See, e.g., *Stahmann v. Vidal*, 305 U. S. 61. The burden on that principle is mitigated here because Williams' main challenge is to the existence of a lien against *her* property, rather than to the underlying assessment on her husband. Moreover, the Government's forecast that allowing her to sue will lead to rampant abuse by parties volunteering to pay others' taxes seems implausible. In any event, the disposition herein does not address the circumstances, if any, under which a party who volunteers to pay a tax assessed against someone else may seek a refund under §1346(a). Pp. 11-13.

24 F. 3d 1143, affirmed.

GINSBURG, J., delivered the opinion of the Court, in which STEVENS, O'CONNOR, SCALIA, SOUTER, and BREYER, JJ., joined. SCALIA, J., filed a concurring opinion. REHNQUIST, C. J., filed a dissenting opinion, in which KENNEDY and THOMAS, JJ., joined.