



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

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MEMORANDUM FOR DIRECTOR, FIELD COLLECTION
DIRECTOR, SPECIALTY COLLECTION – OFFERS, LIENS &
ADVISORY

FROM: Kristen E. Bailey /s/ *Kristen E. Bailey*
Acting Director, Collection Policy

SUBJECT: Interim Guidance for Withdrawal of Notice of Federal Tax Lien After
Release in Offer in Compromise Situations

The purpose of this Interim Guidance (IG) memorandum is to clarify the policy regarding the withdrawal of a notice of federal tax lien (NFTL) after the lien has been released due to an accepted offer in compromise (OIC). Internal Revenue Manual (IRM) 5.12.9.9, *Requests for Withdrawal After the NFTL Has Been Released*, will be revised to include the information in this memorandum. Please ensure that this information is distributed to all affected employees in your organization.

IRM 5.12.9.9 states that a NFTL may be withdrawn after the lien has been released when, among other conditions, the tax liability has been fully satisfied. Paragraph 5 of that section further defines "fully satisfied" to include:

- *The taxpayer completed terms of an offer in compromise, including any related collateral agreements. **Note:** The completion of the five-year compliance period after acceptance of the offer is not a condition to determine "fully satisfied."*

Effective immediately, the definition of fully satisfied in IRM 5.12.9.9(5) in relation to an OIC is revised as follows:

- *The taxpayer fully paid the amount of an accepted offer in compromise. **Note:** The completion of the refund recoupment period, any related collateral agreement, and the five-year compliance period after acceptance of the offer are not conditions to determine "fully satisfied."*

Except as otherwise described in this memorandum, all procedures in IRM 5.12.9.9 for evaluating and processing requests for withdrawal remain in effect.

If you have any questions, please contact me, or a member of your staff may contact Deborah O’Camb, Program Manager or Kyle Romick, Senior Program Analyst.

cc: Director, Headquarters Collection
Chief, Appeals
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