UNITED STATES DISTRICT COURT FOR THE DISTRICT OF OREGON

Matthew M. Schroeder v. Portland Revenue Division and Portland Metro

Schroeder · No. 3:25-cv-01126-IM · Decided April 22, 2026

SUMMARY

The United States District Court for the District of Oregon granted Defendants' motion to dismiss claims challenging the administration of the Metro Supportive Housing Services Tax. The court held that the Tax Injunction Act barred the plaintiff's federal procedural due process and Monell claims because Oregon provided a plain, speedy, and efficient remedy. The court dismissed the First Amended Complaint without leave to amend as futile.

CASE DETAILS

COURT	United States District Court for the District of Oregon
WRITING FOR THE COURT	Karin J. Immergut
JURISDICTION	United States District Court for the District of Oregon
DECIDED	April 22, 2026
DOCKET	3:25-cv-01126-IM
DISPOSITION	dismissed
PROCEDURAL POSTURE	Plaintiff brought claims under 42 U.S.C. § 1983 alleging that Defendants violated procedural due process in administering the Metro Supportive Housing Services Tax and asserted Monell liability. Defendants moved to dismiss under Federal Rules of Civil Procedure 12(b)(1) and 12(b)(6). The court granted dismissal under Rule 12(b)(1) and denied leave to amend.
STANDARD OF REVIEW	For a facial Rule 12(b)(1) challenge, the court accepts the complaint's allegations as true and draws reasonable inferences in the plaintiff's favor; the party invoking federal jurisdiction bears the burden of establishing it. Dismissal without leave to amend is proper when amendment would be futile.
PRECEDENTIAL VALUE	unpublished district court opinion
PARTIES	Matthew M. Schroeder v. Portland Revenue Division, Portland Metro

TOPICS

subject matter jurisdiction · tax · tax collection · motions to dismiss · procedural due process

PRACTICE AREAS

tax litigation · constitutional law · federal civil procedure · municipal law

QUESTIONS PRESENTED

1. Whether the Tax Injunction Act, 28 U.S.C. § 1341, barred federal district court jurisdiction over Plaintiff's damages claims challenging the administration and collection of a local tax under 42 U.S.C. § 1983.
2. Whether Oregon provided a plain, speedy, and efficient remedy within the meaning of the Tax Injunction Act.
3. Whether Plaintiff should be granted leave to amend his complaint.

HOLDINGS

1. The Tax Injunction Act applies to Plaintiff's procedural due process and Monell claims because, if successful, the claims would interfere with the assessment or collection of the Metro Supportive Housing Services Tax and reduce the flow of tax revenue.
2. Oregon provided a plain, speedy, and efficient remedy sufficient to trigger the Tax Injunction Act's jurisdictional bar.
3. Leave to amend was properly denied because amendment would be futile.

KEY QUOTATIONS

> *"The dispositive question in determining whether the Tax Injunction Act's jurisdictional bar applies is whether the plaintiff's action, if successful, would reduce the flow of state tax revenue."* (Discussion § A.1)

> *"Plaintiff could have had "a full hearing and judicial determination" in Oregon's state courts, with opportunities for appeal, had he properly followed Oregon law's clear procedures and not settled his claims, which is all the TIA requires."* (Discussion § A.2)

FACTUAL BACKGROUND

Plaintiff challenged the administration of the Metro Supportive Housing Services personal income tax by Portland Revenue Division and Portland Metro. Defendants issued Plaintiff a notice assessing $34.63 in penalties and interest for the 2022 tax year, after which Plaintiff allegedly sought clarification and correction but received responses he considered misleading and inconsistent. Plaintiff alleged that Defendants failed to provide constitutionally adequate notice and a meaningful opportunity to be heard before imposing and enforcing tax-related penalties and interest. Oregon law provided administrative and judicial avenues for challenging the tax, including review by the Revenue Division Appeals Board, the Oregon Tax Court, and the Oregon Supreme Court.

PROCEDURAL HISTORY

After receiving a notice assessing penalties and interest relating to the 2022 Metro Supportive Housing Services Tax, Plaintiff pursued proceedings in the Oregon Tax Court and entered into a settlement agreement with Defendants concerning a separate breach-of-settlement claim. Plaintiff then filed this federal action. Following the filing of a First Amended Complaint, Defendants moved to dismiss, arguing that the Tax Injunction Act deprived the court of subject-matter jurisdiction and, alternatively, that Plaintiff failed to state a claim.

DISPOSITION

dismissed

CASES CITED

- Kokkonen v. Guardian Life Ins. Co. of Am., 511 U.S. 375, 377 (1994)
- Safe Air for Everyone v. Meyer, 373 F.3d 1035, 1039 (9th Cir. 2004)
- Wolfe v. Strankman, 392 F.3d 358, 362 (9th Cir. 2004)
- Erickson v. Pardus, 551 U.S. 89, 94 (2007) (per curiam)
- Pena v. Gardner, 976 F.2d 469, 471–72 (9th Cir. 1992) (per curiam)
- Tully v. Griffin, Inc., 429 U.S. 68, 73 (1976)
- Arkansas v. Farm Credit Servs. of Cent. Ark., 520 U.S. 821, 825 (1997)
- Moe v. Confederated Salish & Kootenai Tribes of Flathead Reservation, 425 U.S. 463, 470 (1976)
- Fair Assessment in Real Est. Ass’n, Inc. v. McNary, 454 U.S. 100, 113–16 (1981)
- Qwest Corp. v. City of Surprise, 434 F.3d 1176, 1184 (9th Cir. 2006)
- Donaldson v. Williams, No. 2:12-cv-80-SU, 2012 WL 5398307, at *8–11 (D. Or. Sept. 6, 2012)
- Numrich v. Harchenko, No. 04-1106-KI, 2005 WL 839631, at *2 (D. Or. Apr. 8, 2005)
- Lowe v. Washoe County, 627 F.3d 1151, 1155–56 (9th Cir. 2010)
- Patel v. City of San Bernardino, 310 F.3d 1138, 1142 (9th Cir. 2002)
- California v. Grace Brethren Church, 457 U.S. 393, 413 (1982)
- Rosewell v. LaSalle Nat’l Bank, 450 U.S. 503, 512, 518 (1981)
- Online Merchs. Guild v. Maduros, 52 F.4th 1048, 1052–53 (9th Cir. 2022)
- Averett v. Dep’t of Revenue, No. 3:25-cv-05362-TL, 2025 WL 3677135, at *5 (W.D. Wash. Dec. 18, 2025)
- Salar v. Metro. Serv. Dist., No. TC-MD 250167R, 2025 WL 2731336, at *1 (Or. T.C. Sept. 24, 2025)
- Omann v. United States, No. cv-03-103-ST, 2003 WL 22327906, at *1 (D. Or. Mar. 19, 2003)
- Patterson v. Or. Dep’t of Revenue, No. 6:16-cv-01344-JR, 2016 WL 4154680, at *1 (D. Or. Aug. 2, 2016)
- Riddle v. I.R.S., No. cv-04-415-ST, 2004 WL 902351, at *4 (D. Or. Apr. 2, 2004)
- Cervantes v. Countrywide Home Loans, Inc., 656 F.3d 1034, 1043 (9th Cir. 2011)
- Barahona v. Union Pac. R.R., 881 F.3d 1122, 1134 (9th Cir. 2018)
- Turner v. City of Sunnyvale, No. 5:25-cv-05154-BLF, 2026 WL 533098, at *3 (N.D. Cal. Feb. 25, 2026)