UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA

Phillips v. Franchise Tax Board

No. 25-cv-07231-JD, United States District Court for the Northern District of California (September 30, 2025)

SUMMARY

The United States District Court for the Northern District of California denied the pro se plaintiff's motion for a temporary restraining order seeking to stop the California Franchise Tax Board from garnishing wages to collect unpaid taxes. Applying the Tax Injunction Act, the court concluded that California's tax refund procedures provide an adequate state-court remedy. The court stayed the case in its entirety pending further order.

CASE DETAILS

COURT	United States District Court for the Northern District of California
WRITING FOR THE COURT	James Donato
JURISDICTION	United States District Court for the Northern District of California
DECIDED	September 30, 2025
DOCKET	25-cv-07231-JD
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff moved for a temporary restraining order to stop the California Franchise Tax Board from garnishing his wages to collect unpaid state taxes. The district court denied the TRO and stayed the case in its entirety pending further order.
PRECEDENTIAL VALUE	Unknown

TOPICS

injunctions | tax collection | civil procedure | federalism

PRACTICE AREAS

tax | civil procedure | remedies

QUESTIONS PRESENTED

1. Whether the court could enjoin the California Franchise Tax Board's collection of state taxes through wage garnishment under the Tax Injunction Act.
2. Whether plaintiff demonstrated entitlement to a temporary restraining order.

HOLDINGS

1. The Tax Injunction Act bars an injunction against the assessment, levy, or collection of a state tax when a plain, speedy, and efficient state-court remedy is available; California's tax-refund procedures constitute such a remedy on the record presented.
2. A temporary restraining order was not warranted because plaintiff failed to show that California's tax-refund procedures were inadequate to address his concerns.

KEY QUOTATIONS

> *"Under the Tax Injunction Act, the Court "shall not enjoin, suspend or restrain the assessment, levy or collection of any tax under State law where a plain, speedy and efficient remedy may be had in the courts of such State.""* (at 1)

> *"Consequently, a TRO is not warranted. The case is stayed in its entirety pending further order."* (at 1)

FACTUAL BACKGROUND

Demetrius Phillips alleged that the California Franchise Tax Board was garnishing his wages to collect unpaid taxes. He argued that the Tax Board lacked legal authority over him and sought a temporary restraining order. The court found that nothing in the complaint or TRO application showed that California's tax-refund procedures were inadequate.

PROCEDURAL HISTORY

Pro se plaintiff filed the action and sought emergency injunctive relief. The district court denied the temporary restraining order under the Tax Injunction Act and stayed the case.

DISPOSITION

other

CASES CITED

- Hyatt v. Yee, 871 F.3d 1067, 1074 (9th Cir. 2017)
- Franchise Tax Bd. of California v. Alcan Aluminium Ltd., 493 U.S. 331, 338 (1990)

OPINION

1 UNITED STATES DISTRICT COURT 2 NORTHERN DISTRICT OF CALIFORNIA 3 4 PHILLIPS, Case No. 25-cv-07231-JD 5 Plaintiffs, ORDER RE TEMPORARY 6 v. RESTRAINING ORDER AND STAY 7 FRANCHISE TAX BOARD, et al., g Defendants. 9 10

Pro se plaintiff Demetrius Phillips has asked for a temporary restraining order to stop the California Franchise Tax Board from garnishing his wages to collect unpaid taxes on the theory that the Tax Board lacks legal authority over him.

Dkt. No. 6. A TRO is denied. 5 Under the Tax Injunction Act, the Court "shall not enjoin, suspend or restrain the assessment, levy or collection of any tax under State law where a plain, speedy and efficient 3 remedy may be had in the courts of such State." 28 U.S.C. § 1341. "To the extent they are a available, California's refund procedures constitute a plain, speedy, and efficient remedy." Hyatt 3 v. Yee, 871 F.3d 1067, 1074 (9th Cir.

2017) (quoting Franchise Tax Bd. of California v. Alcan Aluminium Ltd., 493 U.S. 331, 338 (1990)). Nothing in the complaint or the TRO application demonstrates that the California tax refund procedures are not adequate to address Phillips' concerns. Dkt. Nos. 1, 6. Consequently, a TRO is not warranted.

The case is stayed in its entirety pending further order. IT IS SO ORDERED. Dated: September 30, 2025 6 JAMES PONATO United States District Judge