



TaxNewsFlash

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U.S. Supreme Court: Chevron overruled

The U.S. Supreme Court today overruled *Chevron U. S. A. Inc. v. Natural Resources Defense Council, Inc.*, 467 U. S. 837 (1984), and held that the Administrative Procedure Act requires courts to exercise their independent judgment in deciding whether an agency has acted within its statutory authority, and courts may not defer to an agency interpretation of the law simply because a statute is ambiguous.

The cases are: *Loper Bright Enterprises v. Raimondo*, No. 22-451 (S. Ct. June 28, 2024), and *Relentless v. Department of Commerce*, No. 22-1219 (S. Ct. June 28, 2024). Read the Court's [opinion](#)

Justice Roberts delivered the opinion of the Court, which was joined by Justices Thomas, Alito, Gorsuch, Kavanaugh, and Barrett. Justice Thomas and Justice Gorsuch also each filed a concurring opinion. Justice Kagan filed a dissenting opinion, in which Justice Sotomayor joined and in which Justice Jackson joined as it applies to case No. 22-1219 (Justice Jackson took no part in the consideration of case No. 22-451).

KPMG observation

Now that Chevron's deferential standard has been overruled, courts will no longer be bound to uphold IRS regulations as authoritative interpretations of ambiguous provisions under the Code.

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