



The **IRS** Collection Process

Publication 594

This publication provides a general description of the IRS collection process. The collection process is a series of actions that the IRS can take to collect the taxes you owe if you don't voluntarily pay them. The collection process will begin if you don't make your required payments in full and on time, after receiving your bill.

Please keep in mind that this publication is for information only, and may not account for every tax collection scenario. It's also not a technical analysis of tax law and does not include a detailed explanation of your rights. For an explanation of your rights, please see **Publication 1, Your Rights as a Taxpayer**.

If you have questions or need help

Please visit IRS.gov for your tax needs. You can get answers to your tax questions from the Interactive Tax Assistant www.irs.gov/ITA. You can also check www.irs.gov/forms-instructions to find all the IRS tax forms and publications mentioned here and the IRS video portal at www.irs.gov/newsroom/videos to view informational videos on a variety of topics in this publication.

You can also call the number on your bill or visit your local IRS office for assistance. If you don't have a bill, please go to www.irs.gov/payments for payment options or call 1-800-829-1040 (individuals) or 1-800-829-4933 (businesses). Check for local services and hours of operation at www.irs.gov/help/contact-your-local-irs-office.

| | |
|--|----------|
| Overview: Filing a tax return, billing, and collection | 2 |
| General steps from billing to collection | 2 |
| What you should do when you get an IRS bill | 2 |
| Who to contact for help | 2 |
| Ways to pay your taxes | 2 |
| Options for paying in full | 2 |
| Options if you can't pay in full now | 3 |
| If you are unable to pay at this time | 3 |
| How long we have to collect taxes | 3 |
| How to appeal an IRS decision | 4 |
| If you don't pay on time: Understanding collection actions | 5 |
| Federal Tax Lien: A legal claim against property | 5 |
| Notice of Federal Tax Lien: Provides public notice to creditors that a lien exists | 5 |
| Levy: A seizure of property | 5 |
| Summons: Used to secure information | 7 |
| IRS action affecting passports | 7 |
| Information for Taxpayers assigned to a Private Collection Agency | 7 |
| Information for employers: Collection of employment tax | 8 |
| About employment taxes | 8 |
| About trust fund taxes | 8 |
| Trust Fund Recovery Penalty | 8 |
| Additional information | 8 |
| Innocent Spouse Relief | 8 |
| Representation during the collection process | 8 |
| Sharing your tax information | 8 |
| We may contact a third party | 8 |
| Past due tax returns | 8 |

Overview: Filing a tax return, billing, and collection

After you file your tax return and/or a final decision is made establishing your correct tax, we record the amount in our records. If you owe, we will send a bill for the amount due, including any penalties and interest. If you don't pay or make arrangements to pay, we can take actions to collect the debt. Our goal is to work with you to resolve your debt before we take collection actions. If your bill is for an individual shared responsibility payment as a result of the Affordable Care Act, the amount owed is not subject to the failure to pay penalty, levies or the filing of a Notice of Federal Tax Lien. However, interest will continue to accrue and the Service may offset federal tax refunds until the balance is paid in full.

General steps from billing to collection

You file your tax return. Most returns are filed annually (by April 15th) or quarterly (businesses with employees).

- 1. If you owe taxes, we will send you a bill.** This is your first bill for tax due. Based on your return, we will calculate how much tax you owe, plus any interest and penalties.
- 2. If you don't pay your first bill, we will send you at least one more bill.** Remember, interest and penalties continue to accrue, as applicable, until you've paid our full amount due.
- 3. If you still don't pay after you receive your final bill, we will begin collection actions.** Collection actions can range from applying your subsequent tax year refunds to tax due (until paid in full) to seizing your property and assets. This could include a visit from a Revenue Officer to your home or business. Revenue officers help resolve taxes owed as part of the collection process. They tell you about your rights, obligations, options, and consequences. Unannounced visits are rare. Normally, before a visit the Revenue Officer mails an appointment letter or calls to set up a visit. See www.irs.gov/newsroom/how-to-know-if-its-really-the-irs.

What you should do when you get an IRS bill

If you agree with the information on the bill, pay the full amount before the due date. If you can't pay the full amount due, pay as much as you can and visit www.irs.gov/payments to consider our online payment options. Our online payment options include the Online Payment Agreement application which allows you to set up an a payment plan (installment agreement) online. If you do not qualify for our online payment options, immediately contact us by calling the telephone number on your bill to explain your situation. You should have your financial information available during the call, including your monthly income and expenses. Based on your ability to pay, we may provide you with alternate payment options such as setting up a payment plan.

If you disagree with the information on the bill, call the number on it, or visit your local IRS office. Be sure to have a copy of the bill and any tax returns, cancelled checks, or other records that will help us understand why you believe your bill is wrong. If we find that you're right, we will adjust your account and, if necessary, send a revised bill.

If you don't pay the amount due or tell us why you disagree with it, we may take collection actions.

If you are in bankruptcy, please notify us immediately. The bankruptcy may not eliminate your tax debt, but we may temporarily stop collection. Call the number on your bill or 1-800-973-0424. Have the following information available: the location of court, bankruptcy date, chapter and bankruptcy number.

Who to contact for help

The Internal Revenue Service

Make IRS.gov your first stop for your tax needs. You can find answers with the Interactive Tax Assistant at www.irs.gov/ITA. Please don't hesitate to contact us with any questions you may have. Call the number on your bill or 1-800-829-1040 (individuals) or 1-800-829-4933 (businesses). You can find answers to your questions at IRS.gov or by visiting your local IRS office to speak with an IRS representative in person.

Taxpayer Advocate Service

The Taxpayer Advocate Service (TAS) is an independent organization within the Internal Revenue Service that helps taxpayers and protects taxpayer rights. They help taxpayers whose problems with the IRS are causing financial difficulties, who have tried but have not been able to resolve their problems with the IRS, or believe an IRS system or procedure isn't working as it should. Their service is free. Your local advocate's number is at www.taxpayeradvocate.irs.gov and in your local directory. You can also call them at 1-877-777-4778. For more information about TAS and your rights under the Taxpayer Bill of Rights, go to www.taxpayeradvocate.irs.gov.

Taxpayer Sources for Assistance

Assistance can be obtained from individuals and organizations that are independent from the IRS. To find the location closest to you, you can view [Publication 4134, Low Income Taxpayer Clinic List](#) at IRS.gov. Also, see the LTC page at www.taxpayeradvocate.irs.gov/litcmap. Assistance may also be available from a referral system operated by a state bar association, a state or local society of accountants or enrolled agents or another nonprofit tax professional organization. The decision to obtain assistance from any of these individuals and organizations will not result in the IRS giving preferential treatment in the handling of the issue, dispute or problem.

Ways to pay your taxes

To explore all of your payment options visit www.irs.gov/payments. We offer several electronic payment options. To minimize interest and penalties, we recommend paying your taxes in full. However, if you're unable to pay in full, you can request a payment plan or Offer in Compromise. These payment options allow you to pay your taxes in installments over time, to pay less than you owe, or both. It's also important to stay current on your payments for future taxes. This means making your estimated tax payments, withholding payments, or federal tax deposits as required by law.

Options for paying in full

Online Account

You can make payments from your bank account through Online Account. Go to www.irs.gov/your-account to sign up today and view all of the information available.

IRS Direct Pay

IRS Direct Pay is free and available at www.irs.gov/DirectPay, where you can securely pay your taxes directly from your checking or savings accounts without any fees or pre-registration. Schedule payments up to 30 days in advance, and receive instant confirmation that you submitted your payment.

Debit or credit card

You can pay your taxes by debit or credit card. Both paper and electronic filers can pay their taxes by phone or online through any of the authorized debit and credit card processors. Though the IRS does not charge a fee for this service, the card processors do. Go to www.irs.gov/payments/pay-your-taxes-by-debit-or-credit-card for authorized card processors and their phone numbers.

IRS2Go

To pay your federal taxes quickly on the go, use the IRS2Go mobile app. IRS2Go provides easy access to Direct Pay, offering you a free, secure way to pay directly from your checking or savings account. You can also make a debit or credit card payment through an approved payment processor for a fee. View more information at www.irs.gov/irs2go.

Electronic Federal Tax Payment System

The Electronic Federal Tax Payment System is a free service that gives you a safe and convenient way to pay taxes by phone or online. To enroll or for more information, visit www.eftps.gov or call 800-555-4477.

Cash

Taxpayers without bank account or if cash is their only option can pay using the new pay with cash at a Retail Partner. Because this option

involves a three-step process, the IRS urges taxpayers choosing this option to start the process ahead of the tax deadline to avoid interest and penalty charges. The IRS offers this option in cooperation with our trusted partners at participating retail locations in all 50 states, including Puerto Rico. Details, including answers to frequently-asked questions, are at www.irs.gov/paywithcash.

Options if you can't pay in full now

Apply for a Payment Plan (Installment Agreement)

A payment plan with the IRS means that we will allow you to make smaller periodic payments over time if you can't pay the full amount at once. A setup fee may apply to agreements over 180 days. There are several ways to apply for a payment plan:

- **Use** the Online Payment Agreement application at www.irs.gov/OPA. You can apply online for a reduced setup fee if the total combined balance of tax, penalty, and interest you owe is \$50,000 or less. Also, individuals owing up to \$100,000 can apply for a short-term payment plan of up to 180 days. If you own a business and owe \$25,000 or less in assessed payroll taxes, penalty and interest for the current and prior calendar year, you can also use the Online Payment Agreement application to request a payment plan.
- **Call** the number on your bill or 1-800-829-1040: (individuals) 1-800-829-4933 (businesses).
- **Complete Form 9465, Installment Agreement Request.** In addition to Form 9465, if you want to make your payments by payroll deduction, complete **Form 2159, Payroll Deduction Agreement**. Follow form instructions to complete and send to IRS. Electronic submission options are available.
- **Visit a local IRS office.** Please visit, www.irs.gov/help/contact-your-local-irs-office.

If you request a payment plan online, you will receive immediate notification if your agreement is approved. If you request a payment plan by mail, you can reduce the accrual of penalties and interest by making voluntary payments until you're notified whether we've accepted your payment plan request. Our acceptance of your interim payments doesn't mean we've approved your request. We will notify you in writing once we've made our decision.

With a payment plan, you can pay by direct debit, through payroll deductions, or by any payment method listed on www.irs.gov/payments. The setup fee is reduced if you make your payments by direct debit and waived for individuals identified as low-income who pay by direct debit. Low-income individuals who set up a payment plan that is not direct debit are charged a reduced fee. The reduced fee can even be waived completely or reimbursed if you meet our low-income guidelines. For more information, see **Form 13844, Application for Reduced User Fee for Installment Agreements**. You do not need to submit the user fee with your payment plan application. The fee can be taken from the initial payments made once the payment plan is accepted.

To be eligible for a payment plan, you must file all required tax returns. Prior to approving your Installment Agreement request, we may ask you to complete a Collection Information Statement (**Form 433F, 433-A and/or Form 433-B**) and provide proof of your financial status. For more information, see **Publication 1854, How to Complete a Collection Information Statement (Form 433-A)**.

If we approve your request, we will still charge applicable interest and penalties until you pay the balance due in full, and may file a Notice of Federal Tax Lien (see page 5). For individuals who filed their return on time, the late payment penalty rate is reduced while an installment agreement is in effect. The late payment penalty accrues at the rate of 0.25% per month, instead of up to 1% per month. If we reject your payment plan request, you may request that the IRS Independent Office of Appeals (Appeals) review your case. For more information, see **Publication 1660, Collection Appeal Rights**.

If you're unable to meet the terms of your approved payment plan, please contact us immediately.

Partial payment plan (installment agreement)

If you cannot afford to full pay by the collection statute expiration date (generally 10 years) you may qualify for a Partial Payment Installment Agreement. If you propose a payment amount that will not full pay your entire balance by the collection statute expiration date, you will be required to complete a collection information statement and provide supporting financial information. If approved, your agreement is subject to reviews every two years to determine if your financial situation has changed. You may be required to provide a new financial statement and supporting financial information during these reviews. The financial information you provide may result in a reduction, an increase, or no change to your monthly payment plan amount.

Apply for an Offer in Compromise

You may be eligible for an Offer in Compromise if you can't pay the amount you owe in full or through installments. By requesting an Offer in Compromise, you're asking to settle unpaid taxes for less than the full amount you owe or doubt exists as to the amount of the liability. We may accept an Offer in Compromise if:

- We agree that your tax debt may not be accurate,
- You have insufficient assets and income to pay the amount due, or
- Because of your exceptional circumstances, paying the amount due would cause an economic hardship or would be unjust.

For an Offer in Compromise to be considered, you must pay an application fee and make an initial or periodic payment for all Form 656 submissions. However, low-income taxpayers may qualify for a waiver of the application fee and initial or periodic payment. For more information, please see the Low-Income Certification form found in **Form 656-B, Offer in Compromise Booklet**.

Before we can consider your offer, you must file all tax returns you are legally required to file, make all required estimated tax payments for the current year, and make all required federal tax deposits for the current quarter and the two preceding quarters. We can't consider your offer if you are in bankruptcy. Use the **Offer in Compromise Pre-Qualifier** to explore the possibility that the Offer in Compromise program may be a realistic option to resolve your balance due. To apply for an Offer in Compromise, complete one of the following forms:

- **Form 656-L, Offer in Compromise: (Doubt as to Liability)**
Complete this if there is a genuine dispute as to the existence or amount of the correct tax debt under the law.
- **Form 656, Offer in Compromise**
Complete this if you're unable to pay the amount due, or have an economic hardship, or have another special circumstance that would cause paying the amount due to be unjust.

For more information, see **Form 656-B, Offer in Compromise Booklet** or visit www.irs.gov/payments/offer-in-compromise.

If you are unable to pay at this time

Ask that we delay collection and report your account as currently not collectable

If you can't pay any of the amount due because payment would prevent you from meeting basic living expenses, you can request that we delay collection until you're able to pay. Prior to approving your request, we may ask you to complete a Collection Information Statement and provide proof of your financial status. Please remember that even if we delay collection, we will still charge applicable penalties and interest until you pay the full amount, and we may file a Notice of Federal Tax Lien (see page 5). We may also request updated financial information during this temporary delay to review your ability to pay.

How long we have to collect taxes

We can attempt to collect your taxes up to 10 years from the date they were assessed. However, the running of this time period may be suspended for several reasons, including, but not limited to, while:

- We're considering your request for a payment plan or Offer in Compromise. If your request is rejected, we will suspend collection for another 30 days, and during any period Appeals is considering your appeal request.
- Collection may be suspended for the period you're outside the U.S. if you live outside the U.S. continuously for at least 6 months.
- The tax periods we're collecting on are included in a bankruptcy with an automatic stay. We will suspend collection for the time period we can't collect because of the automatic stay, plus 6 months.
- You request a Collection Due Process hearing. Collection will be suspended from the date of your request until 30 days after a Notice of Determination is issued or if you file a timely petition to the Tax Court, until the Tax Court's decision is final (including the exhaustion of all rights of appeal following the Tax Court decision).
- We're considering your request for Innocent Spouse Relief. Collection will be suspended from the date of your request until 90 days after a Notice of Determination is issued, or if you file a timely petition to the Tax Court, until 60 days after the Tax Court's final decision. If you appeal the Tax Court's decision to a U.S. Court of Appeals, the collection period will begin 60 days after the appeal is filed, unless a bond is posted.

For additional information about statute expiration dates, see www.irs.gov/filing/time-irs-can-collect-tax.

How to appeal an IRS decision

You have the right to appeal most collection actions to Appeals. Appeals is separate from and independent of the IRS Collection office that initiates collection actions. Appeals ensures and protects its independence by adhering to a strict policy prohibiting certain communications with the IRS Collection office or other IRS offices, such as discussions regarding the strength or weakness of your case. When an IRS office is to be engaged in discussions, you will be invited to participate in the conference, or provided any written document to give you an opportunity to comment. Your main options for appeals are the following: Collection Due Process or Collection Appeals Program.

Collection Due Process

The purpose of a Collection Due Process hearing is to have Appeals review collection actions that were taken or have been proposed. After Appeals has made their determination and you do not agree, you can go to court to appeal the Appeals' Collection Due Process determination. You can request a Collection Due Process hearing if you receive any of the following notices:

- Notice of Federal Tax Lien Filing and Your Right to a Hearing
- Final Notice—Notice of Intent to Levy and Notice of Your Right to a Hearing
- Notice of Jeopardy Levy and Right of Appeal
- Notice of Levy on Your State Tax Refund—Notice of Your Right to a Hearing
- Notice of Levy and of Your Right to a Hearing

To request a Collection Due Process hearing, complete **Form 12153, Request for a Collection Due Process or Equivalent Hearing** or a written request containing the same information as contained in Form 12153, and send it to the address on your notice. You must request a Collection Due Process hearing by the date indicated in the notice we send you (for proposed levies, that date is 30 days from the date of the letter). The request must be filed timely to preserve your right to judicial review of the determination issued in your Collection Due Process hearing. If your request for a Collection Due Process hearing is not timely, you can request an Equivalent Hearing within one year from the date of the notice, but you cannot go to court if you disagree with Appeals' decision. If your request is not received timely, and you can demonstrate that you were diligent and the circumstances for being

late were extraordinary and beyond your control, your right to request a Collection Due Process or Equivalent Hearing may still be preserved.

During a Collection Due Process hearing, the 10-year period for collecting taxes is suspended and we are generally prohibited from seizing (levying) your property, if seizing your property is the subject of the hearing. We are permitted to seize your property during an Equivalent Hearing or a Collection Due Process hearing about filing of a Notice of Federal Tax Lien, but normally we will not seize property during these hearings. The 10-year period for collecting taxes is not suspended during an Equivalent Hearing.

You are entitled to only one Collection Due Process lien hearing and one levy hearing for each tax period or assessment. You are entitled to propose collection alternatives, such as entering into a payment plan or an offer-in-compromise, for consideration by Appeals in the hearing. It may be necessary for you to submit financial information or tax returns to qualify for such collection alternatives.

All issues should be raised and all necessary supporting information presented to Appeals at the hearing. You are prevented from raising issues during a judicial review that were not properly raised with Appeals in the Collection Due Process hearing. Your Appeals conference may be held by telephone, correspondence, or, if you qualify, in an in-person conference at the Appeals office closest to your home or place of business. You may be denied an in-person conference if you raise issues that are deemed frivolous or made with a desire solely to delay or impede collection. For a nonexclusive listing of issues identified by the IRS as frivolous, see [The Truth About Frivolous Tax Arguments](#) on IRS.gov. For more information about Collection Due Process see [Publication 1660](#).

Collection Appeals Program

Under the Collections Appeals Program, if you disagree with an IRS employee's decision regarding any levy, seizure, or Notice of Federal Tax Lien filing and want to appeal it, you can ask to have a conference with the employee's manager. If we seize your house, car, or other property in order to sell your interest in the property to apply the proceeds to your tax debt, you must make the request within 10 business days after the Notice of Seizure is given to you or left at your home or business. There is no deadline to request a manager conference when a levy is served for other types of property (such as wages or bank accounts) or a levy or seizure or Notice of Federal Tax Lien filing is proposed. The collection action may go forward if a conference is not requested within a reasonable time period.

If you then disagree with the manager's decision, you may request Appeals review your case under the Collection Appeals Program as outlined in [Publication 1660](#). Let the Collection office know within 2 business days after the conference with the Collection manager that you plan to submit a **Form 9423**. The Form 9423 must be received or postmarked within 3 business days of the conference with the Collection manager or collection may resume.

If you request a conference and are not contacted by a manager or their designee within 2 business days of making the request, you may contact Collection again and request Appeals consideration. If you submit Form 9423, note the date of your request for a conference in Block 15 and indicate that you were not contacted by a manager. The Form 9423 should be received or postmarked within 4 business days of your request for a conference as collection action may resume. Submit Form 9423 to the Revenue Officer involved in the lien, levy or seizure action.

If you file a Collection Appeals Request and do not agree with Appeals decisions, you cannot proceed to court.

Instances in which you can pursue the Collection Appeals Program include, but aren't limited to:

- Before or after we file a Notice of Federal Tax Lien
- Before or after we seize ("levy") your property

- After we reject, terminate, or propose to terminate your payment plan (a conference with the manager is recommended, but not required). Submit your written Installment Agreement Appeal request, preferably using **Form 9423, Collection Appeal Request**, within the timeframe listed in your notice.

For more information about the Collection Due Process and Collection Appeals Program, please see **Publication 1660, Collection Appeal Rights**.

If you don't pay on time:

Understanding collection actions

Federal Tax Lien: A legal claim against property

A lien is a legal claim against all your current and future property. When you don't pay your first bill for taxes due, a lien is created by law and attaches to your property. It applies to property (such as your home and car) and to any current and future rights you have to property (such as wages and bank accounts).

Notice of Federal Tax Lien: Provides public notice to creditors that a lien exists

A Notice of Federal Tax Lien gives public notice to creditors. We file the Notice of Federal Tax Lien so we can establish the priority of our claim versus the claims of other creditors. The Notice of Federal Tax Lien is filed with local or state authorities, such as county recorder of deeds or the Secretary of State offices.

Employers, landlords and others may also use this information and not favorably view the fact that a Notice of Federal Tax Lien has been filed against you. However by law, there will be no filing of the Notice of Federal Tax Lien and no levies issued to collect an individual shared responsibility payment associated with the Affordable Care Act.

What to do if a Notice of Federal Tax Lien is filed against you

You should pay the full amount you owe immediately. The Notice of Federal Tax Lien only shows your assessed balance as of the date of the notice. It doesn't show your payoff balance or include our charges for filing and releasing the lien. To find out the full amount you must pay to have the lien released, call 1-800-913-6050 or 859-320-3526 if you are calling from outside of the United States. If you have questions, call the number on your lien notice or 1-800-829-1040 (individuals) or 1-800-829-4933 (businesses) or visit www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Understanding-a-Federal-Tax-Lien.

How to appeal a Notice of Federal Tax Lien

Within five business days of the first filing of the Notice of Federal Tax Lien for a specific debt, we will send you a Notice of Federal Tax Lien Filing and Your Right to a Collection Due Process Hearing. You'll have until the date shown on the notice to request a Collection Due Process hearing with Appeals. For more information, see **Form 12153, Request for a Collection Due Process or Equivalent Hearing**.

After your Collection Due Process hearing, Appeals will issue a determination on whether the Notice of Federal Tax Lien should remain filed, or whether it should be withdrawn or released. If you disagree with the determination, you have 30 days after it's made to seek a review in the U.S. Tax Court. The Tax Court may consider a petition submitted after the 30-day period if you can demonstrate that you were diligent and that the circumstances for being late were extraordinary and beyond your control.

In addition to any Collection Due Process rights you may have, you may also appeal a proposed or actual filing of a Notice of Federal Tax Lien under the Collection Appeals Program.

Reasons we will "release" a Federal Tax Lien

A "release" of a Federal Tax Lien means that we have cleared both the lien for your debt and the public Notice of Federal Tax Lien. We do

this by filing a Certificate of Release of Federal Tax Lien with the same state and local authorities with whom we filed your Notice of Federal Tax Lien. We will release your lien if:

- Your debt is fully paid,
- Payment of your debt is guaranteed by a bond, or
- You have met the payment terms of an Offer in Compromise which the IRS has accepted, or
- The period for collection has ended. (In this case, the release is automatic.)

For more information, see **Publication 1450, Instructions for Requesting a Certificate of Release of Federal Tax Lien**.

Reasons we may "withdraw" a Notice of Federal Tax Lien

A "withdrawal" removes the Notice of Federal Tax Lien from public record. The withdrawal tells other creditors that we're abandoning our lien priority. This doesn't mean that the Federal Tax Lien is released or that you're no longer liable for the amount due.

We may withdraw a Notice of Federal Tax Lien if:

- You've entered into a payment plan to satisfy the tax liability, unless the Agreement provides otherwise. For certain types of taxes, we routinely grant Notice of Federal Tax Lien withdrawal requests if you've entered into a direct debit payment plan and meet certain other conditions,
- It will help you pay your taxes more quickly,
- We didn't follow IRS procedures,
- It was filed during a bankruptcy automatic stay period, or
- It's in your best interest and in the best interest of the government. For example, this could include when your debt has been satisfied and you request a withdrawal.

For more information, see **Form 12277, Application for Withdrawal of Filed Notice of Federal Tax Lien**.

How to apply for a "discharge" of a Federal Tax Lien from property

A "discharge" removes specific property from the federal tax lien.

There are several circumstances under which a discharge may be granted. For example, we may issue a Certificate of Discharge if you're selling property and the government receives its interest through the sale. For more information on whether you qualify for a discharge, see **Publication 783, How to Apply for a Certificate of Discharge of Property from Federal Tax Lien**.

How to make the Federal Tax Lien secondary to other creditors ("subordination")

A "subordination" is where a creditor is allowed to move ahead of the government's priority position. For example, if you're trying to refinance a mortgage on your home, but aren't able to because the federal tax lien has priority over the new mortgage, you may request that we subordinate our lien to the new mortgage. For more information on whether you qualify for a subordination, see **Publication 784, How to Apply for a Certificate of Subordination of Federal Tax Lien**.

Appeal rights for withdrawal, discharge or subordination

If your application is denied you will receive **Form 9423, Collection Appeal Request** and **Publication 1660, Collection Appeal Rights**, with an explanation of why your application was denied. If we deny your request for a withdrawal, discharge, or subordination, you may appeal under the Collections Appeals Program.

Levy: A seizure of property

While a federal tax lien is a legal claim against your property, a levy is a legal seizure that actually takes your property (such as your house or car) or your rights to property (such as your income, bank account, retirement account or Social Security payments) to satisfy your tax debt. There is no legal difference between a seizure and a levy. Throughout this publication, we will use both terms interchangeably.

We can't issue a new levy if you have a current or pending payment plan, Offer in Compromise, or if we agree that you're unable to pay due to economic hardship, meaning seizing your property would result in your inability to meet basic, reasonable living expenses.

Reasons we may seize ("levy") your property or rights to property

If you don't pay your taxes (or make arrangements to settle your debt), we could seize and sell your property. We will not seize your property to collect an individual shared responsibility payment. We usually seize only after the following things have occurred.

- We assessed the tax and sent you a bill,
- You neglected or refused to pay the tax, and
- We sent you a Final Notice of Intent to Levy and Notice of Your Right to a Hearing at least 30 days before the seizure.

However, there are exceptions for when we don't have to offer you a hearing at least 30 days before seizing your property. These include situations when:

- The collection of the tax is in jeopardy,
- A levy is served to collect tax from a state tax refund,
- A levy is served to collect the tax debt of a federal contractor, or
- A Disqualified Employment Tax Levy (DETL) is served. A DETL is the seizure of unpaid employment taxes and can be served when a taxpayer previously requested a Collection Due Process appeal on employment taxes for other periods within the past 2 years.

If we serve a levy under one of these exceptions, we will send you a letter explaining the seizure and your appeal rights after the levy is issued.

What you should do if your property is seized ("levied")

If your property is seized, call the number on your levy notice or 1-800-829-1040 (individuals) or 1-800-829-4933 (businesses). If you're already working with an IRS employee, call them for assistance.

Examples of property we can seize ("levy")

- Wages, salary, or commission held by someone else. If we seize your rights to wages, salary, commissions, or similar payments that are held by someone else, we will serve a levy once, not each time you're paid. The one levy continues until your debt is fully paid, other arrangements are made, or the collection period ends, or the levy is released. Other payments you receive, such as dividends and payments on promissory notes, are also subject to seizure. However, the seizure only reaches the payments due or the right to future payments as of the date of the levy.
- Your bank account. Seizure of the funds in your bank account will include funds available for withdrawal up to the amount of the seizure. After the levy is issued, the bank will hold the available funds and give you 21 days to resolve any disputes about who owns the account before sending us the money. After 21 days, the bank will send us your money, and any interest earned on that amount, unless you have resolved the issue in another way.
- Your retirement account, including Qualified Pension, Profit Sharing, and Stock Bonus Plans under ERISA; IRAs, Retirement Plans for the Self-Employed (such as SEP-IRAs and Keogh Plans) and the Thrift Savings Plan. Depending on the terms of the plan a levy may attach to the funds in which you have a vested right.
- Your federal payments. As an alternative to the levy procedure used for other payments such as dividends and promissory notes, certain federal payments may be systematically seized through the Federal Payment Levy Program in order to pay your tax debt. Under this program, we can generally seize up to 15% of your federal payments (up to 100% of payments due to a vendor for property, goods or services sold or leased to the federal government). We will serve the levy once, not each time you are paid. The levy continues until your debt is fully paid, other arrangements are made, the collection period ends, or the IRS releases the levy. The federal payments that can be seized in this program include, but

aren't limited to, federal retirement annuity income from the Office of Personnel Management, Social Security benefits under Title II of the Social Security Act (OASDI), and federal contractor/vendor payments. For additional information about the Federal Payment Levy Program, see www.irs.gov/businesses/small-businesses-self-employed/federal-payment-levy-program.

- Your house, car, or other property. If we seize your house or other property, we will sell your interest in the property and apply the proceeds (after the costs of the seizure and sale) to your tax debt. Prior to selling your property, we will seize and calculate a minimum bid price. We will also provide you with a copy of the calculation and give you an opportunity to challenge the fair market value determination. We will then provide you with the notice of sale and announce the pending sale to the public, usually through local newspapers or flyers posted in public places. The IRS may use additional means of announcing the sale if it believes doing so may enhance the possibility of obtaining a higher price for the property. After giving public notice, we will generally wait 10 days before selling your property. Money from the sale pays for the cost of seizing and selling the property and, finally, your tax debt. If there's money left over from the sale after paying off your tax debt, we will tell you how to get a refund.

Property that can't be seized ("levied")

Certain property is exempt from seizure. For example, we can't seize the following: unemployment benefits, certain annuity and pension benefits, certain service-connected disability payments, worker's compensation, certain public assistance payments, minimum weekly exempt income, assistance under the Job Training Partnership Act, and income for court-ordered child support payments.

We also can't seize necessary schoolbooks and clothing, undelivered mail, certain amounts worth of fuel, provisions, furniture, personal effects for a household, and certain amounts worth of books and tools for trade, business, or professions. There are also limitations on our ability to seize a principal residence and certain business assets.

Lastly, we can't seize your property unless we expect net proceeds to help pay off your tax debt.

How to appeal a proposed seizure ("levy")

You can request a Collection Due Process hearing within 30 days from the date of your Notice of Intent to Levy and Notice of Your Right to a Hearing. Send your request to the address on your notice. For more information, see **Form 12153, Request for a Collection Due Process or Equivalent Hearing**. At the conclusion of your hearing, the Office of Appeals will provide a determination. You'll have 30 days after the determination to challenge it in the U.S. Tax Court. The Tax Court may consider a petition submitted after the 30-day period if you can demonstrate that you were diligent and that the circumstances for being late were extraordinary and beyond your control. If Collection Due Process rights aren't available for your case, you may have other appeal options, such as the Collection Appeals Program.

Reasons we "release" a levy

The Internal Revenue Code specifically provides that we must release a levy if we determine that:

- You paid the amount you owe,
- The period for collection ended prior to the levy being issued,
- It will help you pay your taxes,
- You enter into a payment plan and the terms of the agreement don't allow for the levy to continue,
- The levy creates an economic hardship, meaning we've determined the levy prevents you from meeting basic, reasonable living expenses, or
- The value of the property is more than the amount owed and releasing the levy won't hinder our ability to collect the amount owed.

We will also release a levy if it was issued improperly. For example, we will release a levy if it was issued:

- Against property exempt from seizure,
- Prematurely,
- Before we sent you the required notice,
- While you were in bankruptcy and an automatic stay was in effect,
- When the expenses of seizing and selling the levied property would be greater than the fair market value of the property,
- While a payment plan request, Innocent Spouse Relief request, or Offer in Compromise was being considered or had been accepted and was in effect, or
- While Appeals or Tax Court was considering a collection due process case and the levy wasn't a Disqualified Employment Tax Levy to collect employment taxes, a state refund, a jeopardy levy, or to collect the tax debt of federal contractor.
- While Appeals or Tax Court is considering an appeal of the denial of innocent spouse relief.

Reasons we may return seized ("levied") property

We may return your property if:

- The seizure was premature,
- The seizure was in violation of the law,
- Returning the seized property will help our collection of your debt,
- You enter into a payment plan to satisfy the liability for which the levy was made, unless the Agreement does not allow for the return of previously levied upon property.
- We didn't follow IRS procedures, or
- It's in your best interest and in the best interest of the government.

We may return property at any time if the property has not been sold. If we decided to return your property, but it's already sold, we will give you the money we received from the sale. You can file a request for return of seized money or money from the sale of seized property, generally up to 9 months after the seizure.

How to recover seized ("levied") property that's been sold

To recover your real estate, you (and anyone with interest in the property) may recoup it within 180 days of the sale by paying the purchaser what they paid, plus interest at 20% annually, compounded daily.

If your property has been seized ("levied") to collect tax owed by someone else, you may appeal the seizure under the Collection Appeals Program or file a claim under Internal Revenue Code section 6343(b), generally within 2 years of the seizure, or you may file a suit under Internal Revenue Code section 7426 for the return of the wrongfully seized property, generally within 2 years of the seizure. You may also appeal the denial of the request to return the wrongfully seized property under the Collection Appeals Program. For more information, see [Publication 4528](#), [Making an Administrative Wrongful Levy Claim](#) under Internal Revenue Code section 6343(b).

How to recover economic damages

If we wrongfully seized your property, we lost or misplaced your payment, or there was a direct debit payment plan processing error and you incurred bank charges, we may reimburse you for charges you paid. For more information, see [Form 8546](#), [Claim for Reimbursement of Bank Charges](#). If your claim is denied, you can sue the federal government for economic damages.

If we intentionally or negligently didn't follow Internal Revenue law while collecting your taxes, or you're not the taxpayer and we wrongfully seized your property, you may be entitled to recover economic damages. Mail your written administrative claim to the attention of the Advisory Group Manager for your area at the address listed in [Publication 4235](#), [Collection Advisory Group Addresses](#). If you've filed a claim and your claim is denied, you can sue the federal government, but not the IRS employee, for economic damages.

Summons: Used to secure information

If we're having trouble gathering information to determine or collect taxes you owe, we may serve a summons. A summons legally compels you or a third party to meet with an officer of the IRS and provide information, documents and/or testimony.

If you're responsible for a tax liability and we serve a summons on you, you may be required to:

- Testify,
- Bring books and records, and/or
- Produce documents to prepare a Collection Information Statement, [Form 433-A](#) or [Form 433-B](#).

If you can't make your summons appointment, immediately call the number listed on your notice. If you don't call us and don't attend your appointment, we may sue you in federal district court to require you to comply with the summons.

If we serve a third-party summons to determine your tax liability, you'll be notified that the summons has been served and given a copy of the summons. Third parties can be financial institutions or people with information relevant to your case. We won't review their information or receive testimony until the end of the 23rd day after the notice was given. You also have the right to:

- Petition to reject ("quash") the summons before the end of the 20th day after the day notice is given, or
- Petition to intervene in a suit to enforce a summons to which the third party didn't comply.

If we issue a third-party summons to collect taxes you already owe, you won't receive notice or be able to petition to reject or intervene in a suit to enforce the summons.

IRS action affecting passports

The Fixing America's Surface Transportation (FAST) Act of 2015, enacted by Congress and signed into law on December 4, 2015, requires the Internal Revenue Service to notify the State Department of taxpayers certified as owing a seriously delinquent tax debt. Seriously delinquent tax debt means an unpaid, legally enforceable federal tax debt (including penalties and interest) of an individual totaling more than \$66,000 as of 2026 (adjusted yearly for inflation) for which a Notice of Federal Tax lien has been filed and all administrative remedies under IRC § 6320 have lapsed or been exhausted, or a levy has been issued. If you are individually liable for tax debt (including penalties and interest) totaling more than \$66,000 (adjusted yearly for inflation) and you do not pay the amount you owe or make alternate arrangements to pay, we may notify the State Department that your tax debt is seriously delinquent. The State Department generally will not issue or renew, and may revoke, your passport after being notified of your seriously delinquent tax debt. For additional information on passport certification visit www.irs.gov/passports.

Information for Taxpayers assigned to a Private Collection Agency

Your delinquent account could be assigned to a Private Collection Agency. We will notify you of the assignment before the Private Collection Agency contacts you and you can review [Publication 4518](#), [What You Can Expect When the IRS Assigns You to a Private Collection Agency](#). The notice from us will contain the name of the Private Collection Agency we assigned your account to, along with the Private Collection Agency's address and phone number. To protect your privacy, our notice will also provide you with a unique ten-digit Taxpayer Authentication Number. Be sure to save this number. The Private Collection Agency will only work with you on your delinquent accounts after authenticating your identity using your Taxpayer Authentication Number. Our contracts with Private Collection Agencies require that they provide you with quality service and equitable treatment. For more information about the private debt collection program, visit www.irs.gov/privatedebtcollection.

Information for employers: Collection of employment tax

About employment taxes

Employment taxes are the amount you must withhold from your employees for their income tax and Social Security/Medicare tax (trust fund taxes) plus the amount of Social Security/Medicare tax you pay for each employee. Federal unemployment taxes are also considered employment taxes.

Employment taxes are incurred at the time you pay wages and generally paid in semi-weekly or monthly deposits. You must use electronic funds transfer to make all federal tax deposits, generally through the Electronic Federal Tax Payment System (EFTPS). See **Publication 966, Electronic Federal Tax Payment System: A Guide To Getting Started**.

What we will do if you don't pay your employment taxes:

- Assess a failure to deposit penalty, up to 15% of the amount not deposited in a timely manner.
- We may file a Notice of Federal Tax Lien and/or take levy action
- We may propose a Trust Fund Recovery Penalty assessment against the individuals responsible for failing to pay the trust fund taxes.
- We may refer this matter to the Department of Justice for civil collection or criminal prosecution for failure to adhere to the reporting and payment requirements mandated by the Internal Revenue Code.

About trust fund taxes

Trust fund taxes are the income tax, Social Security tax, and Medicare tax (trust fund taxes) withheld from the employee's wages. They are called trust fund taxes because the employer holds these funds "in trust" for the government until it submits them in a federal tax deposit. Certain excise taxes are also considered trust fund taxes because they are collected and held in trust for the government until submitted in a federal tax deposit. For more information, see **Publication 510, Excise Taxes**.

To encourage prompt payment of withheld employment taxes and collected excise taxes, Congress has passed a law that provides for the Trust Fund Recovery Penalty.

For more information on employment taxes or trust fund taxes, see **Publication 15, Circular E, Employer's Tax Guide**.

Trust Fund Recovery Penalty

The Trust Fund Recovery Penalty is a penalty that is assessed personally against the individual or individuals who were responsible for paying the trust fund taxes, but who willfully did not do so. The amount of the penalty is equal to the amount of the unpaid trust fund taxes. For additional information, please see **Notice 784, Could You be Personally Liable for Certain Unpaid Federal Taxes?** or visit www.irs.gov/TFRP.

If the Trust Fund Recovery Penalty is proposed against you, you'll receive a Letter 1153 and Form 2751, Proposed Assessment of Trust Fund Recovery Penalty.

If you agree with the penalty, sign and return Form 2751 within 60 days from the date of the letter. To avoid the assessment of the Trust Fund Recovery Penalty, you may also pay the trust fund taxes personally.

If you disagree with the penalty, you have 10 days from the date of the letter to let us know that you don't agree with the proposed assessment, have additional information to support your case, or want to try to resolve the matter informally. If you can't resolve the disagreement with us, you have 60 days from the date of the Letter 1153 to appeal with Appeals. For more information, see **Publication 5, Your Appeal Rights and How to Prepare a Protest if You Don't Agree**.

If you don't respond to the letter, we will assess the penalty amount against you personally and begin the collection process to collect it. We may assess this penalty against a responsible person regardless of whether the company is still in business.

Additional information

Innocent Spouse Relief

Generally, both you and your spouse are responsible, jointly and individually, for paying any tax, interest, or penalties on your joint return. If you believe your current or former spouse should be solely responsible for an incorrect item or an underpayment of tax on your joint tax return, you may be eligible for Innocent Spouse Relief. This could change the amount you owe, or you may be entitled to a refund. You must submit **Form 8857, Request for Innocent Spouse Relief**, no later than two years from the date of our first attempt to collect the outstanding debt, except for requests for equitable relief under Internal Revenue Code section 6015(f). For additional information, see **Publication 971, Innocent Spouse Relief**.

Representation during the collection process

During the collection process, or an appeal before Appeals you can be represented by yourself, an attorney, a certified public accountant, an enrolled agent, an immediate family member, or any person enrolled to practice before the IRS. If you're a business, full-time employees, general partners, or bona fide officers can also represent you.

To have your representative appear before us, contact us on your behalf, and/or receive your confidential material, file **Form 2848, Power of Attorney and Declaration of Representative**.

To authorize someone to receive or inspect confidential material, file **Form 8821, Tax Information Authorization**.

Sharing your tax information

During the collection process, we're authorized to share your tax information in some cases with city and state tax agencies, the Department of Justice, federal agencies, people you authorize to represent you, and certain foreign governments (under tax treaty provisions).

We may contact a third party

The law allows us to contact others (such as neighbors, banks, employers, or employees) to investigate your case. Generally, we will provide notification to you prior to making third party contacts. You have the right to request a list of third parties contacted about your case.

Past due tax returns

File all tax returns that are due, regardless of whether or not you can pay in full. File a past due return at the same location where you would file an on-time return.

If you do not voluntarily file your individual income tax return you risk losing your refund and we may file a substitute return for you. This return might not give you credit for deductions and exemptions you may be entitled to receive. We may send you a Notice of Deficiency proposing a tax assessment. Filing a past due return after the Notice of Deficiency was sent does not extend the 90 day period for filing a petition to the United States Tax Court. However, the past due return will be considered in determining whether there will be a reduction in the amount of tax increase previously proposed in the Notice of Deficiency. If you do not file a petition in Tax Court and a tax increase has been determined, we will proceed with our proposed assessment as a substitute return. If the IRS files a substitute return, it is still in your best interest to file your own tax return to take advantage of any exemptions, credits and deductions you are entitled to receive. The IRS will generally adjust your account to reflect the correct figures.