LITIGATION ROSTER

SALES AND USE TAX

OCTOBER 2026

Sales and Use Tax
LITIGATION ROSTER
OCTOBER 2026

NEW CASES

Case Name	Case Number
CHOI v. CDTFA	26CV21159
GRAYSON IV v. CDTFA	26CV02568
KANG v. CDTFA	26CV211600

CLOSED CASES

Case Name	Case Number

Please refer to the Case roster for more detail regarding new and closed Cases

Sales and Use Tax
LITIGATION ROSTER
OCTOBER 2026

AJAY BERI CORPORATION v. CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION
Court of Appeal, Second Appellate District: B350105
Los Angeles County Superior Court: 24STCV23578
Filed – 09/12/2024

Plaintiffs' Counsel
David Jones Dunlap, Law Firm of David Dunlap Jones, APLC

CDTFA's Counsel
Laura Robbins

CDTFA Attorney
Andrew Amara

Issue(s):

Plaintiff, an operator of Subway restaurants throughout Southern California, seeks a sales and use tax refund of $1,956,225.54 for the period of January 1, 2003 - December 31, 2010 (tax period), on the basis that CDTFA erroneously assessed tax, penalties and interest for the tax period. Plaintiff asserts that CDTFA's assessments were contrary to the law, untimely, and barred by a 2016 criminal plea agreement.

Audit/Tax Period: January 1, 2003 - December 31, 2010
Amount: $1,956,225.54

Status:

CDTFA was personally served with the Complaint on September 18, 2024. CDTFA's response is due October 18, 2024. On October 16, 2024, Plaintiff granted CDTFA an extension to file its response to the Complaint to November 1, 2024. CDTFA filed a Demurrer to the Complaint on November 1, 2024. The hearing on the Demurrer is set for April 8, 2025. The trial court related this action to the actions filed by Beri Restaurant Group, Inc. (Case No. 24STCV29960) and B&L Diner's Inc. (24STCV30171) and scheduled the hearings on CDTFA's Demurrers in these three actions for April 8, 2025. On April 8, 2025, the court sustained CDTFA's Demurrer without leave to amend. On August 22, 2025, the court entered judgment in favor of CDTFA, following the court's April 8, 2025 ruling sustaining CDTFA's Demurrer without leave to amend. CDTFA filed and served the Notice of Entry of Judgment on August 22, 2025. Plaintiff will have 60 days to file an appeal. Plaintiff filed a Notice of Appeal on October 1, 2025. Plaintiff's opening appellate brief is due by January 27, 2026. The parties

stipulated to a 30-day extension for Plaintiff to file its opening appellate brief with the Court of Appeal. Plaintiff's new deadline is February 26, 2026. Appellant filed their opening brief on February 27, 2026. The Court of Appeal approved CDTFA's request for a 60-day extension to file its respondent's brief; CDTFA's brief is now due May 29, 2026. CDTFA filed its respondent's brief with the Court of Appeal on May 27, 2026. Plaintiff's reply is due June 16, 2026. Plaintiff filed its reply brief with the Court of Appeal on June 16, 2026. The appeal is now fully briefed.

AMAN BERI & VANDANA BERI v. OFFICE OF TAX APPEALS
Los Angeles County Superior Court: 25STCP01401
Filed – 04/16/2025

Plaintiff's Counsel
Aman Beri, Pro Per

CDTFA's Counsel
Brendan Porter

CDTFA Attorney
Andrew Amara

Issue(s):

Plaintiffs, owners and operators of Subway restaurants in Southern California, dispute their sales and use tax liabilities arising out of their operations of the restaurants. Plaintiffs seek to set aside decisions issued by the Office of Tax Appeals (OTA) on the grounds that OTA violated their due process rights as well as an automatic bankruptcy stay, in addition to other alleged procedural deficiencies. Plaintiffs also seek damages for alleged reputational harm, emotional distress, and loss of business goodwill.

Audit/Tax Period: None
Amount: Unspecified

Status:

CDTFA was personally served with the Verified Complaint on June 2, 2025. On June 27, 2025, CDTFA and the Office of Tax Appeals filed a Demurrer to Plaintiffs' Complaint. A hearing on the Demurrer is set for September 18, 2025. On September 11, 2025, CDTFA filed its Reply in Support of Demurrer to Plaintiffs' Complaint. The parties stipulated to taking the September 18, 2025 demurrer hearing off calendar and to Plaintiffs filing an amended complaint. Plaintiffs filed their amended complaint on September 16, 2025. CDTFA's response is due October 27, 2025. Plaintiffs served CDTFA with the First Amended Complaint (FAC) on September 27, 2025. The FAC names only Aman Beri and Vandana Beri as plaintiffs. The parties filed a stipulation on October 28,

2025, extending CDTFA and OTA's deadline to file a response to the FAC to November 24, 2025. Defendants (CDTFA and OTA) filed their demurrer to Plaintiffs' FAC on November 24, 2025. The demurrer hearing is set for February 6, 2026. Plaintiffs filed a motion for leave to file a Second Amended Complaint on January 23, 2026; the hearing is set for April 3, 2026. CDTFA filed its reply brief in support of its Demurrer to Plaintiff's First Amended Complaint on January 30, 2026. Oral argument took place on February 6, 2026. On February 9, 2026, the court sustained CDTFA and OTA's Demurrer without leave to amend and issued an order of dismissal. As a result, the court vacated the April 3, 2026 hearing on Plaintiffs' motion for leave to amend. CDTFA and OTA filed their Memorandum of Costs on February 24, 2026, seeking costs incurred in this case, following the trial court's judgment in their favor. On April 6, 2026, Plaintiffs filed a motion to vacate the dismissal of its action. The hearing is set for June 5, 2026. CDTFA and OTA filed their opposition to Plaintiffs' motion to vacate dismissal on May 19, 2026. Plaintiffs filed their reply on May 29, 2026. On June 5, 2026, the court denied Plaintiffs' motion to vacate dismissal of this action. On August 5, 2026, Plaintiffs filed a notice of appeal of the judgment in favor of CDTFA.

DEAN ANDAL v. NICOLAS MADUROS, DIRECTOR AND THE CALIFORNIA DEPARTMENT OF FEE AND TAX ADMINISTRATION
Court of Appeal, Third Appellate District: C106365
Sacramento County Superior Court: 24CV017346
Filed – 09/03/2024

Plaintiffs' Counsel
Dean Andal

CDTFA's Counsel
Steve Tennyson

CDTFA Attorney
Chris Kim

Issue(s):

Plaintiff Dean Andal, former Board Member at the Board of Equalization, filed this action for injunctive and declaratory relief pursuant to Government Code section 11350, asserting that the Department "has adopted an underground regulation that establishes a new 'genuine physical human interaction' test for allocation of the Bradley-Burns sales and use tax." Plaintiff contends that the "genuine physical human interaction' test, contained in a Department guide for retailers, is a rule of general application and represents a change from the Department's statutory and regulatory position and should be adopted through the rulemaking process set forth in the Administrative Procedure Act (APA).

Plaintiff also asserts that he petitioned the Office of Administrative Law (OAL) on April 21, 2024, for a determination that the test was an underground regulation under the APA; however, OAL declined to rule on the merits of his challenge.

Audit/Tax Period: None
Amount: Unspecified

Status:

Plaintiff filed the action on August 30, 2024, and served the Complaint on CDTFA on September 12, 2024. On September 30, 2024, Plaintiff filed a Verified First Amended Complaint for Declaratory and Injunctive Relief ("Complaint"), and CDTFA accepted service on October 8, 2024. Plaintiff granted CDTFA a 15-day extension to respond to the Complaint; CDTFA's response is due November 22, 2024. On November 22, 2024, CDTFA filed a Demurrer to Plaintiff's First Amended Complaint. The hearing on the Demurrer is set for May 2, 2025. Plaintiff's opposition is due April 21, 2025, and CDTFA's reply brief is due April 25, 2025. On March 18, 2025, Plaintiff filed a Motion for Leave to File a Verified Second Amended Complaint and Petition for Writ of Mandamus. Plaintiff's motion is set to be heard on April 14, 2025. CDTFA's opposition to that motion is due on April 1, 2025, and Plaintiff's reply is due April 7, 2025. On April 1, 2025, CDTFA filed an opposition to Plaintiff's Motion for Leave to File a Verified Second Amended Complaint. On April 14, 2025, the court granted Plaintiff's motion. That same date, Plaintiff filed a Verified Second Amended Complaint for Declaratory and Injunctive Relief and Petition for Writ of Mandamus (SAC). CDTFA's response is due on May 19, 2025. On May 5, 2025, the parties entered into a stipulation to extend CDTFA's response to the Second Amended Complaint from May 19, 2025, to May 30, 2025. On May 30, 2025, CDTFA filed a Demurrer to Plaintiff's Second Amended Complaint. The hearing on the Demurrer is set for December 18, 2025. Plaintiff's opposition to the Demurrer is due December 5, 2025, and CDTFA's reply is due December 11, 2025. On December 4, 2025, Plaintiff filed its opposition to CDTFA’s Demurrer to Plaintiff’s SAC. On December 11, 2025, CDTFA filed its reply brief in support of its Demurrer. On December 17, 2025, the court vacated the hearing on CDTFA’s Demurrer and transferred the matter to the court’s writ department. The matter was reassigned to Department 21 of the Sacramento Superior Court and the Demurrer hearing is now set for February 20, 2026. The hearing on CDTFA's Demurrer took place on February 20, 2026. At the conclusion of the hearing, the court took the matter under submission. On March 4, 2026, the court sustained CDTFA’s Demurrer without leave to amend as to the first, third, and fourth causes of action of Plaintiff’s Complaint. The court overruled CDTFA’s Demurrer as to the second cause of action for mandamus relief, finding that Plaintiff has alleged sufficient facts to establish public interest standing for purposes of bringing a mandamus claim pursuant to Code of Civil Procedure section 1085. On March 16, 2026, CDTFA filed its Answer to the SAC. On that same date, CDTFA also filed an Ex Parte Application seeking to stay the superior court proceedings pending appellate review of the court’s March 4, 2026 Order

denying the Demurrer to the second cause of action. On March 30, 2026, the court denied CDTFA's ex parte application to stay proceedings pending appellate review. The court denied the application without prejudice and CDTFA may refile a request for stay through a noticed motion. On May 21, 2026, CDTFA filed its Petition for Writ of Mandate with the Court of Appeal, seeking review of the trial court's order overruling CDTFA's Demurrer. On May 29, 2026, Andal filed a preliminary opposition to CDTFA's writ petition with the Court of Appeal. On July 24, 2026, the Court of Appeal declined to accept CDTFA's writ petition (challenging the trial court's order overruling CDTFA's demurrer, finding that Plaintiff had standing). The hearing on the merits of Plaintiff's writ petition (before the trial court) is currently set for October 2, 2026. Plaintiff's opening brief is due August 18, 2026, and CDTFA's opposition is due on September 4, 2026. On August 18, 2026, Petitioner filed his opening brief on the merits. On September 4, 2026, CDTFA filed its opposition to Petitioner's opening brief on the merits. On September 16, 2026, Plaintiff filed his reply papers in support of his Writ Petition. On October 6, 2026, the court denied Plaintiff's Petition for Writ of Mandate.

B&L DINER'S INC. v. CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION
Los Angeles County Superior Court: 24STCV30171
Filed – 11/15/2024

Plaintiffs' Counsel
David Dunlap Jones, Law Firm of David Dunlap Jones, APLC

CDTFA's Counsel
Laura Robbins

CDTFA Attorney
Andrew Amara

Issue(s):

Plaintiff, a dissolved California Corporation which operated Denny's restaurants in Southern California, seeks a refund of taxes, penalties and interest in the following amounts and periods: 1) $444,695.29 for the period of Oct. 1, 2005 - Sept. 30, 2008 (1st NOD); 2) $32,728.62 for the period of Oct. 1, 2008 - Dec. 31, 2009 (2nd NOD); 3) $372,897.98 for the period July 1, 2002 - Sept. 30, 2005 (3rd NOD). Plaintiff contends that CDTFA's assessments were contrary to the law, untimely, and barred by a criminal plea agreement.

Audit/Tax Period: July 1, 2002, through December 31, 2009
Amount: Unspecified

Status:

CDTFA was personally served with the Complaint on November 20, 2024. CDTFA's response is due December 20, 2024. CDTFA filed its Demurrer in this matter on December 26, 2024; the hearing on the Demurrer is set for December 5, 2025. The trial court related this action to the actions filed by Beri Restaurant Group, Inc. (Case No. 24STCV29960) and Ajay Beri Corp. (24STCV23578) and scheduled the hearings on CDTFA's demurrers in these three actions for April 8, 2025. CDTFA filed a reply brief in support of its Demurrer on April 1, 2025. On April 8, 2025, the trial court sustained CDTFA's Demurrer as to the second, third, and fourth causes of action without leave to amend and ordered CDTFA to file an answer as to the first cause of action. On May 7, 2025, CDTFA filed an answer and cross complaint. B&L Diners Inc. filed its answer to CDTFA's Cross Complaint on August 20, 2025. The court stayed the action due to a pending appeal in a related action involving similar issues.

BEE MANAGEMENT, INC. v. CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION
Los Angeles County Superior Court: 25STCV29393
Filed – 10/07/2025

Plaintiffs' Counsel
Michael A. Angel, Snell & Wilmer LLP

CDTFA's Counsel
Jarrad Wood

CDTFA Attorney
Kiren Chohan

Issue(s):

Plaintiff Bee Management, Inc., DBA Tee Up Restaurant & Bar, seeks a refund of sales tax paid for the period January 1, 2016, through December 31, 2018, on its $120 admission fee (which each of its members and their guests are required to pay to access Plaintiff's private, members-only club). Plaintiff asserts that the OTA and CDTFA mischaracterized the admission fees as minimum charges for Plaintiff's taxable retail sales of food and beverages at the club.

Audit/Tax Period: January 1, 2016, through December 31, 2018
Amount: Unspecified

Status:

Plaintiff served CDTFA with a verified complaint on October 15, 2025. On October 28, 2025, the parties stipulated to a 15-day extension to CDTFA's deadline to respond to the Complaint, which is now due December 1, 2025. The

parties filed a stipulation extending CDTFA's time to respond to the complaint to January 30, 2026, which was approved by the court. The parties filed a stipulation extending CDTFA's deadline to respond to the complaint by an additional 60 days, until March 31, 2026. This stipulation requires court approval. The court approved the parties' stipulation to extend the time for CDTFA to respond to the complaint to March 31, 2026. On March 20, 2026, the parties filed a stipulation and proposed order extending CDTFA's deadline to file its response to the complaint by 30 days. On March 30, 2026, the court approved the parties' stipulation extending CDTFA's deadline to April 30, 2026. On April 23, 2026, the parties filed a stipulation to vacate and stay all deadlines. On May 1, 2026, the court granted the parties' stipulation to stay the proceedings. The court vacated CDTFA's deadline to file a response to the complaint and continued the case management conference to November 9, 2026. On October 9, 2026, the court entered the dismissal. This matter is now closed and will be removed from the next report.

BERI DEVELOPMENT LLC v. CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION
Court of Appeal, Second Appellate District: B350468
Los Angeles County Superior Court: 25STCV00285
Filed – 01/06/2025

Plaintiffs' Counsel
David Dunlap Jones, Law Firm of David Dunlap Jones, APLC

CDTFA's Counsel
Laura Robbins

CDTFA Attorney
Andrew Amara

Issue(s):

Plaintiff, an operator of a Subway restaurant in Los Angeles, seeks a refund in the amount of $66,780.60 in sales tax, interest and penalties, for an allegedly untimely notice of determination for the period January 1, 2010, to December 31, 2010.

Audit/Tax Period: None
Amount: $66,780.60

Status:

CDTFA was served with the Complaint on January 15, 2025. CDTFA filed its Demurrer to Plaintiff's Complaint on February 14, 2025. The hearing is set for June 5, 2025. On April 8, 2025, the court continued the hearing on CDTFA's

Demurrer to June 24, 2025. Plaintiff filed its opposition to CDTFA's Demurrer on June 10, 2025. CDTFA filed a reply brief in support of its Demurrer on June 13, 2025. The court continued the hearing on CDTFA's Demurrer from June 24, 2025, to August 20, 2025. On August 20, 2025, the court sustained CDTFA's Demurrer without leave to amend. The court entered judgment in favor of CDTFA on September 2, 2025; CDTFA filed and served a Notice of Entry of Judgment on September 10, 2025. On October 17, 2025, Plaintiff filed a Notice of Appeal of the trial court's judgment in favor of CDTFA. Plaintiff filed a Notice of Appeal on January 8, 2026. Plaintiff's opening appellate brief is due by February 17, 2026. The court approved the parties' stipulation extending Plaintiff's deadline to file its opening brief with the Court of Appeal by 30 days; Plaintiff's opening brief is now due March 19, 2026. The Court of Appeal approved Plaintiff's request for an extension to file its opening appellate brief. Plaintiff's opening brief is now due April 3, 2026. Plaintiff filed its opening brief with the Court of Appeal on April 3, 2026. The Court of Appeal extended CDTFA's deadline to file its respondent's brief to July 6, 2026. CDTFA filed its respondent's brief with the Court of Appeal on July 1, 2026. Plaintiff filed its reply brief with the Court of Appeal on July 20, 2026.

BERI DEVELOPMENT LLC v. CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION (II)
Los Angeles County Superior Court: 25STCV24616
Filed – 08/21/2025

Plaintiffs' Counsel
David Dunlap Jones, Law Firm of David Dunlap Jones, APLC

CDTFA's Counsel
Laura Robbins

CDTFA Attorney
Andrew Amara

Issue(s):

Plaintiff, an operator of a Subway restaurant in Los Angeles, seeks a refund in the amount of $66,780.60 in sales tax, interest, and penalties, for an allegedly untimely notice of determination for the period January 1, 2010, to December 31, 2010.

Audit/Tax Period: None
Amount: $66,780.60

Status:

CDTFA was served with the Complaint on August 25, 2025. (Note: This is the second refund action filed by the same plaintiff after CDTFA's demurrer was sustained to the original action. Plaintiff's first action is currently pending before the Second District Court of Appeals.) CDTFA filed its answer on September 19, 2025. The court stayed the action due to Plaintiff's pending appeal in another action involving the same underlying issues.

BERI ENTERPRISES LLC v. CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION
Court of Appeal, Second Appellate District: B350104
Los Angeles County Superior Court: 25STCV02434
Filed – 01/29/2025

Plaintiffs' Counsel
David Dunlap Jones, Law Firm of David Dunlap Jones, APLC

CDTFA's Counsel
Laura Robbins

CDTFA Attorney
Andrew Amara

Issue(s):

Plaintiff, an operator of a Subway restaurant in Los Angeles, seeks a refund in the amount of $54,154.46 in sales tax, interest and penalties, for an allegedly untimely notice of determination for the period January 1, 2010, to December 31, 2010.

Audit/Tax Period: None
Amount: $54,154.46

Status:

Plaintiff filed the Complaint in this new action on January 29, 2025, and served CDTFA on February 3, 2025. CDTFA filed its Demurrer to Plaintiff's Complaint on February 26, 2025. The hearing is set for June 24, 2025. Plaintiff filed its opposition to CDTFA's Demurrer on June 10, 2025. CDTFA filed a reply brief in support of its Demurrer on June 13, 2025. The court continued the hearing on CDTFA's Demurrer from June 24, 2025, to August 20, 2025. On August 20, 2025, the court sustained CDTFA's Demurrer without leave to amend. The court entered judgment in favor of CDTFA on August 28, 2025; CDTFA filed and served a Notice of Entry of Judgment on September 10, 2025. Plaintiff filed a Notice of Appeal on October 1, 2025. Plaintiff's opening appellate brief is due by January 27, 2026. The parties stipulated to a 30-day extension for Plaintiff to file its opening appellate brief with the Court of Appeal. Plaintiff's new deadline is

February 26, 2026. Appellant filed their opening brief on February 27, 2026. The Court of Appeal approved CDTFA's request for a 60-day extension to file its respondent's brief; CDTFA's brief is now due June 1, 2026. CDTFA filed its respondent's brief with the Court of Appeal on May 28, 2026. Appellant's reply brief is due June 17, 2026. Plaintiff did not file a reply brief in support of its appeal; briefing is now complete.

BERI FOODS GROUP INC. v. CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION
Court of Appeal, Second Appellate District: B353005
Los Angeles County Superior Court: 25STCV05236
Filed – 02/25/2025

Plaintiffs' Counsel
David Dunlap Jones, Law Firm of David Dunlap Jones, APLC

CDTFA's Counsel
Laura Robbins

CDTFA Attorney
Andrew Amara

Issue(s):

Plaintiff Beri Foods Group, In., a dissolved corporation and former operator of Subway restaurants located in Southern California, seeks a sales tax refund in the amount of $182,950.48 for the period November 30, 2003, through December 31, 2010 (period at issue). Plaintiff asserts that CDTFA's assessment at issue is barred by the statute of limitations (or, alternatively, that Plaintiff's restitution payment in the amount of $153,693 made pursuant to a plea deal with the California Attorney General's Office is final, and there are no additional penalties and interest due or owing for the period at issue).

Audit/Tax Period: None
Amount: Unspecified

Status:

CDTFA was served with this new action on August 6, 2025. On August 12, 2025, CDTFA filed a Demurrer to Plaintiff's Complaint. The hearing date is scheduled for November 24, 2025. Plaintiff Beri Foods Group, Inc., filed its opposition to CDTFA's demurrer on November 6, 2025. CDTFA filed its reply on November 14, 2025. Following oral argument, the court sustained CDTFA's demurrer without leave to amend. The court entered judgment dismissing Plaintiff's (Beri Foods Group, Inc.) lawsuit without leave to amend on December 2, 2025. The deadline to file a notice of appeal is February 2, 2026. On January

21, 2026, Plaintiff filed a Notice of Appeal of the trial court's decision in favor o CDTFA. Plaintiff's deadline to file its opening brief with the Court of Appeal is May 20, 2026. Plaintiff filed its opening brief with the Court of Appeal on May 20, 2026. CDTFA's respondent's brief is due June 22, 2026. CDTFA filed its respondent's brief on June 4, 2026. Appellant's reply brief is due June 24, 2026. Plaintiff did not file an optional reply brief in support of its appeal; this case is now fully briefed.

BERI RESTAURANT GROUP INC. v. CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION
Court of Appeal, Second Appellate District: B350042
Los Angeles County Superior Court: 24STCV29960
Filed – 11/14/2024

Plaintiffs' Counsel
David Dunlap Jones, Law Firm of David Dunlap Jones, APLC

CDTFA's Counsel
Laura Robbins

CDTFA Attorney
Andrew Amara

Issue(s):

Plaintiff, a dissolved California Corporation which operated Subway restaurants in Southern California, seeks a sale and use tax refund of $760,261.00 for the period of January 1, 1998 - January 31, 2010. Plaintiff contends that CDTFA's assessment was contrary to the law, untimely, and barred by a criminal plea agreement.

Audit/Tax Period: January 1, 1998, through January 31, 2010
Amount: $760,261.00

Status:

CDTFA was personally served with the Complaint on November 20, 2024. CDTFA's response is due December 20, 2024. CDTFA received a 15-day extension to January 3, 2025, to file a response to Plaintiff's Complaint; CDTFA filed its Demurrer in this matter on December 26, 2024; the hearing on the Demurrer is set for April 3, 2025. The trial court related this action to the actions filed by B&L Diner's Inc. (24STCV30171) and Ajay Beri Corp. (24STCV23578) and scheduled the hearings on CDTFA's demurrers in these three actions for April 8, 2025. CDTFA filed a reply brief in support of its Demurrer on April 1, 2025. On April 8, 2025, the trial court sustained CDTFA's Demurrer without leave to amend. On August 21, 2025, the court entered the

judgment in favor of CDTFA and dismissed the case with prejudice. CDTFA filed and served a Notice of Entry of Judgment on August 22, 2025. Plaintiff filed a Notice of Appeal on October 1, 2025. Plaintiff's opening appellate brief is due by January 27, 2026. The parties stipulated to a 30-day extension for Plaintiff to file its opening appellate brief with the Court of Appeal. Plaintiff's new deadline is February 26, 2026. Appellant filed their opening brief on February 27, 2026. The Court of Appeal approved CDTFA's request for a 60-day extension to file its respondent's brief; CDTFA's brief is now due May 29, 2026. On April 8, 2026, CDTFA filed a motion to consolidate briefing and oral argument on this appeal with the following appeals filed by related entities involving similar facts and issues: Delco Enterprises LLC, Case No. B350048 (Division Five); Beri Enterprises LLC, Case No. B350104 (Division Two); Ajay Beri Corporation, Case No. B350105 (Division Two); Beri Development LLC, Case No. B350468 (Division Two); Beri Ventures, LLC, Case No. B350472 (Division Two); Reliance Restaurants LLC, Case No. B350477 (Division 3); and Beri Foods Group, Inc., Case No. B353005 (Division a). Plaintiffs filed an opposition to CDTFA's motion to consolidate Plaintiffs' appeals on April 22, 2026. CDTFA filed a reply in support of the motion on April 24, 2026. On May 12, 2026, the Court of Appeal denied CDTFA's motion to consolidate the appeal in this matter with related appeals in the following cases: Delco Enterprises LLC (Case No. B350048); Beri Enterprises LLC (Case No. B350104); Ajay Beri Corporation (Case No. B350105); Beri Development LLC (Case No. B350468); Beri Ventures, LLC (Case No. B350472); Reliance Restaurants LLC (Case No. B350477); and Beri Foods Group, Inc. (Case No. B353005). The Court of Appeal issued a separate order reassigning these related appeals to Division 2. CDTFA filed its respondent's brief with the Court of Appeal on May 26, 2026. Plaintiff's reply is due June 15, 2026. Plaintiff did not file a reply brief in support of its appeal; briefing is now complete.

BERI VENTURES LLC v. CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION
Court of Appeal, Second Appellate District: B350472
Los Angeles County Superior Court: 25STCV00261
Filed – 01/06/2025

Plaintiffs' Counsel
David Dunlap Jones, Law Firm of David Dunlap Jones, APLC

CDTFA's Counsel
Laura Robbins

CDTFA Attorney
Andrew Amara

Issue(s):

Plaintiff, an operator of a Subway restaurant in Los Angeles, seeks a refund in the amount of $92,575.15 in sales tax, interest, and penalties, for an allegedly untimely notice of determination for the period January 1, 2010, to December 31, 2010.

Audit/Tax Period: None
Amount: $92,575.15

Status:

CDTFA was served with the Complaint on January 15, 2025. CDTFA filed its Demurrer to Plaintiff's Complaint on February 14, 2025. The hearing is set for June 2, 2025. On April 8, 2025, the court continued the hearing on CDTFA's Demurrer to June 24, 2025. Plaintiff filed its opposition to CDTFA's Demurrer on June 10, 2025. CDTFA filed a reply brief in support of its Demurrer on June 13, 2025. The court continued the hearing on CDTFA's Demurrer from June 24, 2025, to August 20, 2025. On August 20, 2025, the court sustained CDTFA's Demurrer without leave to amend. The court entered judgment in favor of CDTFA on August 28, 2025; CDTFA filed and served a Notice of Entry of Judgment on September 10, 2025. On October 17, 2025, Plaintiff filed a Notice of Appeal of the trial court's judgment in favor of CDTFA. Plaintiff filed a Notice of Appeal on January 8, 2026. Plaintiff's opening appellate brief is due by February 17, 2026. The court approved the parties' stipulation extending Plaintiff's deadline to file its opening brief with the Court of Appeal by 30 days; Plaintiff's opening brief is now due March 19, 2026. The Court of Appeal approved Plaintiff's request for a 14-day extension to file its opening appellate brief; the opening brief is now due April 2, 2026. Plaintiff filed its opening brief with the Court of Appeal on April 2, 2026. The Court of Appeal extended CDTFA's deadline to file its respondent's brief to July 6, 2026. CDTFA filed its

respondent's brief on June 30, 2026; Plaintiff's reply brief is due on July 20, 2026. Plaintiff filed its reply brief with the Court of Appeal on July 20, 2026. Oral argument before the Court of Appeal is scheduled for November 19, 2026.

BERI VENTURES LLC v. CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION (II)
Los Angeles County Superior Court: 25STCV24617
Filed – 08/21/2025

Plaintiffs' Counsel
David Dunlap Jones, Law Firm of David Dunlap Jones, APLC

CDTFA's Counsel
Laura Robbins

CDTFA Attorney
Andrew Amara

Issue(s):

Plaintiff, an operator of a Subway restaurant in Los Angeles, seeks a refund in the amount of $92,575.15 in sales tax, interest, and penalties, for an allegedly untimely notice of determination for the period January 1, 2010, to December 31, 2010.

Audit/Tax Period: None
Amount: $92,575.15

Status:

CDTFA was served with the Complaint on August 25, 2025. (Note: This is the second refund action filed by the same plaintiff after CDTFA's demurrer was sustained to the original action. Plaintiff's first action is currently pending before the Second District Court of Appeals.) CDTFA filed its answer on September 19, 2025. The court stayed the action due to Plaintiff's pending appeal in another action involving the same underlying issues.

BEST BUY STORES, L.P. v. CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION
San Diego County Superior Court: 26CU039986C
Filed – 07/24/2026

Plaintiffs' Counsel
Eric Tresh, Eversheds Sutherland (US) LLP

CDTFA's Counsel
Mike Sapoznikow

CDTFA Attorney
Rory LoAllen

Issue(s):

Plaintiff Best Buy Stores, L.P. filed its Verified Complaint for a tax refund (Verified Complaint) filed a verified complaint seeking a refund of sales tax and interest in the amount of $4,887,826.24 for the tax period January 1, 2015, through December 31, 2017. Best Buy alleges its in-store sales of mobile phones are not bundled transactions under Regulation 1585(a)(3) because no service contract required a customer to activate service for greater than one month as a condition of purchasing the mobile phone and that the measure of gross receipts under Regulation 1585 (b)(2) is therefore the sales price of the phone. Best Buy also alleges that even if its sales are bundled transactions, the price paid by the customer was the fair retail selling price under Regulation 1585(a)(4), and that CDTFA has no discretion to dictate the unbundled sales price and no authority under the regulation to measure tax by a list price.

Audit/Tax Period: None
Amount: $4,887,826.24

Status:

Plaintiff filed its Verified Complaint on July 24, 2026, and served CDTFA on July 28, 2026. Plaintiff agreed to extend the deadline for CDTFA to file its response to the Complaint to September 11, 2026. On September 11, 2026, CDTFA filed an answer to the complaint.

BESTBUY.COM, LLC v. CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION
Fresno County Superior Court: 26CU01545
Filed – 06/12/2026

Plaintiffs' Counsel
Timothy A. Gustafson, Eversheds Sutherland (US) LLP

CDTFA's Counsel
Steve Tennyson

CDTFA Attorney
Chris Kim

Issue(s):

Plaintiff BestBuy.com, LLC filed its Verified Complaint for Declaratory Relief (Verified Complaint) pursuant to Government Code section 11350 and Code of Civil Procedure section 1060, challenging the validity of Regulation 1802(a)(1) and its "Participation Requirement" on the basis that it was added without proper statutory authority and is inconsistent with RTC 7205. Plaintiff asserts that RTC 7205(b) authorizes the Department to promulgate regulations determining the location of a sale for local sales tax purposes only: (1) where a retailer has no place of business in California, or (2) where a retailer has more than one place of business in California. As such, Plaintiff contends that the Department was not statutorily authorized to add the "Participation Requirement" by amendment in 2003 to determine the location of a sale for local sales tax purposes where a retailer has only one place of business in the state. Plaintiff contends this requirement is also inconsistent and in direct conflict with RTC 7205(a) which states that "all retail sales are consummated at the place of business of the retailer" unless the property is delivered out of state.

Plaintiff seeks a declaration and judgment that Regulation 1802(a)(1)'s "Participation Requirement" is invalid and not enforceable, and an award of costs.

Audit/Tax Period: None
Amount: Unspecified

Status:

Plaintiff filed its Verified Complaint on June 12, 2026, and served CDTFA on June 29, 2026. As the parties were unable to meet and confer pursuant to statute, CDTFA's deadline to file its response to the complaint has been extended to September 14, 2026. On September 9, 2026, Plaintiff filed its First Amended Complaint (FAC). On October 15, 2026, CDTFA filed a demurrer to Plaintiff's FAC. The hearing is set for May 27, 2027.

BESTBUY.COM, LLC v. CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION (II)
San Diego County Superior Court: 26CU039974C
Filed – 07/28/2026

Plaintiffs' Counsel
Eric Tresh, Eversheds Sutherland (US) LLP

CDTFA's Counsel
Mike Sapoznikow

CDTFA Attorney
Rory LoAllen

Issue(s):

Plaintiff BestBuy.com, LLC ("Best Buy") filed a verified complaint seeking a refund of sales tax and interest in the amount of $1,038,356.90 for the tax period January 1, 2015, through December 31, 2017. Best Buy alleges its sales of mobile phones are not bundled transactions under Regulation 1585(a)(3) because no service contract required a customer to activate service for greater than one month as a condition of purchasing the mobile phone and that the measure of gross receipts under Regulation 1585 (b)(2) is therefore the sales price of the phone. Best Buy also alleges that even if its sales are bundled transactions, the price paid by the customer was the fair retail selling price under Regulation 1585(a)(4), and that CDTFA has no discretion to dictate the unbundled sales price and no authority under the regulation to measure tax by a list price.

Audit/Tax Period: None
Amount: $1,038,356.90

Status:

Plaintiff filed its Verified Complaint on July 24, 2026, and served CDTFA on July 28, 2026. Plaintiff agreed to extend the deadline for CDTFA to file its response to the complaint to September 11, 2026. On September 11, 2026, CDTFA filed an answer to the complaint.

BODY WISE INTERNATIONAL, LLC v. CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION
Court of Appeal, Third Appellate District: C106377
Sacramento County Superior Court: 34-2023-00333398
Filed – 01/20/2023

Plaintiffs' Counsel
Bret N. Batchman, Hansen, Kohls, Sommer & Jacob, LLP
Jesse McClellan, McClellan Davis, LLC

CDTFA's Counsel
John Keith

CDTFA Attorney
Andrew Amara

Issue(s):

Plaintiff Body Wise International, LLC, a retailer of weight loss and nutritional supplements, seeks a refund of taxes, interest, and penalties paid in the approximate amount of $164,552.97, plus interest, for the period covering April 1, 2010, through June 30, 2013. Plaintiff challenges CDTFA's imposition of tax pursuant to based on its determination that Plaintiff collected excess tax reimbursement on its sales to out-of-state customers. Plaintiff asserts that CDTFA has no authority to demand payment of out-of-state taxes which were charged to customers outside California, but not remitted to the destination jurisdictions.

Audit/Tax Period: April 1, 2010, through June 30, 2013
Amount: $164,552.97

Status:

Plaintiff filed the Complaint for Refund of Taxes on January 20, 2023. On February 2, 2023, Plaintiff served CDTFA with the summons and complaint. On February 27, 2023, CDTFA filed its answer to the complaint. Trial has been set for July 28, 2025. The court approved the parties' request for a continuance of the trial. The trial is now scheduled for November 10, 2025. Plaintiff filed a Motion for Summary Judgment (MSJ) on May 9, 2025. On July 14, 2025, CDTFA filed its opposition to Plaintiff's MSJ; on July 24, 2025, Plaintiff filed its reply. The hearing is scheduled for August 18, 2025. The court, on its own motion, continued the hearing on Plaintiff's Motion for Summary Judgment from August 4, 2025, first to August 18, 2025, and then to August 25, 2025. After the hearing, the matter was taken under submission. On October 6, 2025, the court denied Plaintiff's Motion for Summary Judgment. The trial is set to begin on November 10, 2025. Trial commenced on November 10, 2025, and concluded on November 12, 2025. The court ordered closing trial briefs as follows:(1)Plaintiff's

closing trial brief due December 5, 2025: (2) CDTFA's closing trial brief due January 9, 2026; and (3) Plaintiff's reply brief due January 23, 2026. Plaintiff Body Wise filed its post-trial brief on December 5, 2025. CDTFA's brief is due January 9, 2026. CDTFA filed its Post-Trial Brief on January 9, 2026. Plaintiff's reply is due January 23, 2026. Plaintiff Body Wise International filed their post-trial reply brief on January 23, 2026. The case is now submitted and awaiting decision from the judge. On March 12, 2026, the court issued its Proposed Statement of Decision granting Body Wise's refund. On March 19, 2026, CDTFA filed an objection to the Proposed Statement of Decision on grounds that the statement is ambiguous concerning the court's interest calculation. On April 2, 2026, the court issued its Final Statement of Decision and entered judgment in favor of Plaintiff. Plaintiff filed its memorandum of costs as the prevailing party in this matter on April 16, 2026. CDTFA filed a notice of appeal on May 7, 2026. The court updated the judgment in favor of Plaintiff on May 15, 2026. Plaintiff filed a motion for attorney's fees on June 2, 2026. CDTFA's opposition is due July 13, 2026, and the hearing is scheduled for July 24, 2026. CDTFA filed its opposition to Plaintiff's motion for attorney's fees on July 13, 2026. Plaintiff filed its reply to CDTFA's opposition on July 17, 2026. On July 23, 2026, the court issued a tentative ruling denying Plaintiff's motion for attorney's fees. Following oral argument on July 24, 2026, the court allowed supplemental briefing (limited to one page) on a CDTFA annotation raised by Plaintiff during oral argument. The supplemental brief is due August 14, 2026. On August 14, 2026, CDTFA and Body Wise filed their respective supplemental briefs as ordered by the court in connection with Body Wise's attorney's fees motion. The motion is now submitted. CDTFA's opening brief with the Court of Appeal is due October 14, 2026. The parties have stipulated to a 30-day extension of time for CDTFA to file its opening brief with the Court of Appeal. The new filing deadline is November 13, 2026. On October 28, 2026, Plaintiff filed a Notice of Appeal regarding the trial court's denial of their attorney's fees motion.

BROADWAY 13017 SOUTH INVESTMENTS LLC v. STATE OF CALIFORNIA, CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION
Los Angeles County Superior Court: 24CMCV00763
Filed – 05/20/2024

Plaintiffs' Counsel
Omid Shirazi, K&S Law Group, PC

CDTFA's Counsel
Anna Barsegyan

CDTFA Attorney
Chris Kim

Issue(s):

Broadway 13017 South Investments LLC ("Plaintiff"), the owner of real property located in Los Angeles, California, brings an action under the Taxpayers' Bill of Rights (Rev. & Tax. Code, § 7099) and California Code of Civil Procedure section 526a against the Department and the State of California, seeking a claim for refund for sales and use taxes paid. Plaintiff alleges the Department improperly issued a jeopardy notice of determination to impute the sales and use tax liability of its tenant, and that, as the owner/landlord, it is not responsible for any alleged illegal cannabis sales that occurred on its property. Plaintiff further asserts that Department did not provide it a timely payoff amount, ignored its administrative appeal, failed to conduct a promised audit to determine its tax liability, and acted arbitrarily, capriciously and retaliatory when issuing an additional notice of determination for further taxes due. Plaintiff seeks a refund of $928,563.92, in tax, interest and penalties paid.

Audit/Tax Period: None
Amount: $928,563.92

Status:

On May 20, 2024, Plaintiff filed a Complaint for Refund of State Assessed Sales and Use Tax. CDTFA received Plaintiff's Complaint by mail on July 26, 2024. CDTFA acknowledged receipt of Plaintiff's Complaint on August 5, 2024. CDTFA's responsive pleading is due September 5, 2024. Plaintiff failed to appear at the Case Management Conference set for August 21, 2024. Due to Plaintiff's failure to appear, the court scheduled an Order to Show Cause hearing regarding dismissal for October 21, 2024. On September 13, 2024, CDTFA filed a Motion to Transfer the Action to the Stanley Mosk Courthouse of the Los Angeles County Superior Court. That motion is set to be heard on November 21, 2024. After Plaintiff's Counsel filed a Declaration of Good Cause Against Dismissal on October 11, 2024, the trial court vacated the dismissal hearing scheduled for

October 21, 2024. On November 7, 2024, the court issued an order continuing the hearing on CDTFA's Motion to Transfer Venue to December 19, 2024. The court continued the hearing on CDTFA's Motion to Transfer Venue to January 23, 2025. On January 23, 2025, the trial court granted CDTFA's motion to transfer the action to the Stanley Mosk Courthouse in the Central District of the Los Angeles County Superior Court. On January 29, 2025, the court issued a Notice of Case Reassignment to the Stanley Mosk Courthouse. CDTFA's response to Plaintiff's Complaint is now due February 24, 2025. On February 19, 2025, the parties filed a joint stipulation to stay the action pending the final outcome of Plaintiff's administrative appeals filed with CDTFA. On March 13, 2025, the court issued an order to stay the proceeding pending the final outcome of Plaintiff's administrative appeals. On February 5, 2026, following the issuance of a supplemental decision by CDTFA's Appeals Bureau, the court lifted the stay in its entirety. CDTFA's response is due March 9, 2026. The court set the next Case Management Conference for May 20, 2026. On March 9, 2026, CDTFA filed a motion to strike particular prayers for relief and the demand for jury trial in Plaintiff's Complaint. The hearing is set for July 27, 2026. Plaintiff's opposition is due July 14, 2026, and CDTFA's reply is due on July 20, 2026. On July 13, 2026, Plaintiff filed its First Amended Complaint (FAC) including two new causes of action for (1) declaratory relief that Plaintiff is not the responsible taxpayer for its tenant's cannabis sales and (2) gross negligence, alleging that CDTFA caused Plaintiff to incur unnecessary fees and damages by breaching its duty of care to Plaintiff. CDTFA's response to the FAC is due September 14, 2026. On September 14, 2026, CDTFA filed its Demurrer and Motion to Strike Portions of Plaintiff's FAC. The hearing is set for March 3, 2027.

YOON JA CHOI v. CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION
Alameda County Superior Court: 26CV21159
Filed – 09/22/2026

Plaintiff's Counsel
Yoon Ja Choi, Pro Per

CDTFA's Counsel
Susana Gonzales

CDTFA Attorney
Rory LoAllen

Issue(s):

On September 3, 2026, CDTFA issued notices of proposed determinations (for personal liability under Revenue and Taxation Code section 6829) to Plaintiffs in the amount of $76,328.51, for the period April 1, 2023 through June 30, 2024, related to the Joy of Eating. Plaintiffs Edward Kang and Yoon Ja Choi allege CDTFA denied them a meaningful opportunity to review and respond to evidence underlying CDTFA's proposed assessments. Plaintiffs seek production of documents identified in the notices and any additional documents supporting CDTFA's findings. Plaintiffs also seek an opportunity to respond to the notices following the production of the requested documentation.

Audit/Tax Periods: None
Amount: Unspecified

Status:

The Verified Petition for Writ of Mandate and Complaint for Limited Declaratory and Injunctive Relief ("Petition") was filed on September 22, 2026. The Petition was served on October 2, 2026.

CITY OF FILLMORE. v. OFFICE OF TAX APPEALS, ET AL.
San Francisco County Superior Court: CPF-25-519161
Ventura County Superior Court: 2024CUWM033442
Filed – 11/19/2024

Plaintiff's Counsel
Michael J. Cataldo, Cataldo Tax Law, P.C.

CDTFA's Counsel
John Keith

CDTFA Attorney
Chris Kim

Issue(s):

Petitioner and plaintiff City of Fillmore (Fillmore or Petitioner) filed a Verified Petition for Writ of Mandate, Administrative Mandate and Complaint for Injunctive and Declaratory Relief (Petition) seeking to (1) set aside, vacate or reverse the Office of Tax Appeal's (OTA) Opinion, dated June 19, 2023 (OTA Opinion), (2) an order enjoining CDTFA from implementing or enforcing the OTA Opinion, and (3) a declaration and judgment that the OTA Opinion did not comply with the Bradley-Burns Uniform Local Sales and Use Tax Law and that any reallocation for the period at issue are barred by law. Fillmore further seeks to stay the OTA Opinion and distribution by the CDTFA of the reallocated local sales tax, as well as an order enjoining CDTFA from implementing or enforcing the OTA Opinion. The OTA Opinion determined that local sales tax for the period of April 1, 2007, through December 31, 2007 (period at issue), should be reallocated as use tax away from Fillmore and to Real Parties in Interest, Cities of Los Angeles, Ontario, Palm Springs, San Diego and San Jose and County of Sacramento, because the unnamed jet fuel buying company (Retailer) could not establish an office in Fillmore though its agent, Inspired Development, LLC (Inspired), and did not participate in the jet fuel sales at the Fillmore office. Fillmore also seeks an award of costs and attorney fees.

Audit/Tax Periods: None
Amount: Unspecified

Status:

Fillmore filed its Petition on December 20, 2024, and served CDTFA on December 30, 2024. On January 29, 2025, Respondents, OTA and CDTFA, filed a motion to transfer venue to San Francisco County Superior Court. Petitioner's opposition to the motion is due February 20, 2025, and Respondents' reply is due February 26, 2025. The hearing on CDTFA's Motion to Transfer Venue is set for March 5, 2025. The County of Sacramento and City of San Diego filed answers

to the City of Fillmore's Petition. On February 4, 2025, the City of Los Angeles filed a notice of joinder to the OTA and CDTFA's Motion to Transfer Venue from Ventura County to San Francisco County. On February 7, 2025, Petitioner filed its opposition to the Motion to Transfer Venue. On February 26, 2025, Respondents, OTA and CDTFA, filed a reply in support of their Motion to Transfer venue to San Francisco County Superior Court. Cities of Los Angeles, San Diego and San Jose, and the County of Sacramento, filed notices of joinder in support of Respondents' Motion to Transfer. On March 5, 2025, Ventura County Superior Court granted CDTFA and OTA's Motion to Transfer Venue to San Francisco County. On June 26, 2025, the San Francisco County Superior Court provided notice of the transfer of venue from Ventura County Superior Court and issued a new case number: CPF-25-519161. CDTFA's response to the Petition is due July 28, 2025. On July 8, 2025, CDTFA met and conferred with Plaintiff regarding deficiencies with the Petition. Plaintiff has informed CDTFA that it will file an amended petition and CDTFA's response to the Petition is no longer due July 28, 2025. On August 12, 2025, CDTFA was served with Plaintiff's First Amended Complaint (FAC). CDTFA's response to the FAC is due September 15, 2025. On September 15, 2025, CDTFA and OTA filed a Demurrer to the First Amended Complaint; the hearing is set for October 10, 2025. On September 23, 2025, Fillmore filed an opposition to the demurrer. On October 3, 2025, CDTFA filed its reply in support of CDTFA's Demurrer. On October 9, 2025, the court sustained CDTFA's Demurrer without leave to amend as to two of the causes of action. The only remaining cause of action is the City's cause of action for an administrative writ of mandate against the OTA. The court also granted the City leave to file a second amended petition to add CDTFA as a real party in interest within twenty days following notice of entry of order; OTA and CDTFA will have twenty days to answer. On October 24, 2025, CDTFA filed the Notice of Entry of Order Sustaining Demurrer of Defendants and Respondents to First Amended Verified Petition of City of Fillmore. The City of Fillmore's amended petition is due November 13, 2025. The City of Fillmore filed a Second Amended Verified Petition for Administrative Mandate naming the OTA as the Respondent and CDTFA as well as the affected local jurisdictions as Real Parties in Interest. The court has not accepted Plaintiff's Second Amended Petition that was filed and served by the City of Fillmore. The parties filed a stipulation and proposed order directing the clerk to either accept or reject the Second Amended Petition for filing. If filed, OTA and CDTFA will have 10 days following the service of the file-endorsed copy of the pleading to respond. The court accepted Plaintiff's Second Amended Petition (SAP) for filing. CDTFA and OTA filed and served their answers to the SAP on January 21, 2026.

CITY OF SAN BRUNO, ET AL. v. CALIFORNIA DEPARTMENT OF TAX & FEE ADMINISTRATION, ET AL.
Court of Appeal, First Appellate District: A177542
San Mateo County Superior Court: 23-CIV-05021
Filed – 10/20/2023

Plaintiff's Counsel
Trisha A. Ortiz, City of San Bruno

CDTFA's Counsel
Anna Barsegyan

CDTFA Attorney
Chris Kim

Issue(s):

Petitioners and Plaintiffs City of San Bruno (San Bruno) and Walmart.com USA, LLC (Walmart) (collectively, "Petitioners") filed a Verified Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief (Petition) seeking: (1) a declaration and judgment that the reallocation notices issued by CDTFA dated April 17, 2023 (Reallocation Notices), are invalid; and, (2) an injunction restraining CDTFA from taking any action to implement or enforce such reallocations. Petitioners allege that Walmart properly allocated local sales and use taxes to San Bruno because its employees at that location participated in the sales transactions by directly engaging in sales merchandising, pricing and marketing activities for Walmart's online California sales, for the periods July 1, 2020, through December 31, 2022 (for seller's permit No. 100-170099) and January 1, 2021, through December 31, 2022 (for seller's permit No. 237-590656) (collectively, "Periods at Issue"). The sales at issue involve two distinct types of online California sales: (1) Walmart-owned inventory shipped from Walmart fulfillment centers to California customers; and (2) third-party inventory that was never owned or shipped by Walmart and was shipped from unknown locations by third-party sellers to California customers. Petitioners allege that the effect of the Reallocation Notices would be to incorrectly redistribute approximately $27,528,900 of local tax revenue from San Bruno to various other local California jurisdictions.

Audit/Tax Periods: July 1, 2020 - December 31, 2022 & January 1, 2021 - December 31, 2022
Amount: $27,528,900.00

Status:

CDTFA was served with the Complaint on October 26, 2023. Plaintiff agreed to extend CDTFA's deadline to file a responsive pleading to December 22, 2023. On December 22, 2023, CDTFA filed a Motion to Transfer Venue. The hearing

on the Motion is scheduled for March 18, 2024. Petitioners' opposition to the Motion to Transfer Venue is due March 5, 2024, and CDTFA's reply to any opposition filed is due March 11, 2024. On March 4, 2024, Petitioners filed their opposition to CDTFA's Motion to Transfer Venue. On March 11, 2024, CDTFA filed a reply brief in support of its Motion to Transfer Venue. On March 18, 2024, the trial court denied CDTFA's Motion to Transfer Venue. CDTFA's response to the Complaint is due April 25, 2024. On April 25, 2024, CDTFA filed a Demurrer to Petitioners' Verified Petition and Complaint. The hearing on the Demurrer is set for October 14, 2024. Petitioners' opposition is due October 1, 2024, and CDTFA's reply to any opposition is due October 7, 2024. On October 1, 2024, Petitioners filed an Opposition to CDTFA's Demurrer. CDTFA filed its reply brief in support of its Demurrer on October 7, 2024. On October 14, 2024, the court heard oral argument on CDTFA's Demurrer and, at the conclusion of the hearing, took the matter under submission. On October 15, 2024, the trial court issued an Amended Order sustaining CDTFA's Demurrer to San Bruno's Petition with leave to amend and overruling CDTFA's Demurrer to Walmart's Petition. CDTFA served notice of entry of the Amended Order on October 31, 2024. San Bruno must now file any amended pleading by November 12, 2024. On November 12, 2024, Petitioners filed a First Amended Verified Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief. CDTFA's response is due December 13, 2024. On December 16, 2024, CDTFA filed a Demurrer to Plaintiffs' First Amended Verified Petition and Complaint and a Motion to Stay the Proceedings. The hearing is set for June 16, 2025. On June 9, 2025, CDTFA filed a Reply in Support of its Demurrer to Petitioner's First Amended Complaint and a Reply in Support of the Motion to Stay. On June 16, 2025, following oral argument, the court granted CDTFA's Demurrer. The court granted Walmart and San Bruno leave to amend to refile an amended petition. On July 3, 2025, the court amended its order sustaining CDTFA's Demurrer, clarifying that both Walmart and the City of San Bruno have leave to amend. On July 17, 2025, the court entered the Order Sustaining CDTFA's Demurrer. CDTFA served a Notice of Entry of Order on July 18, 2025. Walmart and San Bruno served CDTFA with their Second Amended Verified Petition for Writ of Mandate and Complaint on July 28, 2025. The parties stipulated to a two-week extension for CDTFA to file its response to the Second Amended Complaint. CDTFA's response is now due on September 12, 2025. On September 12, 2025, CDTFA filed a Demurrer to the Second Amended Complaint; the hearing is set for April 6, 2025. The court continued the hearing on CDTFA’s Demurrer to the Second Amended Complaint and Motion to Stay from April 6, 2026, to April 20, 2026. Petitioners’ opposition brief is now due April 7, 2026, and CDTFA’s reply is due April 13, 2026. On December 23, 2025, the parties filed a joint stipulation requesting the court to stay the action and all discovery for 90 days to allow the parties time to determine whether the matter can be resolved. The stay does not impact the hearing on CDTFA’s demurrer, which remains scheduled for April 20, 2026. On January 12, 2026, the court signed the order to stay the proceedings for 90 days. The stay will remain in effect through April 12, 2026. On April 7, 2026, Petitioners filed opposition briefs to CDTFA’s Demurrer and Motion to Stay. On April 13, 2026, CDTFA filed its reply briefs. On April 15, 2026, the court filed an Order for Recusal

which vacated the April 20, 2026 hearing date set for the demurrer and motion to stay. On April 29, 2026, the court set the hearing for CDTFA's Demurrer to the Second Amended Complaint and Motion to Stay for May 13, 2026. On May 13, 2026, following oral argument, the court sustained CDTFA's Demurrer to the Second Amended Complaint without leave to amend. On June 16, 2026, the court entered judgment in favor of CDTFA and dismissed the action with prejudice. On June 17, 2026, CDTFA filed and served the Notice of Entry of Judgment of Dismissal. The deadline for Plaintiffs to file an appeal is August 17, 2026. On August 14, 2026, Plaintiffs filed an appeal of the trial court judgment in favor of CDTFA. On September 11, 2026, the Court of Appeal lodged Plaintiffs' Notice of Appeal. Plaintiffs' opening appellate brief is due October 30, 2026, and CDTFA's responsive brief is due November 30, 2026. On October 16, 2026, the parties filed a stipulation with the Court of Appeal extending the briefing deadlines as follows: Appellants' opening brief is due on December 29, 2026; CDTFA's responding brief is due March 29, 2027; and Appellants' reply brief is due June 17, 2027.

DELCO ENTERPRISES INC. v. CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION (CDTFA)
Court of Appeal, Second Appellate District: B350048
Los Angeles County Superior Court: 25STCV05269
Filed – 02/25/2025

Plaintiff's Counsel
David Dunlap Jones, Law Firm of David Dunlap Jones, APLC

CDTFA's Counsel
Laura Robbins

CDTFA Attorney
Andrew Amara

Issue(s):

Plaintiff, a dissolved corporation and former operator of Del Taco restaurants located in Southern California, seeks a refund in the amount of $77,860.86 for sales tax, interest and penalties, for the period May 1, 2006, through December 31, 2009 (period at issue). Plaintiff also requests declaratory relief for an order that CDTFA's assessment at issue is barred by the statute of limitations (or, alternatively, that Plaintiff's restitution payment in the amount of $35,337 made pursuant to a plea deal with the California Attorney General's Office is final, and there are no additional penalties and interest due or owing for the period at issue).

Audit/Tax Period: None
Amount: Unspecified

Status:

CDTFA filed a Demurrer on March 26, 2025. The hearing is set for May 8, 2025. On April 8, 2025, the court continued the hearing on CDTFA's Demurrer to June 24, 2025. Plaintiff filed its opposition to CDTFA's Demurrer on June 10, 2025. CDTFA filed a reply brief in support of its Demurrer on June 13, 2025. The court continued the hearing on CDTFA's Demurrer from June 24, 2025, to August 20, 2025. On August 20, 2025, following oral argument, the court sustained CDTFA's Demurrer without leave to amend. The court entered judgment in favor of CDTFA on August 28, 2025; CDTFA filed and served a Notice of Entry of Judgment on September 10, 2025. Plaintiff filed a Notice of Appeal on October 1, 2025. The parties stipulated to a 30-day extension for Plaintiff to file its opening appellate brief with the Court of Appeal. Plaintiff's new deadline is February 26, 2026. Plaintiff filed its opening brief with the Court of Appeal on February 20, 2026. The parties stipulated to a 60-day extension of time for CDTFA to file its respondent's brief. The new deadline is May 22, 2026. CDTFA filed its respondent's brief with the Court of Appeal on May 22, 2026. Plaintiff's reply brief is due June 11, 2026. Plaintiff filed its reply brief with the Court of Appeal on June 11, 2026. The case is now fully briefed. Oral argument before the Court of Appeal is scheduled for November 19, 2026.

LORENA DIAZ v. MERCEDES-BENZ FINANCIAL SERVICES USA, LLC, A DELAWARE CORPORATION; CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION (CDTFA)
San Diego County Superior Court: 37-2021-00046296-CU-BT-CTL
Filed – 10/29/2021

Plaintiff's Counsel
David Markham, The Markham Law Firm

CDTFA's Counsel
Douglas Beteta

CDTFA Attorney
Andrew Amara

Issue(s):

Plaintiff Lorena Diaz asserts that she was unlawfully charged tax on her vehicle lease disposition fee (with Mercedes Benz Financial Services) in violation of California Code of Regulations, title 18, §1660(c)(1)(D). Plaintiff seeks a determination that collection of tax on lease end disposition fees is unlawful under Regulation 1660(c)(1)(D) and requests a refund under Revenue and Taxation Code section 6933 for the $52.06 that Plaintiff paid in tax on the disposition fee.

Audit/Tax Period: None
Amount: Unspecified

Status:

CDTFA was served with the complaint on November 2, 2021. On December 17, 2021, CDTFA filed a demurrer to the plaintiff's complaint. Plaintiff's opposition is due March 18, 2022, and a hearing is scheduled for April 1, 2022. On March 18, 2022, plaintiff filed a First Amended Complaint. CDTFA's response is due by April 18, 2022. On April 18, 2022, CDTFA filed a Demurrer to, and a Motion to Strike, the First Amended Complaint. The parties have agreed to stay the case pending the outcome of an appeal in a related case, *Stettner I*, involving the same underlying legal issue. On June 16, 2022, following the parties' filing of a joint stipulation to stay the case pending the outcome of an appeal in the related case of Stettner v. Mercedes Benz Financial Services USA, LLC, Sacramento County Superior Court Case No. 34-2020-00282700, the court vacated the hearing date set on June 24, 2022, for CDTFA's Demurrer and Motion to Strike the Complaint. A new hearing date has not been set. On July 1, 2024, Plaintiff filed her Second Amended Complaint. Pursuant to the Parties' Stipulation and Order regarding Dismissal, CDTFA has until August 15, 2024, to respond. CDTFA filed its answer to the Second Amended Complaint on July 23, 2024. On November 1, 2024, the trial court set the following dates: Last day to file and serve summary judgment motions: June 2, 2025; Trial Readiness Conference: October 17, 2025, and Trial: November 7, 2025. Pursuant to the parties' request for a ninety-day continuance of the trial date (and associated dates), the trial court set the following new dates: (1) September 2, 2025: deadline for parties to file and serve summary judgment motions; (2) February 6, 2026: Trial Readiness Conference; and (3) March 6, 2026: Trial. On August 21, 2025, the court approved the parties' stipulation to continue the trial date and the deadline to file Motions for Summary Judgment (MSJ) as follows: last day to file MSJ: November 3, 2025; trial readiness conference: March 27, 2026; and trial: May 8, 2026. CDTFA filed an Amended Answer to Plaintiff's Second Amended Complaint on October 8, 2025. The parties filed their cross motions for summary judgment on November 3, 2025; the hearing is set for March 27, 2026. The court continued the trial date from May 8, 2026, to July 10, 2026. On March 6, 2026, Plaintiff and CDTFA filed their respective opposition briefs on the parties' cross-motions for summary judgment. On March 16, 2026, the parties filed their respective reply briefs in support of the parties' cross-motions for summary judgment. The court continued the March 27, 2026 hearing on the parties' cross-motions for summary judgment to May 22, 2026. On May 22, 2026, the court granted CDTFA's motion for summary judgment. On June 3, 2026, the court entered judgment in favor of CDTFA and subsequently vacated the trial date. CDTFA filed and served the notice of entry of judgment on June 10, 2026. On June 25, 2026, Plaintiff filed a Notice of Appeal from the trial court's judgment in favor of CDTFA.

RON DOSTER v. CDTFA
Sacramento County Superior Court: 24CV010645
Filed – 05/30/2024

Plaintiff's Counsel
Ron Doster, Pro Se

CDTFA's Counsel
Donny Le

CDTFA Attorney
Andrew Amara

Issue(s):

Plaintiff Ron Doster, owner of Chapman's Auto Care, filed this action against Defendants CDTFA, CDTFA's Director, the Office of Tax Appeals (OTA), and employees of both agencies, alleging, amongst other things, a violation of the Taxpayers' Bill of Rights in connection with a November 2018 audit of his business. Plaintiff asserts that CDTFA mishandled the 2018 audit leading to an incorrect tax assessment, and OTA violated his right to due process in connection with an administrative appeal related to that assessment. Plaintiff seeks damages, declaratory and injunctive relief, civil penalties, and attorney's fees and costs.

Audit/Tax Period: None
Amount: Unspecified

Status:

CDTFA was served with the complaint on June 11, 2024. On July 26, 2024, CDTFA filed a Demurrer to Plaintiff's Complaint. The hearing on the Demurrer is scheduled for December 27, 2024. Plaintiff filed a Motion for Preliminary Injunction on August 26, 2024; the hearing on this motion is set for December 10, 2024. CDTFA's opposition to Plaintiff's Motion for Preliminary Injunction was filed on November 21, 2024. On December 6, 2024, Plaintiff filed his reply to CDTFA's opposition to Plaintiff's Motion for Preliminary Injunction. Plaintiff filed his opposition to CDTFA's Demurrer and Motion to Strike on December 11, 2024. CDTFA filed a reply to Plaintiff's opposition on December 18, 2024. Plaintiff filed a response to CDTFA's reply on December 20, 2024. On December 27, 2024, the trial court sustained CDTFA's Demurrer to the Complaint and Motion to Strike Plaintiff's demand for a jury trial, with leave to amend. Plaintiff has until January 6, 2025, to file an amended complaint. Plaintiff filed and served his First Amended Complaint on January 6, 2025. CDTFA's response is due by February 5, 2025. CDTFA filed its Demurrer and Motion to Strike in response to Plaintiff's First Amended Complaint on February 6, 2025. The hearing is set for July 31, 2025. On June 5, 2025, Plaintiff served amendments to his First

Amended Complaint (FAC), adding the Office of Tax Appeals (OTA) and employees of CDTFA and OTA as individual defendants. The newly added defendants' response to the FAC is due July 7, 2025. The Office of Tax Appeals (OTA) and the newly added individual Defendants (employees of OTA and CDTFA) filed a Demurrer to the Complaint. The hearing on this Demurrer is set for January 29, 2026. On July 31, 2025, the court sustained CDTFA's Demurrer to Plaintiff's First Amended Complaint (FAC) with leave to amend. The order requires Plaintiff Doster to file and serve an amended complaint, with no new causes of action, by August 14, 2025. The court also ruled CDTFA's Motion to Strike is moot because the demurrer to the entire FAC was sustained. CDTFA will have 30 days to respond to the amended complaint. Plaintiff Doster served and filed his Second Amended Complaint. Plaintiff stipulated to an extension for CDTFA and OTA to file a response by September 18, 2025. On September 17, 2025, Defendants (CDTFA, OTA, and individually named defendants) filed their Demurrer to Plaintiff's Second Amended Complaint and Motion to Strike. A hearing is set for July 21, 2026. Plaintiff filed a Motion to Compel, which is set to be heard on April 20, 2026. Defendants filed their opposition to Plaintiff's Motion for Leave to Amend on December 11, 2025. On January 5, 2026, the court denied Plaintiff's motion for leave to file a third amended complaint without prejudice. Plaintiff filed an Application for Interim Injunctive Relief, asking the court to enjoin the CDTFA from taking any future collection activity against him during the pendency of the lawsuit; the hearing is set for March 9, 2026. CDTFA filed its reply brief in support of its demurrer to Plaintiff's First Amended Complaint on January 26, 2026. On January 30, 2026, the court took the February 2, 2026 hearing on that demurrer off calendar as moot in light of Plaintiff's subsequent filing of a Second Amended Complaint. On February 2, 2026, the court took the hearing for CDTFA's demurrer to Plaintiff's First Amended Complaint off calendar as moot because Plaintiff subsequently filed a Second Amended Complaint (SAC). There is a hearing on CDTFA's demurrer to the SAC set on July 21, 2026. CDTFA filed its opposition to Plaintiff's Motion for Preliminary Injunction on February 23, 2026. The hearing is set for March 9, 2026. The court continued the hearing on Plaintiff's Motion for Preliminary Injunction to March 16, 2026. On March 16, 2026, the court denied Plaintiff's motion. The court determined Plaintiff failed to meet his burden in demonstrating a likelihood of success on the merits and irreparable injury. Plaintiff filed his opposition to CDTFA and OTA's demurrer on July 17, 2026. CDTFA and OTA filed a reply on July 21, 2026. The court continued the July 29, 2026, hearing on CDTFA and OTA's demurrer to October 28, 2026. On October 28, 2026, the hearing on CDTFA's demurrer was held and the court took the matter under submission. That same date, the court sustained the demurrer with leave to amend. Plaintiff's deadline to file a third amended complaint is December 18, 2026.

JOHN I GRAYSON IV v. CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION
Butte County Superior Court: 26CV02568
Filed – 07/15/2026

Plaintiff's Counsel
John I Grayson IV, Pro Per

CDTFA's Counsel
Quincy Vien

CDTFA Attorney
Kiren Chohan

Issue(s):

Plaintiff John Grayson IV filed a complaint against CDTFA seeking over $54 trillion tax refund from the Department (specifically, a $24 trillion state tax refund, an additional $24 million dollar state tax refund, and a $30 trillion federal tax refund) for the tax period from 2022 through 2033. Plaintiff claims he e-filed two claims for refund with the CDTFA on January 27, 2026 (one for his federal tax refund and the second for his state tax refund). He asserts that CDTFA failed to issue refunds within 21 days of his e-filing; therefore, he has jurisdiction to pursue this civil litigation against CDTFA seeking payment. CDTFA records indicate that Plaintiff holds two consumer use tax accounts.

Audit/Tax Period: None
Amount: Unspecified

Status:

On October 19, 2026, CDTFA filed a demurrer to Plaintiff's Complaint; the hearing on this demurrer is scheduled for November 18, 2026.

HALIBURTON INTERNATIONAL FOODS, INC. v. CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION
Court of Appeal, Second Appellate District: B346161
Los Angeles County Superior Court: 23STCV06297
Filed – 03/21/2023

Plaintiff's Counsel
Mardiros Dakessian, Dakessian Law, LTD

CDTFA's Counsel
Kara Siegel

CDTFA Attorney
Kiren Chohan

Issue(s):

On January 23, 2009, the State Board of Equalization issued a Notice of Determination to Plaintiff for $38,722.18 in use tax, plus interest, for the period January 1, 2005, through December 31, 2005 (Period at Issue), for Plaintiff's ex-tax purchases of liquid nitrogen used as a manufacturing aid in its manufacturing process to flash freeze processed food products. Plaintiff asserts that its use of the liquid nitrogen is exempt because it serves to preserve the food products and is converted into nitrogen gas, which remains in the packaged food products until the packages are opened by the consumers. Plaintiff seeks a refund of use tax, plus interest, for the Period at Issue.

Audit/Tax Period: January 1, 2005 - December 31, 2005
Amount: $38,722.18

Status:

CDTFA was served with this complaint on March 23, 2023. CDTFA's responsive pleading is due April 24, 2023. On April 21, 2023, CDTFA filed its answer to the complaint, and filed a cross complaint for unpaid interest applicable to CDTFA's use tax determination for the period at issue. The court scheduled the trial date for September 16, 2024. On October 24, 2023, the parties filed a stipulation in which the parties agreed that CDTFA would file an amended answer within 15 days after the court enters an order granting CDTFA leave to do so. On November 8, 2023, the court granted the parties' stipulated request for CDTFA to file an amended answer by November 27, 2023. On November 13, 2023, CDTFA filed an amended answer to the complaint. CDTFA filed its Motion for Summary Judgment on May 31, 2024. The hearing on the Motion for Summary Judgment is September 3, 2024. Plaintiff filed its opposition to CDTFA's Motion for Summary Judgment on August 20, 2024. CDTFA filed its reply in support of its Motion for Summary Judgment on August 29, 2024; and its trial brief on August

30, 2024. Trial is scheduled for September 16, 2024. On September 3, 2024, the court denied CDTFA's Motion for Summary Judgment. The trial was held from September 16, 2024, to September 18, 2024. The court ordered post-trial briefing as follows: Plaintiff's opening brief is due November 1, 2024; CDTFA's opening brief is due November 22, 2024; and Plaintiff's reply is due December 6, 2024. On November 1, 2024, Plaintiff filed its closing brief. CDTFA filed its closing trial brief on November 22, 2024. On December 6, 2024, Plaintiff filed its reply to CDTFA's closing trial brief. On January 3, 2025, following the trial and post-trial briefing, the court issued a tentative Statement of Decision in favor of CDTFA. The court found that Haliburton did not meet its burden of demonstrating that either all of its use of liquid nitrogen in 2005 qualified as tax exempt under Regulation 1630, or, at least, what percentage of its use of liquid nitrogen qualified for the exemption. On January 21, 2025, CDTFA filed a response to the court's Tentative [Proposed] Statement of Decision, and [Proposed] Judgment; Plaintiff also filed an objection to the [Proposed] Judgment. On February 3, 2025, Haliburton filed an objection to CDTFA's proposed judgment, noting that the judgment must address CDTFA's cross-complaint for unpaid interest to resolve the entire case. On February 4, 2025, Haliburton also filed a request for reconsideration of the Final Statement of Decision, stating that the court appears to have overlooked Haliburton's response to the Tentative Statement of Decision. On February 5, 2025, CDTFA filed a response to Haliburton's objection and an amended proposed judgment, reflecting interest due. On February 10, 2025, the court issued a minute order setting a status conference for March 13, 2025, to discuss the parties' submissions. On March 13, 2025, the court entered judgment in favor of CDTFA and against Haliburton on its sole claim for refund, and in favor of CDTFA on its cross-claim for interest. Notice of entry of judgment was provided on March 26, 2025; and the deadline to file an appeal of the judgment is May 27, 2025. On April 17, 2025, Haliburton filed an appeal of the trial court judgment in favor of CDTFA. Haliburton's opening appellate brief is due September 29, 2025. The parties stipulated to a 30-day extension for Plaintiff to file its opening appellate brief; the new deadline is now October 29, 2025. The parties stipulated to another 30-day extension for Plaintiff to file its opening brief; the new deadline is now December 1, 2025. On December 9, 2025, the Court of Appeal sent a letter to Appellant Haliburton that its appeal will be dismissed if its opening brief is not filed within 15 days, by December 24, 2025. On December 24, 2025, Appellant Haliburton filed its opening brief and appendix. On January 5, 2026, CDTFA filed a stipulation extending CDTFA’s deadline to file its respondent’s brief with the Court of Appeal to March 23, 2026. The Court of Appeal granted CDTFA’s request to extend the deadline to file its respondent’s brief by an additional 30 days; the new deadline is April 22, 2026. The Court of Appeal extended CDTFA’s filing deadline to file its respondent’s brief to May 7, 2026. On May 12, 2026, the Court of Appeal extended CDTFA’s deadline to file its respondent’s brief to May 22, 2026. On June 1, 2026, CDTFA filed its Respondent’s Brief with the Court of Appeal. The parties stipulated to a 60-day extension for Plaintiff to file its reply brief; the new reply deadline is August 21, 2026. On August 7, 2026, the Court of Appeal granted Plaintiff an extension to file its reply brief; the new deadline is September 21, 2026. On September 21, 2026, Plaintiff filed its reply brief with

the Court of Appeal. The court has yet to set the oral argument date. Oral argument before the Court of Appeal has been scheduled for December 11, 2026.

INTEGRITY REBAR PLACERS. v. CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION
Sacramento County Superior Court: 26CV022460
Filed – 09/18/2026

Plaintiff's Counsel
Jesse McClellan, Hansen, Kohls, Sommer & Jacob, LLP

CDTFA's Counsel
Ryan Zick

CDTFA Attorney
Rory LoAllen

Issue(s):

Plaintiff, Integrity Rebar Placers, filed a complaint seeking a refund of $1,278,957 for the period between October 1, 2012, and June 30, 2014, and declaratory and injunctive relief preventing CDTFA from applying its "significant portion" test (found in Section 1206.10 of the Audit Manual) to contractors who purchase construction materials for both resale and consumptive use. Plaintiff alleges that the "significant portion" test is an underground regulation and not based in any statute or regulation. Plaintiff alleges that it meets the applicable definitions as a seller (18 CCR § 1521) and properly reports any materials that it consumes for its own use.

Audit/Tax Period: None
Amount: $1,278,957

Status:

The Complaint was filed on September 21, 2026. CDTFA was served with the Complaint on September 23, 2026. CDTFA's responsive pleading is due October 23, 2026. On October 23, 2026, CDTFA filed an answer to Plaintiff's complaint.

K1 SPEED, INC. v. CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION
Court of Appeal, Third Appellate District: C106329
Sacramento County Superior Court: 24CV015968
Filed – 08/12/2024

Plaintiff's Counsel
Carley A. Roberts, Pillsbury Winthrop Shaw Pittman LLP

CDTFA's Counsel
Jennifer Henderson

CDTFA Attorney
Andrew Amara

Issue(s):

Plaintiff, K1 Speed, Inc. ("K1") filed a verified complaint seeking a refund of sales taxes paid, the exact amount to be determined by the court, for the tax period April 1, 2009, to June 30, 2009. K1 alleges its sales of go-kart races are nontaxable sales of amusement services pursuant to Rev. & Tax. Code §§ 6006, 6015, and Regulation 1501 and the rental of go-carts do not constitute a lease of tangible personal property pursuant to Rev. & Tax. Code § 6006 and Regulation 1660. K1 also alleges even if the rental of go-carts are determined to be leases of tangible personal property, the leases meet the conditions necessary for exclusion under Regulation 1660(e)(1). Finally, Plaintiff contends that CDTFA mischaracterizes K1's sales of annual membership/license fees as includable in gross receipts.

Audit/Tax Period: April 1, 2009, through March 31, 2012
Amount: Unspecified

Status:

CDTFA was served with this Complaint on August 19, 2024. CDTFA's responsive pleading is due September 18, 2024. The court has approved an extension of time for CDTFA to respond to the complaint; CDTFA's new deadline to file its response is November 4, 2024. CDTFA filed its Answer to Plaintiff's Complaint on November 4, 2024. Plaintiff filed a Motion for Summary Judgment on April 18, 2025. CDTFA's opposition is due June 19, 2025, and the hearing is set for July 9, 2025. CDTFA filed its opposition to Plaintiff's Motion for Summary Judgment (MSJ) on June 18, 2025. On June 27, 2025, Plaintiff K1 Speed filed a reply brief in support of its MSJ. On July 8, 2025, CDTFA filed its Motion for Summary Judgment (MSJ). The hearing on Plaintiff's MSJ was continued on the court's own motion to December 22, 2025, to be heard concurrently with CDTFA's MSJ. Plaintiff's opposition to CDTFA's motion is due

December 2, 2025, and CDTFA's reply will be due December 11, 2025. Plaintiff (K1 Speed) filed its opposition to CDTFA's MSJ on December 2, 2025. CDTFA filed its reply brief in support of its Motion for Summary Judgment on December 11, 2025. The court continued the hearing set for December 22, 2025, to January 7, 2026. On its own motion, the court continued the hearing on CDTFA's Motion for Summary Judgment to January 14, 2026. On January 13, 2026, the court issued a tentative ruling on CDTFA's Motion for Summary Judgment in favor of CDTFA. Oral argument was held on January 14, 2026; the court took the matter under submission at the conclusion of the hearing. On February 25, 2026, the court granted Defendant CDTFA's Motion for Summary Judgment, finding that Plaintiff failed to pay the tax in full prior to bringing suit. The court denied K1 Speed's Motion for Summary Judgment as moot. On March 12, 2026, following the trial court's order granting CDTFA's Motion for Summary Judgment, the court entered judgment in favor of CDTFA. CDTFA served its Notice of Entry of Judgment and plaintiff's deadline to appeal the judgment is May 12, 2026. Plaintiff K1 Speed, Inc. filed a notice of appeal from the trial court's judgment in favor of CDTFA on May 7, 2026. Plaintiff's opening appellate brief is due August 31, 2026. On August 24, 2026, the parties entered into a stipulation extending time to file their respective appellate briefs as follows: 1) K1 Speed's opening brief is now due October 30, 2026, 2) CDTFA's respondent's brief is now due January 28, 2027; and 3) K1 Speed's reply brief is due April 16, 2027. Plaintiff filed its opening brief before the Court of Appeal on October 30, 2026. CDTFA's respondent's brief is due January 27, 2027.

EDWARD KANG v. CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION
Alameda County Superior Court: 26CV211600
Filed –09/22/2026

Plaintiff's Counsel
Edward Kang, Pro Per

CDTFA's Counsel
Susana Gonzales

CDTFA Attorney
Rory LoAllen

Issue(s):

On September 3, 2026, CDTFA issued notices of proposed determinations (for personal liability under Revenue and Taxation Code section 6829) to Plaintiffs in the amount of $76,328.51, for the period April 1, 2023 through June 30, 2024, related to the Joy of Eating. Plaintiffs Edward Kang and Yoon Ja Choi allege

CDTFA denied them a meaningful opportunity to review and respond to evidence underlying CDTFA's proposed assessments. Plaintiffs seek production of documents identified in the notices and any additional documents supporting CDTFA's findings. Plaintiffs also seek an opportunity to respond to the notices following the production of the requested documentation.

Audit/Tax Period: None
Amount: Unspecified

Status:

The Verified Petition for Writ of Mandate and Complaint for Limited Declaratory and Injunctive Relief ("Petition") was filed on September 22, 2026. The Petition was served on October 2, 2026.

LIL' MAN IN THE BOAT, INC. v. STATE OF CALIFORNIA, ET AL.
Sacramento County Superior Court: 26CV000574
Filed –01/09/2026

Plaintiff's Counsel
Lawrence Murray, Murray & Assoc.

CDTFA's Counsel
Steve Tennyson

CDTFA Attorney
Rory LoAllen

Issue(s):

Plaintiff, a commercial charter business that operates a licensed charter vessel in the navigable waters of the San Francisco Bay, seeks a refund of all sales taxes paid from the sale of alcoholic beverages from July 1, 2018, through the present. Plaintiff contends that CDTFA's imposition and collection of taxes were in violation of the federal Rivers and Harbors Act (the "Act") pursuant to 33 U.S.C. section 5(b) which Plaintiff alleges prevents California from imposing any tax on a vessel operating on navigable waterways. Plaintiff seeks a class action to represent similarly situated vessels operating on the navigable waters of California which have paid sales tax for sales of products on their vessels from July 1, 2018, to present. Plaintiff also seeks costs of suit and attorneys' fees.

Audit/Tax Period: None
Amount: Unspecified

Status:

Plaintiff filed this action on January 9, 2026. CDTFA has not been served to date. On June 17, 2026, Plaintiff filed an amended complaint. Plaintiff served CDTFA

on July 1, 2026. CDTFA's deadline to file a response to the complaint was extended to August 13, 2026. CDTFA's deadline to file a response to the complaint was extended to September 14, 2026; the Case Management Conference is scheduled for September 18, 2026. On October 2, 2026, CDTFA filed a demurer to the complaint. The demurer hearing is scheduled for February 26, 2027.

OHAD MOSHKOVITZ, ET AL. v. AMERICAN HONDA FINANCE CORPORATION, ET AL.
Court of Appeal, Third Appellate District: 094345
Los Angeles County Superior Court: 22STCV12659
Filed –04/14/2022

Plaintiff's Counsel
David Markham, The Markham Law Firm

CDTFA's Counsel
Douglas Beteta

CDTFA Attorney
Andrew Amara

Issue(s):

Plaintiff Ohad Moshkovitz asserts that he was unlawfully charged tax on his vehicle lease disposition fee (with Honda Financial Services) in violation of California Code of Regulations, title 18, §1660(c)(1)(D). Plaintiff seeks a determination that collection of tax on lease end disposition fees is unlawful under Regulation 1660(c)(1)(D) and requests a refund under Revenue and Taxation Code section 6933 for the $27.13 that Plaintiff paid in tax on the disposition fee.

Audit/Tax Period: None
Amount: Unspecified

Status:

CDTFA was served on April 18, 2022. On May 5, 2022, the court (Judge David S. Cunningham III) issued an Order deeming this case non-complex. On May 18, 2022, Plaintiff filed his Objection to Non-Complex Designation. The parties have agreed to stay the case pending the outcome of an appeal in a related case, *Stettner I*, involving the same underlying legal issue. On December 12, 2024, the trial court dismissed Defendant Honda from the litigation. On December 18, 2024, Plaintiff filed his First Amended Complaint (FAC). CDTFA's deadline to respond to the FAC is February 3, 2025. CDTFA has requested and received a 15-day extension to respond to the First Amended Complaint, moving the deadline to February 18, 2025. CDTFA filed its Answer to the First Amended

Complaint on February 6, 2025. The parties have stipulated to a stay of this matter pending the outcome of the Diaz v. CDTFA appeal. The court approved the stipulation and ordered the stay on August 12, 2026.

WILLIAM T. O'CONNOR v. CALIFORNIA DEPARTMENT OF TAX & FEE ADMINISTRATION; TESLA, INC., JPMORGAN CHASE BANK N.A.
Los Angeles County Superior Court: 26STCV22817
Filed –07/21/2026

Plaintiff's Counsel
Anthony J. Almaz, The Almaz Firm, P.C.

CDTFA's Counsel
Brendan Sasso

CDTFA Attorney
Rory LoAllen

Issue(s):

Plaintiff, William O'Connor, filed a Class Action Complaint ("Complaint") against CDTFA, Tesla Inc., and JP Morgan Chase Bank, seeking declaratory relief and a refund of use taxes charged in a vehicle lease agreement. Plaintiff contends that Tesla incorrectly calculated the taxable amount under its lease agreement to include an EV Tax Credit. Plaintiff alleges that CDTFA has a responsibility to determine whether the Tesla Lease Incentive properly calculated the taxable amounts across all similar leases. Plaintiff also alleges that Tesla's leasing structure, specifically the inclusion of EV incentives in the taxable amount, will have negative implications for new State EV incentive programs.

Audit/Tax Period: None
Amount: Unspecified

Status:

Plaintiff filed its Verified Complaint on July 21, 2026, and served CDTFA on July 28, 2026. The court has designated this case as complex and stayed all filings through the status conference. The initial status conference is scheduled for November 12, 2026, and the joint initial status conference response statement is due November 4, 2026.

OLYMPUS AMERICA INC. v. CALIFORNIA DEPARTMENT OF TAX & FEE ADMINISTRATION
Court of Appeal, First Appellate District: A175451
San Francisco County Superior Court: CGC-23-607195
Filed –06/21/2023

Plaintiff's Counsel
Amy L. Silverstein, Silverstein & Pomerantz LLP

CDTFA's Counsel
Elizabeth Vann

CDTFA Attorney
Kiren Chohan

Issue(s):

Plaintiff, a distributor, retailer, and repairer of endoscopes and other medical devices, seeks a refund of use tax, negligence penalty and interest in the total amount of $9,758,452.41, plus interest, for the period April 1, 2008, through September 30, 2011, asserting that its use of parts to repair non-California customers' equipment pursuant to optional maintenance contracts at a repair facility located in California, is excluded from use tax under Revenue and Taxation Code section 6009.1. In the alternative, plaintiff contends that it is entitled to relief under section 6596 because it reasonably relied on written advice provided by the Department during three prior audits for the following periods: (1) April 1, 1996, through March 31, 1999; (2) April 1, 1999, through December 31, 2002; and (3) January 1, 2003, to December 31, 2007. Plaintiff also seeks attorneys' fees and costs of suit.

Audit/Tax Period: April 1, 2008 - September 30, 2011
Amount: $9,758,452.41

Status:

Plaintiff filed a Verified Complaint for Refund of Taxes on June 27, 2023, and served CDTFA with the Complaint on July 3, 2023. CDTFA's response to the Complaint is due August 2, 2023. The parties agreed to extend CDTFA's deadline to respond to the Complaint to September 15, 2023. On September 15, 2023, CDTFA filed its answer to the Complaint. On November 9, 2023, the court issued an order scheduling the trial date for January 13, 2025. On August 5, 2024, the parties filed a joint application asking the court to extend the trial date to July 14, 2025, which was granted by the court on August 6, 2024. The parties filed a joint ex-parte application asking the court for a new trial date. At the ex-parte application hearing held on March 6, 2025, the court set the following deadlines: (1) Cross Motions for Summary Judgment (MSJ) due: May 9, 2025;

(2) Oppositions to MSJ due: June 20, 2025; (3) Replies in support of MSJ due: July 18, 2025; (4) Hearing on Cross MSJs: August 15, 2025; and (5) Trial: February 23, 2026. On May 9, 2025, CDTFA and Plaintiff filed their respective Motions for Summary Judgment. On June 20, 2025, CDTFA and Plaintiff filed their respective opposition briefs on the parties' cross-motions for summary judgment. On July 18, 2025, CDTFA and Plaintiff filed their respective reply briefs on the parties' cross motions for summary judgment. On August 15, 2025, the court heard oral argument on the parties' cross-motions for summary judgment. The court took the matter under submission. On September 11, 2025, the court issued orders granting CDTFA's Motion for Summary Judgment and denying Plaintiff's Motion for Summary Judgment. On October 23, 2025, CDTFA filed and served a Notice of Entry of Judgment in favor of CDTFA. On December 15, 2025, Olympus filed a Notice of Appeal from the trial court judgment in favor of CDTFA. On April 27, 2026, Appellant Olympus America Inc. filed its opening brief with the Court of Appeal. The Court of Appeal granted CDTFA's request to extend the deadline to file its Respondent's Brief to August 26, 2026. Due to the 15-day grace period, CDTFA's deadline to file has been extended to September 11, 2026. On September 11, 2026, CDTFA filed its Respondent's Brief in the Court of Appeal. On September 16, 2026, the parties filed a stipulation extending the deadline for Plaintiff to file its reply brief to November 16, 2026.

RELIANCE RESTAURANTS LLC v. CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION
Court of Appeals, Second Appellate District Court: B350477
Los Angeles County Superior Court: 25STCV00280
Filed – 01/06/2025

Plaintiffs' Counsel
David Dunlap Jones, Law Firm of David Dunlap Jones, APLC

CDTFA's Counsel
Laura Robbins

CDTFA Attorney
Andrew Amara

Issue(s):

Plaintiff, an operator of a Subway restaurant in Los Angeles, seeks a refund in the amount of $78,268.98 in sales tax, interest, and penalties, for an allegedly untimely notice of determination for the period January 1, 2010, to December 31, 2010.

Audit/Tax Period: None
Amount: $78,268.98

Status:

CDTFA was served with the Complaint on January 15, 2025. CDTFA filed its Demurrer to Plaintiff's Complaint in this matter on February 14, 2025. The hearing is set for June 3, 2025. On April 8, 2025, the court continued the hearing on CDTFA's Demurrer to June 24, 2025. Plaintiff filed its opposition to CDTFA's Demurrer on June 10, 2025. CDTFA filed a reply brief in support of its Demurrer on June 13, 2025. The court continued the hearing on CDTFA's Demurrer from June 24, 2025, to August 20, 2025. On August 20, 2025, the court sustained CDTFA's Demurrer without leave to amend. The court entered judgment in favor of CDTFA on August 28, 2025; CDTFA filed and served a Notice of Entry of Judgment on September 10, 2025. On October 17, 2025, Plaintiff filed a Notice of Appeal of the trial court's judgment in favor of CDTFA. The court approved the parties' stipulation extending Plaintiff's deadline to file its opening brief with the Court of Appeal by 30 days; Plaintiff's opening brief is now due March 19, 2026. The Court of Appeal approved Plaintiff's request for a 14-day extension to file its opening appellate brief; the brief is now due April 2, 2026. Plaintiff filed its opening brief with the Court of Appeal on April 2, 2026. The Court of Appeal extended CDTFA's deadline to file its respondent's brief to July 6, 2026. CDTFA filed its Respondent's Brief with the Court of Appeal on June 30, 2026. Plaintiff filed its reply brief with the Court of Appeal on July 20, 2026.

RELIANCE RESTAURANTS LLC v. CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION (II)
Los Angeles County Superior Court: 25STCV24627
Filed – 08/21/2025

Plaintiffs' Counsel
David Dunlap Jones, Law Firm of David Dunlap Jones, APLC

CDTFA's Counsel
Laura Robbins

CDTFA Attorney
Andrew Amara

Issue(s):

Plaintiff, an operator of a Subway restaurant in Los Angeles, seeks a refund in the amount of $78,268.98 in sales tax, interest, and penalties, for an allegedly untimely notice of determination for the period January 1, 2010, to December 31, 2010.

Audit/Tax Period: None
Amount: $78,268.98

Status:

CDTFA was served with the Complaint on August 25, 2025. (Note: This is the second refund action filed by the same plaintiff after CDTFA's demurrer was sustained to the original action. Plaintiff's first action is currently pending before the Second District Court of Appeals.) CDTFA filed its answer on September 19, 2025. The court stayed the action due to Plaintiff's pending appeal in another action involving the same underlying issues.

MARC RIEDEL v. CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION
Sacramento County Superior Court: 25CV021156
Placer County Superior Court: SCV0051688
Filed –12/01/2023

Plaintiff's Counsel
Bruce Riedel

CDTFA's Counsel
Lauren Freeman

CDTFA Attorney
Kiren Chohan

Issue(s):

In this tort action, Plaintiff alleges that CDTFA acted negligently and fraudulently in issuing a responsible person determination under Revenue and Taxation Code section 6829 against Plaintiff for the outstanding sales and use tax liability of Ciao Restaurants, LLC. Plaintiff seeks compensatory damages and punitive damages of at least $125,000.

Audit/Tax Period: None
Amount: Unspecified

Status:

The Complaint was filed on December 1, 2023. CDTFA was served with the Complaint on March 7, 2024. Plaintiff agreed to a 15-day extension for CDTFA to file a response to the Complaint. CDTFA's response is now due April 22, 2024. On April 15, 2024, CDTFA filed a Motion to Transfer Venue to Sacramento County Superior Court. The hearing on this motion is scheduled for May 16, 2024. On May 7, 2024, CDTFA filed a Notice in Lieu of reply in support of its Motion to Transfer Venue, notifying the court that Plaintiff did not file and serve an opposition to CDTFA's Motion to Transfer Venue within the required period. On May 16, 2024, the court granted CDTFA's Motion to Transfer Venue to

Sacramento County. On May 20, 2024, CDTFA served a Notice of Ruling of the trial court's decision granting CDTFA's Motion to Transfer Venue. After CDTFA's filing of a Motion to Dismiss due to Plaintiff's failure to pay the court's transfer fees and costs, Plaintiff paid the transfer fees and costs. This case will now be transferred to Sacramento County Superior Court. On October 8, 2025, CDTFA filed a Demurrer to the Complaint and a Motion to Strike portions of the Complaint. The hearing is scheduled for July 28, 2026. Plaintiff failed to file an opposition to CDTFA's demurrer to the complaint. On July 21, 2026, CDTFA filed a Notice of No Opposition (informing the court that Plaintiff did not file an opposition to its demurrer). On July 28, 2026, the court sustained CDTFA's demurrer and motion to strike portions of the complaint on the grounds that Plaintiff failed to file any opposition; Plaintiff has leave to file an amended complaint no later than August 17, 2026. Plaintiff did not file an amended complaint by the August 17, 2026 deadline. On September 22, 2026, CDTFA filed a Motion to Dismiss the case; the hearing on this motion is September 29, 2026. On September 29, 2026, the court granted CDTFA's motion to dismiss this action with prejudice. On October 7, 2026, CDTFA served Plaintiff with a notice of entry of judgment. Plaintiff's deadline to appeal the judgment in favor of CDTFA is December 7, 2026.

SA RECYCLING LLC v. CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION
San Diego County Superior Court: 25CU007640C
Filed –02/13/2025

Plaintiff's Counsel
Leighton Anderson, BEWLEY, LASSLEBEN & MILLER LLP

CDTFA's Counsel
Matt Heyn

CDTFA Attorney
Kiren Chohan

Issue(s):

Plaintiff, a scrap metal recycling company, filed this use tax refund action against the Department for the period October 1, 2016, through June 30, 2019, in the amount of $3,070,585, plus interest, claiming that its purchases and use of tangible personal property qualify for the partial exemption from use tax for property used in manufacturing under Revenue and Taxation Code section 6377.1.

Audit/Tax Period: October 1, 2016, through June 30, 2019
Amount: Unspecified

Status:

Plaintiff filed a First Amended Complaint for a Tax Refund on February 13, 2025, and served CDTFA with the Complaint on February 25, 2025. On March 19, 2025, the parties filed a stipulation to extend CDTFA's deadline to respond to the First Amended Complaint to April 25, 2025; court approval is required for the extension. CDTFA filed its answer to the First Amended Complaint on April 22, 2025. The trial setting conference took place on October 3, 2025, and the court set the following deadlines: 1st Expert Disclosure exchange: June 19, 2026; 2nd Expert Disclosure exchange: July 3, 2026; Discovery Cutoff: August 21, 2026; Trial Readiness Conference: September 4, 2026; and Trial: September 18, 2026. On April 30, 2026, the court continued the hearing for the parties' cross-motions for summary judgment to September 18, 2026. The court also continued CDTFA's deadline to file its motion for summary judgment to June 24, 2026, the Trial Readiness Conference to November 6, 2026, and the trial date to November 19, 2026. On June 29, 2026, CDTFA and SA Recycling filed their cross-motions for summary judgment. The deadline to file opposition briefs to each party's motion for summary judgment is August 28, 2026. On August 28, 2026, CDTFA and SA Recycling filed their respective oppositions to each party's Motion for Summary Judgement. CDTFA's reply is due September 4, 2026. On September 4, 2026, the parties filed their respective reply briefs in support of their Motions for Summary Judgment. On September 21, 2026, the court entered its order denying both MSJs.

MONICA SALAZAR v. CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION (CDTFA)
Sacramento County Superior Court: 34-2022-00314532
Filed – 01/25/2022

Plaintiff's Counsel
David Markham, The Markham Law Firm

CDTFA's Counsel
Douglas Beteta

CDTFA Attorney
Andrew Amara

Issue(s):

Plaintiff Monica Salazar asserts that she was unlawfully charged tax on her vehicle lease disposition fee (with BMW Financial Services NA, LLC) in violation of California Code of Regulations, title 18, §1660(c)(1)(D). Plaintiff seeks a determination that collection of tax on lease end disposition fees is unlawful under Regulation 1660(c)(1)(D) and requests a refund under Revenue and Taxation Code section 6933 for the $30.63 that Plaintiff paid in tax on the disposition fee.

Audit/Tax Period: None
Amount: Unspecified

Status:

CDTFA was served with the complaint on February 15, 2022. On March 11, 2022, the trial court issued a Minute Order ruling that this case was not related to Stettner II (Sacramento Superior Court: 34-2021-00305976) and Diaz (San Diego County Superior Court: 37-2021-00046296-CU-BT-CTL), two other actions challenging the imposition of tax on vehicle turn-in fees. CDTFA was granted an extension to file its response to the complaint to April 1, 2022. On March 30, 2022, plaintiff filed a First Amended Complaint. CDTFA's response to the complaint is due April 29, 2022. CDTFA's Demurrer to the Complaint was filed on April 29, 2022. The hearing is set for July 12, 2022. On May 9, 2022, the court entered an order staying the case as to BMW until the court rules on CDTFA's Demurrer. The parties have agreed to stay the case pending the outcome of an appeal in a related case, *Stettner I*, involving the same underlying legal issue. On March 28, 2025, the court approved the stipulation in this matter dismissing BMW as a Defendant and providing Plaintiff five days to file her amended complaint and CDTFA 45 days thereafter to respond. Plaintiff filed a Second Amended Complaint on April 3, 2025. CDTFA's response is due May 19, 2025.

CDTFA filed its answer to Plaintiff's Second Amended Complaint for Tax Refund on May 9, 2025. The parties have stipulated to a stay of this matter pending the outcome of the *Diaz v. CDTFA* appeal. The court approved the stipulation and ordered the stay on September 14, 2026.

STETTNER, ET AL. v. MERCEDES-BENZ FINANCIAL SERVICES USA, ET AL.(II)
Sacramento County Superior Court: 34-2021-00305976
Filed – 08/10/2021

Plaintiff's Counsel
David Markham, The Markham Law Firm

CDTFA's Counsel
Douglas Beteta

CDTFA Attorney
Andrew Amara

Issue(s):

Plaintiffs Lisa Stettner and Michele Zousmer assert that they were unlawfully charged tax on their vehicle lease disposition fee (with Mercedes Benz Financial Services) in violation of California Code of Regulations, title 18, §1660(c)(1)(D). Plaintiffs seek a determination that collection of tax on the lease end disposition fees is unlawful under Regulation 1660(c)(1)(D) and request a refund under Revenue and Taxation Code section 6933 for the $46.11 that they each paid in tax on the disposition fee.

Audit/Tax Period: None
Amount: Unspecified

Status:

CDTFA was served with the complaint on September 20, 2021. On October 22, 2021, the parties filed a stipulation to stay the case pending the resolution of Plaintiffs' appeal in their related case involving the same substantive allegations, which is currently before the Third District Court of Appeal (Case No. C094345). On November 1, 2021, the court signed the parties' proposed order staying this action pending the result in the appeal of Stettner I. Plaintiffs filed their First Amended Complaint (FAC) on November 8, 2024; CDTFA's response to the FAC is due December 23, 2024. CDTFA filed its answer to the First Amended Complaint in this matter on December 16, 2024. The court set the trial date for March 8, 2027. The mandatory settlement conference is scheduled for January 19, 2027. The parties have stipulated to a stay of this matter pending the outcome of the *Diaz v. CDTFA* appeal. The court approved the stipulation and ordered the stay on September 15, 2026.

USA HOIST COMPANY, INC. v. CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION
Fresno County Superior Court: 26CU03018
Filed – 09/16/2026

Plaintiff's Counsel
Eric Evans, Kilpatrick Townsend & Stockton, LLP

CDTFA's Counsel
Rachel Yoo

CDTFA Attorney
Chris Kim

Issue(s):

Plaintiff USA Hoist Company, Inc. (Plaintiff), a subcontractor that leases temporary construction elevators (or hoists) for construction projects, seeks a sales and use tax refund of $432,712.08 for the audit period January 1, 2013, through March 31, 2016. Plaintiff contends that its leases of hoists (along with its leases of certain ancillary items and charges for fabrication labor in its lease agreements) were for nontaxable services and/or nontaxable installation labor. Plaintiff seeks a refund of the amounts paid, plus interest, and attorneys' fees and costs.

Audit/Tax Period: January 1, 2013, through March 31, 2016
Amount: $432,712.08

Status:

CDTFA was served with the Complaint on September 17, 2026. On October 23, 2026, CDTFA filed its answer to Plaintiff's complaint.

SHELLEY WIENKE. v. CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION
San Francisco County Superior Court: CPF-26-520187
Filed – 09/10/2026

Plaintiff's Counsel
Shelley Wienke, Pro Per

CDTFA's Counsel
Elizabeth Vann

CDTFA Attorney
Rory LoAllen

Issue(s):

Plaintiff, Shelley Wienke, filed a complaint seeking a sales and use tax refund of $15,168.26, alleging CDTFA collected these funds prematurely before the liability was final and before proper notice was given. Plaintiff further alleges that the responsible person determination is invalid because CDTFA failed to establish that she had actual control or was willful. Finally, plaintiff alleges CDTFA violated her due process rights by mailing notices to a business address it knew was closed while she was medically incapacitated and unable to respond.

Audit/Tax Period: None
Amount: $15,168.26

Status:

CDTFA was served with the Complaint on September 21, 2026. CDTFA's responsive pleading is due October 21, 2026. On October 20, 2026, CDTFA filed a demurer. The demurrer hearing is scheduled for December 8, 2026.

ZOUSMER v. CDTFA, ET AL.
Sacramento County Superior Court: 34-2022-00326173
Filed – 09/02/2022

Plaintiff's Counsel
David Markham, The Markham Law Firm

CDTFA's Counsel
Douglas Beteta

CDTFA Attorney
Andrew Amara

Issue(s):

Plaintiff alleges that Mercedes Benz's business practice of charging a "sales tax" on the disposition fee when a leased car is returned at the end of a car-lease term (labeled in the lease contract as the "Vehicle Turn-In Fee"), violates California's Use Tax Regulation 1660(c)(1), covering leases of tangible personal property.

Plaintiff seeks a determination of the validity of Regulation 1660(c)(1) pursuant to Government Code section 11350, a judicial declaration that the collection of tax on lease disposition fees is unlawful under Regulation 1660(c)(1)(D), and a judicial declaration determining whether the tax collected on lease disposition fees is a sales tax or a use tax. Plaintiff also seeks a refund on behalf of herself and all other members of the general public who paid the tax.

Audit/Tax Period: None
Amount: Unspecified

Status:

Plaintiff served CDTFA with the Summons and Complaint on October 24, 2022. CDTFA's deadline to file a response, absent an extension, is November 23, 2022. The parties stipulated to stay this matter pending the outcome of the Stettner I appeal, and the court granted the parties' request to stay the case on November 15, 2022.

Sales and Use Tax
LITIGATION ROSTER
OCTOBER 2026

CLOSED CASES

Case Name	Case Number

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