



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

SMALL BUSINESS/SELF-EMPLOYED DIVISION

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Expiration Date: September 30, 2015

March 23, 2015

MEMORANDUM FOR CAMPUS COLLECTION DIRECTORS

FROM: DelRey Jenkins
Director, Campus Collection

Kristen Bailey
Acting Director, Collection Policy

SUBJECT: Deviation Authority to discontinue the processing of ACS Support (ACSS) Levy Responses

This deviation from IRM 5.19.6.14 Levy Responses, IRM 5.19.4.4.1 Levy Responses: General Information, through IRM 5.19.4.4.10 Levy Release: General Information, and IRM 5.19.6.17.3 Undeliverable Levy Procedures for All ACS Support Employees, allows for the discontinuation of processing ACSS Levy Responses. ACSS is currently experiencing severe backlogs in taxpayer correspondence (TDA correspondence, Collection Information Statements, and IA/DDIAs). Overtime is not available to become current; therefore, resources will be re-directed from levy responses (third party correspondence) to taxpayer correspondence.

The ACSS Levy Response program can provide information to update and/or delete levy source data on ACS, update account histories with potential leads to locate a taxpayer, and issue a prompt release of levy when appropriate. When levy responses are received with remittance and are not processed, the risk of over collecting on a taxpayer's account is mitigated when the ACS *weekly* account analysis based on the TDA balance is performed and will systemically issue the release of levy when the criteria is met. Additionally, there are transcripts that generate when levy payments are applied to modules that have been in ST12 for more than 10 weeks.

As previously mentioned, while locator information (e.g. address and/or telephone number information) is sometimes provided with the levy responses, a correspondence study conducted in one ACSS Site in 2013 showed that 76% of the levy responses reviewed provided no new address or telephone number information. Currently, there is no data to determine if ACS would have obtained the same information later in the locator process.

During the deviation period, ACSS will:

- Cease processing paper third party levy responses (Form 668-A or 668-W) as well as undeliverable levies
- Continue to work responses received from taxpayers on Form 8519 "Taxpayer's Copy of Notice of Levy"
- Cull levy responses received from Submission Processing/Campus Support for attachments, e.g., correspondence, returns, remittances prior to discarding as classified waste
- Treat any existing levy response inventory as classified waste

ACS Call Site employees will:

- Continue to follow procedures contained in IRM 5.19.4.4.3 for telephone responses to levy notices.

Additionally, during the remainder of FY2015, Campus Headquarters and Collection Policy will complete an analysis to determine the impact of not working levy responses. ACSS will be provided additional information about this analysis, which will require them to hold a small sampling of receipts each month. The results of this analysis will determine whether to resume processing, extend the deviation pending further analysis, modify requirements, or discontinue the program permanently.

This deviation will be effective from the date of this memorandum through September 30, 2015.

If you have any questions, please contact Suzanne Wolfe, Senior Tax Analyst Collection Policy, Enforcement, at (631) 447-4573, or Jenell Coker, Senior Tax Analyst, Collection Policy, Campus Policy, at (267) 941-2452.

cc: Director, Headquarters Collection
Director, Collection Inventory Delivery & Selection
Director, Collection Quality & Technical Support