



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

SMALL BUSINESS/SELF-EMPLOYED DIVISION

October 18, 2013

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Effective Date: October 14, 2013  
Expiration Date: October 28, 2013  
Impacted: IRM 5.12.7

MEMORANDUM FOR DIRECTOR, ADVISORY AND INSOLVENCY  
DIRECTORS, FIELD COLLECTION AREA OPERATIONS  
DIRECTOR, CAMPUS COMPLIANCE SERVICES  
DIRECTOR, COMPLIANCE, WAGE AND INVESTMENT  
OFFICE OF APPEALS

FROM: Michelle C. Alvarado */s/Michelle Alvarado*  
Acting Director, Collection Policy

SUBJECT: IRM 5.12.7, Notice of Lien Preparation and Filing

The purpose of this memorandum is to issue interim guidance containing the policies and procedures for IRM 5.12.7, *Notice of Lien Preparation and Filing*. This guidance is effective as of October 14, 2013. Media and Publication will publish the IRM on or before October 28, 2013. The delay in publication is due to the government shutdown.

Use the attachment, which contains the IRM 5.12.7 and its exhibits. The remaining IRMs in the 5.12, *Federal Tax Liens* series are published and effective as of October 14, 2013.

IRM 5.12.1 Lien Program Overview  
IRM 5.12.2 Notice of Lien Determinations  
IRM 5.12.3 Lien Release and Related Topics  
IRM 5.12.6 Appeals Processes Involving Liens  
IRM 5.12.8 Notice of Lien Refiling  
IRM 5.12.9 Withdrawal of Notice of Federal Tax Lien  
IRM 5.12.10 Lien Related Certificates  
IRM 5.12.11 Lien Special Topics

Access them at <http://irm.web.irs.gov/indexes/numerical/part5.asp?anchor=#chapter12>  
or <http://publish.no.irs.gov/pubsys/irm/indp05.htm>.

If you have any questions, please contact me, or a member of your staff may contact Christine Kalcevic, Senior Program Analyst.

Attachment

cc: Division Counsel, SB/SE  
Associate Chief Counsel (Procedure and Administration)  
[www.irs.gov](http://www.irs.gov)

## Manual Transmittal Month DD, YYYY

### Purpose

(1) This transmits the new IRM 5.12.7, Federal Tax Liens, Notice of Lien Preparation and Filing.

### Background

(1) A revision of the IRM 5.12 chapter has been done to consolidate and coordinate like topics, reduce duplication of content, and provide an overview, cross-references, and contacts.

### Material Changes

(1) Introduces new IRM with title of Notice of Lien Preparation and Filing which identifies the content contained in this IRM.

(2) The following table provides a cross walk of sections MOVING TO IRM 5.12.7 FROM other IRM 5.12 location(s)

table frame="all" indent="" summary="crosswalk showing what IRM subsections are moving from other chapter 5.12 subsections to IRM 5.12.7	
Moving from ____	to IRM 5.12.7
5.12.2.6 - 14	
<div>br</div> 5.12.2.19	
<div>br</div> 5.12.2.21	
<div>br</div> Exhibit 5.12.2-1	
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<div>br</div> 5.12.6.9.1	

(3) IRM sections reorganized and consolidated from previous content locations to provide better clarity for the user.

(4) Duplicate material incorporated, combined, or deleted for sections with similar material.

(5) 5.12.7.2 Adds a new section titled “How the Lien Notice Document Is Constructed”

(6) 5.12.7.3(16) Adds an instruction on how to prepare a Notice of Federal Tax Lien (NFTL) when there are more partners than can fit on the face of the NFTL document.

(7) 5.12.7.5.5 adds a new section to address NFTL filing where a substitute for return (SFR) module contains a subsequently filed return converting the module's filing status to married filing joint.

(8) 5.12.7.5.6 Adds a new sub-section for Consolidated Groups

(9) 5.12.7.6 Special Condition NFTLs section revised to update the instructions to better clarify the topic. An Illinois Land Trust example added. A reminder added that a taxpayer NFTL should also be filed in those locations where a special condition NFTL is filed.

(10) 5.12.7.6.4.1 Adds instruction to ensure a taxpayer NFTL is filed in any location that a special condition NFTL is filed.

(11) 5.12.7.6.5 Instructs that Letter 3172 notification be used when Collection Due Process (CDP) rights are afforded a taxpayer for an NFTL and special condition NFTL filing.

(12) 5.12.7.6.7(2) Adds a records control requirement for Special Condition files.

(13) 5.12.7.6.7(5) Adds instruction regarding withdrawal of special condition NFTL.

(14) 5.12.7.7.1(5) Adds instruction that the Transaction Code (TC 582) lien indicator and TC 360 filing fee must be posted manually by the initiator when a lien notice is filed less than 10 days after assessment.

(15) 5.12.7.7.3 Adds a new sub-section to address NFTL filing for Offshore Voluntary Disclosure Initiative (OVDI) assessments.

(16) 5.12.7.7.4 Adds a new sub-section to address NFTL filing on restitution-based assessments by incorporating Interim Guidance SBSE-05-0713-0059, *Filing Notices of Federal Tax Lien on Restitution-Based Assessments*.

(17) 5.12.7.8 Adds clarification for revenue officers filing NFTL for taxpayers living abroad.

(18) 5.12.7.8 Corrects operating division acronym from LMSB to LB&I.

(19) *Filing Fee Abatements*, relocated in IRM 5.12.3.2.1 as being more in line with actions associated with releases. The sub-section on *Designated Payment Codes* relocated to IRM 5.12.7.12.4.

(20) Exhibit 5.12.7-2, *State Filing Locations*, has been updated based on changes in local filing circumstances and to add the United States Territories.

(21) Exhibit 5.12.7-3, *Restitution NFTL*, adds example of this NFTL type.

### Effect on Other Documents

This material supersedes IRM 5.12.1, dated January 9, 2009, IRM 5.12.2 dated March 8, 2012, IRM 5.12.3 dated June 1, 2010, IRM 5.12.6 dated July 16, 2010, and Interim Guidance SBSE-05-0713-0059, *Filing Notices of Federal Tax Lien on Restitution-Based Assessments* dated July 19, 2013.

### Audience

SBSE and W&I Collection, Centralized Lien Operation, and Appeals

### Effective Date

(MM-DD-YYYY)

### Signature

Michelle C. Alvarado  
Acting Director, Collection Policy  
Small Business/Self Employed Division

## IRM

### Part 5

### Collecting Process

### Chapter 12

### Federal Tax Liens

### Section 7

### Notice of Lien Preparation and Filing

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### 5.12.7.1 (MM-DD-YYYY)

#### Purpose

- (1) Notices of Federal Tax Lien (NFTL) fulfill the requirement of IRC § 6323 for providing evidence to the creditors listed in IRC § 6323 of the statutory lien's existence and its effect on the taxpayer's property based on the filing date of the NFTL.
- (2) The purpose of this IRM is to convey instructions for preparing and filing Notices of Federal Tax Lien.

### 5.12.7.2 (MM-DD-YYYY)

#### How the Lien Notice Document Is Constructed

- (1) The first thing to remember about a lien notice is that it can contain as many as 15 statutory liens (assessments) on one notice.
- (2) The name must properly identify whose statutory lien is being noticed. See IRM 5.12.7.5 for a discussion on name line considerations.
- (3) There are two important statements on the lien notice. They are the notice purpose and the self-release clause.
- (4) In bold print at the top of the lien notice, Form 668 (Y) (c), is the statement declaring that statutory liens exist, the reason for filing the notice, and what the statutory liens attach to: "As provided by section 6321, 6322, and 6323 of the Internal Revenue Code, we are giving a notice that taxes (including interest and penalties) have been assessed against the following-named taxpayer. We have made a demand for payment of this liability, but it remains unpaid. Therefore, there is a lien in favor of the United States on all property and rights to property belonging to this taxpayer for the amount of these taxes, and additional penalties, interest, and costs that may accrue."
- (5) After the taxpayer name and address the notice contains the self-release clause. Once the clause is executed, it has the effect of releasing both the underlying statutory lien and the lien notice: **"IMPORTANT RELEASE INFORMATION:** For each assessment listed below, unless notice of the lien is refiled by the date given in column (e), this notice shall, on the day following such date, operate as a certificate of release as defined in IRC 6325(a)".

### 5.12.7.3 (MM-DD-YYYY)

#### Preparing the NFTL General Instructions

- (1) It is important that the information to be used when filing an NFTL is correct and that the NFTL is prepared and filed timely. This is the responsibility of the person assigned the balance due account.
- (2) Revenue officers at the GS-9 level and above have the authority to issue Form 668(Y)(c). All lien delegations are found in Delegation Order 5-4 found in IRM 1.2.44.5. The employee's name and identification number should be typed in the lower portion of the form and the title inserted in the appropriate block.
- (3) **Signatures are not required.** However, documents generated by the Automated Lien System (ALS) have facsimile signatures.
- (4) Part of NFTL preparation includes determining the last known address and any changes of address for taxpayers in order that Collection Due Process (CDP) and Power of Attorney (POA) notices are issued correctly.
- (5) Individual joint liability taxpayers where spouses are separated or divorced may each have a separate address and a separate POA.  
  
*Reminder:* It is important to ensure that all parties are appropriately informed of the lien notice filing and any associated CDP rights. See IRM 5.12.6, *Appeals Processes Involving Liens*.
- (6) If you have verified a change of address, be sure to update ENMOD to ensure IDRS and Master File reflect the taxpayer's most current data.
- (7) When encountering PO Box addresses during the NFTL preparation process, check for alternate addresses to ensure that NFTLs are filed with **all** appropriate recording offices.
  - A CDP notice should be mailed to both a PO Box as the "last known address" and the physical address identified. See IRM 5.12.6, *Appeals Processes Involving Liens*.
  - There have been occasions where a taxpayer will secure a post office box (PO Box) in a county other than their county of residence and then use that PO Box as the address on their return.
  - Take particular note of the correct filing location where a post office district reflects the mailing address in one county but due to local changes over time the actual property location is physically in another county. An NFTL must be filed with the recorder where the property is located.
- (8) Revenue officers will use ICS to prepare NFTLs for cases in their inventories, except NFTLs with special conditions (see IRM 5.12.7.6).



(9) Revenue Officers have the ability to create modules on ICS for cases assigned to them but if problems are encountered, the Group managers will ensure that modules requiring NFTLs are created on ICS for:

- a) periods that are not assigned to the revenue officer, or
- b) do not exist on ICS.

(10) Revenue officers will use the ICS lien notice template to create lien notices that require expedited processing, i.e., prompt assessments and/or jeopardy or termination situations.

**Reminder:** Revenue officers need to ensure manually prepared lien notice documents redact the first five numbers of any Social Security Number (SSN).

(11) Employees needing to adjust the taxpayer's name will **NOT** include SSNs in the name field. SSNs must be redacted and ALS cannot identify and redact an SSN located in the name field.

(12) If the lien notice is being filed on a joint name line, both names must appear on the first name line. Use "and" or "&" between the names. This ensures both parties receive a CDP notice. Additional information can be found in IRM 5.19.12.2.2. This information can also be found in the entity section of the [ALS User Guide Chapter Four](#).








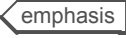
(13) NFTLs must show the taxpayer's last known address. Employees will **NOT** include SSN's in the street address field. The word "Local" will be used **ONLY** if it is part of the street name. "Local" alone is not sufficient for mailing purposes. Further, a city, state and zip code, must be input to the appropriate data fields.

(14) Multiple statutory liens (assessments) against the same taxpayer may be included on one Form 668(Y)(c). Because single and joint liabilities do not belong on the same lien notice, exceptions that come up when there is a joint entity taxpayer are noted below.

**Exception:** When one or more of the balance dues are Master File Tax (MFT) 55 assessments and the taxpayer is a joint entity. In this circumstance the MFT 55 assessments, which are assessed against one individual, must go on a separate lien notice under the liable taxpayer's name. MFT 55 assessments cannot be listed on the same NFTL with a non-liable party

**Exception:** Lien Notices with MFT 31 modules should not be filed using a joint name line. Use "MFT31" as the tax type (MFT) when inputting NFTLs on MFT31 modules.

Otherwise:

If	Then
there are one or more statutory liens (balance due modules)	prepare a separate entry in every column for each module. The dollar amount for each unpaid statutory lien (balance of assessment) will be shown.
there are multiple statutory liens (assessments) within one balance due module	show the assessment dates and the balance of all statutory liens (unpaid assessments) including those penalties which carry a separate collection statute.
an accrued amount on an existing assessment remains outstanding and the assessed amount is paid	file an NFTL on the total accrued amount as of the date the NFTL is requested.
the taxpayer's name on the statutory lien (balance due) is incorrect	<p>the NFTL should state the taxpayer's name correctly. Take the actions necessary to correct master file.</p> <p> <b>Note:</b> There may be instances when the name on the NFTL does not agree with what is on the balance due (e.g., if the statute has been extended on one taxpayer on a joint assessment, only the name of the still liable taxpayer should appear on the NFTL). </p>
the statutory lien (balance due) entity shows the name of a third party, (e.g. accountant, attorney, etc.), and an NFTL is being filed	<p>attempt to identify the address of the taxpayer for use when filing the NFTL. If the address of the third party is used, do </p> <p> <b>not</b>   show the name of the third party in the entity section. An NFTL name line should never show the name of a third party, the names of corporate officers, or the names of LLC members when the LLC is the liable taxpayer. When dealing with a  "c/ o"  be sure that the name and address on the NFTL is that of the taxpayer.</p>

**(15) A joint NFTL** may be filed if a module changes from separate to joint filing status. This might occur if there has been an SFR assessment for an individual and they subsequently file a joint return with a spouse. The reason a joint NFTL may now be filed is because both spouses, by signing a joint return, have accepted responsibility for the liability on the module. Any previously existing NFTL for one of the spouses, filed prior to the status changing to joint, cannot be amended to add the joining spouse. A new NFTL listing both spouses would need to be filed. If filing against the joint name is prohibited

(e.g. bankruptcy of one spouse only), file the new NFTL listing only the joining spouse. See also IRM 5.12.7.5.5.

**(16) A partnership NFTL** where employment taxes are involved, should be prepared showing the words “a partnership” after the partnership name and list the names of known general partners (e.g., XYZ, a partnership, A, a partner, B, a partner, C, a partner).

- When a general partner is listed on the NFTL, a copy of L3172 must be provided to both the partnership and the general partner. See IRM 5.12.6, *Appeals Processes Involving Liens*.
- If there are more partner names which must be on the NFTL than can fit in the space for an ALS created NFTL nameline, then an ICS manual NFTL needs to be used. The manual NFTL provides the ability to add a second page which can then list the partners which did not fit on the face of the NFTL document.
- File an NFTL in the jurisdiction where each general partner resides as well as where the partnership is located. When the place of filing changes, file a separate NFTL, i.e., file two NFTLs if the partnership and one of the general partners lives in a different jurisdiction, etc. Provide multiple address information to CLO, if appropriate, or create the NFTL. See also IRM 5.12.7.5.2.

**(17) A corporation NFTL** should have the words “a corporation” after the corporate name, e.g., XYZ, Inc., a corporation. When the NFTL request is processed through ALS, the descriptor will automatically be added when “corporation” is the entity type selected. The phrase must be added when the NFTL is not processed through ALS.

**(18) A Form 2290, Heavy Highway Vehicle Use Tax Return NFTL** should be prepared using the period beginning date (e.g. 07-01-2012) rather than the ending date (e.g. 06-30-2013). This is very important when there is more than one period for a specific TIN. The period beginnings must be used to separate each assessment to ensure that we receive the module satisfaction indicator from the master file when each module is satisfied.

### 5.12.7.3.1 (MM-DD-YYYY)

#### Creating the Notice of Federal Tax Lien, Form 668(Y)(c)

- (1)** Notices of Federal Tax Lien (except estate tax liens) will be filed through the ALS.
- (2)** Generally lien notices are systemically created in ALS from ICS or ACS data uploads. When this is the case use the appropriate ICS (*ICS User Guide*, Chapter 13, *Federal Tax Lien*) or ACS (*IRM 5.19.4.6*) NFTL request process.
- (3) ICS users** should update any incomplete address on ICS prior to requesting the lien notice through ICS. Revenue officers must check their ICS notifications daily for rejects. Rejects must be resolved and the NFTL reinput. Failure to follow these procedures will result in an NFTL not being filed.

(4) When the NFTL request cannot be completed systemically, complete Form 12636, *Request for Filing or Refiling Notice of Federal Tax Lien* and secure email the form to the appropriate CLO team.

(5) If ALS is used to create the lien notice, follow instructions in the [ALS User Guide](#) which can be accessed from the [Automated Lien System](#) web site.

(6) ALS systemically redacts a portion of the SSNs on original lien notice filing requests issued after January 2006. Releases, withdrawals, revocations, etc., associated with NFTLs issued prior to January 2006 were issued with full SSNs. Effective January 2008, SSNs were partially redacted (xxx-xx-1234) on all documents sent to recording offices, including those where the original document was recorded with the full SSN.

(7) **DO NOT** request NFTLs with SSNs or "Local" in the street address line, numbers (e.g., 12222) without a street name; a blank street name, etc.

(8) ROs need to check their ICS notifications daily for rejects. Rejects must be resolved and the NFTL reinput. Failure to follow these procedures will result in an NFTL not being filed. **ALS will reject** to the originator:

- a) any NFTL with an incomplete address.
- b) any lien notice request that **does not have a current valid assessment date or is requested less than 10 days after assessment**. Revenue officers must not use projected assessment dates when requesting NFTL. Not filing an NFTL less than 10 days after assessment is a precaution. The establishment of the statutory lien requires that the taxpayer has received notice and demand and has neglected or refused to pay (IRC § 6321). Without the statutory lien a Notice of Federal Tax Lien cannot be filed.

If an NFTL is rejected by the recording office, CLO will secure e-mail the originator, attach a copy of the rejected document and explain the reason for the rejection.

(9) The following information is used to create and maintain lien notice information in ALS:

- a) Entity information: taxpayer identification number, name and address, as well as the name control.
- b) Tax assessment information: MFT, tax period, assessment date, taxpayer identification number, last date for refiling, and the unpaid balance of assessment.
- c) Recording Office information: place of filing and the recording office address.
- d) Administrative information: employee name, assignment number, phone number and location.

(10) If the user does not have access to ICS, ACS, or the ALS permissions to file or refile an NFTL, submit the request by secure E-mail to Centralized Lien Operation (CLO). See [Form 12636, Request for Filing or Refiling a Notice of Federal Tax Lien](#) and IRM Exhibit

5.12.1-1 for the ALS Permissions chart.

(11) CLO will complete requests received from revenue officers, Advisory, Insolvency, and other delegated functions. These requests from revenue officers should be rare and restricted to instances where the revenue officer does not have access to ICS or the lien notice cannot be filed through ICS, i.e., there is a access computer problem or some other impediment to access. Requests for lien notice filings from Advisory and Insolvency will also be limited because of existing ALS permissions in these functions to create lien notices and other lien documents created through ALS. See IRM Exhibit 5.12.1-1 for the ALS Permissions' chart.

**Note:** Amended and nominee/alter ego/transferee lien notices may require special handling, such as the suppression of the collection due process notice. Sufficient information will be input to ALS to ensure the appropriate CDP notice is generated.

### 5.12.7.3.2 (MM-DD-YYYY) Requesting NFTLs Using Form 12636

(1) There are several types of employees who do not have cases assigned to them on ICS or ACS such as employees in the walk-in, correspondence, Appeals, Examination (Innocent Spouse examiners) and toll free areas. These and other employees may be able to research lien notice information using ALS, but do not have the capability to create documents in ALS or systemically request them.

(2) For those employees needing to file lien notices who either do not have access or the special conditions for the lien notice do not fall within normal parameters, the Form 12636 is used to provide the needed information to CLO in order for them to create the needed document in ALS. Form 12636 is a PDF fillable form which can be saved to your computer and is found through the publishing catalog.

(3) Send Form 12636 by secure E-mail to CLO for preparation of NFTLs.

**Note:** There is also an ICS Template for ICS users.

(4) Prior to submission the requesting employee will review Form 12636 to determine if all the information required to prepare the NFTL, including name and telephone number of the contact person for generation of the CDP notice, has been provided. This information is not available in CLO.

**Note:** The lien unit may contact the requester for additional information, if necessary.

(5) The employee requesting the NFTL will provide the entity information regarding any co-obligors (e.g. spouse, partners, etc.) and POA.

(6) Requests received by CLO will be input to ALS within 5 business days of receiving the request.

(7) ACS Support has responsibility for CDP follow up for walk-in, correspondence, Appeals, Examination (Innocent Spouse examiners), and toll free areas.

(8) Employees with ALS access may research ALS using the taxpayer's TIN to determine if the NFTL has been created.

#### 5.12.7.4 (MM-DD-YYYY) Manual NFTL Preparation

(1) In certain exigent circumstances, an NFTL may need to be filed more quickly than it can be when using ALS systemic print and mail delivery process. These situations necessitate the NFTL being manually prepared and personally delivered to the recording office.

(2) A manually prepared NFTL can only be done through either ALS by skipping the systemic print and mail process or through ICS. In each situation the manual NFTL is manually printed and hand delivered.

(3) As a general rule, these manual preparations are done by revenue officers who are personally carrying the NFTL to the recorders for filing.

(4) Manually prepared and hand carried NFTLs will be kept to a minimum.

**Reminder:** Redact the Redact the first five numbers of the SSNs.

##### 5.12.7.4.1 (MM-DD-YYYY) Manually Prepared NFTLs Without ICS

(1) Employees who need to prepare an NFTL for immediate filing and who do not have access to ICS, need to either generate a SLID (Serial Lien Identification) number on ALS or contact CLO to secure a SLID.

(2) The employee will create the lien notice on ALS by inputting all required information. If the employee does not have ALS input capabilities, secure e-mail Form 12636 to CLO requesting that a SLID be issued immediately. See also IRM 5.12.7.6.4.5.

(3) Request that the printing of the NFTL be suppressed before the SLID is generated. If printing is not suppressed, a duplicate lien notice will be systemically generated.

**Reminder:** CDP notices must be addressed as they will not be systemically generated for manually prepared lien notices outside of the ICS and ALS system.

(4) Type the lien notice information, including the SLID number obtained from ALS, into Form 668(Y)(c).

**Note:** Only SLID numbers generated by ALS will be used on NFTLs. Employees will **not** create (make-up) SLID numbers. NFTLs issued without

systemically generated numbers will not be released by ALS. This is important because IRC § 6325 requires that liens be released within 30 days of being satisfied or becoming unenforceable.

(5) Print the NFTL on your local printer.

(6) Make arrangements with a field employee, to have the NFTL hand carried to the recording office. Recording fees are to be paid by the employee and added to the employee's travel voucher for reimbursement UNLESS the filing fee exceeds normal costs AND the recorder accepts the billing support voucher (Form 3982). If the recorder accepts the Form 3982, instruct the recorder to fax the billing voucher to the CLO for payment.

**Note:** Almost all recording offices are paid by Electronic Fund Transfers (EFT). CLO, in the past, arranged with some recording offices to allow ROs to add NFTL fees to the billing invoice. You will need to speak with the CLO team responsible for your area to determine if a similar method is still available. If so, provide the recording official with Form 3982, *Billing Support for Lien and Certificate Fees*.

(7) After filing, the stamped document will be returned to the originator, who is responsible for inputting recording data on ALS within **4 calendar days of filing the NFTL**. If the employee does not have ALS input capabilities, the complete recording information must be sent via secure e-mail to CLO with the request that it be input to ALS.

**Reminder:** If recording information is not input to ALS, timely lien release may not occur.

#### 5.12.7.4.2 (MM-DD-YYYY) Manually Prepared NFTLs Using ICS

(1) Revenue officers hand carrying NFTLs for immediate filing will select the manual ICS lien notice process on the ICS system to receive a SLID notification via ICS to prepare NFTLs prior to requesting the NFTL. An ICS systemically created SLID is recognized by ALS.

**Note:** CDP notices are systemically generated by ALS for ICS manually prepared lien notices. If there is a concern that the CDP notice will not be received within five business days of the NFTL filing, consider manual issuance of the CDP notice(s). See IRM 5.12.6, *Appeals Processes Involving Liens*.

(2) Type the lien notice information, including serial number obtained from ICS, into the ICS template, Form 668(Y)(c).

**Reminder:** Only SLID numbers generated by ICS or ALS will be used on NFTLs. Revenue officers will not create (make-up) SLID numbers. NFTLs issued without systemically generated numbers will not be released by



ALS. Refer to the [ICS User Guide](#) for assistance or contact your manager.

(3) Print the ICS template NFTL on your local printer.

(4) When hand carried to the recording office, recording fees are to be paid by the employee and added to the employee's travel voucher for reimbursement UNLESS the filing fee exceeds normal costs AND the recorder accepts the billing support voucher ( Form 3982, *Billing Support for Lien and Certificate Fees*). If the recorder accepts the Form 3982, instruct the recorder to fax the billing voucher to the CLO for payment.

**Note:** Almost all recording offices are paid by Electronic Fund Transfers (EFT). CLO, in the past, arranged with some recording offices to allow ROs to add NFTL fees to the billing invoice. You will need to speak with the CLO team responsible for your area to determine if a similar method is still available. If so, provide the recording official with Form 3982.

(5) Revenue officers are responsible for inputting recording data within **4 calendar days of filing the NFTL**. If the RO does not have ALS input capabilities, the complete recording information (including the taxpayer's name and TIN or the NFTL SLID) must be secure e-mailed to CLO for ALS input.

**Note:** If recording data is not input to ALS, timely lien release may not occur.

#### 5.12.7.5 (MM-DD-YYYY)

##### Name Line Considerations When Preparing NFTL

(1) The name line of the lien notice identifies for creditors whose statutory lien we are noticing them about. The name has to be accurate enough for creditors to appropriately recognize and understand what property is encumbered. This section discusses entity considerations that need to be kept in mind when preparing NFTL for filing.

#### 5.12.7.5.1 (MM-DD-YYYY)

##### Use of Trade Names

(1) The abbreviation 'd/b/a' for 'doing business as' should be used only when an individual is actually doing business as a sole proprietor under a trade name, e.g., Edwin E. Kelly d/b/a Kelly's Garage. The abbreviation should never be used in a partnership situation.

(2) The same degree of care should be exercised when using the abbreviation 't/a' for 'trading as'. This is used where a corporate, partnership, or LLC entity operates under a trade name other than the corporate, partnership, or LLC name, e.g., Werk Hard, Inc., t/a The Diggers.

**Caution:** When the owner of an LLC is the liable taxpayer for employment taxes, the trade name of the LLC should **not** be included on the NFTL.



(3) If the d/b/a or t/a name is included in the ICS “Secondary” name line field, create a new Name/Address record to include this information on the ICS “Primary Continued” name line field so it will appear on the NFTL.

#### 5.12.7.5.2 (MM-DD-YYYY)

##### Partnership

(1) General partners are individually liable for partnership debts, and separate assessments against them are not essential to sustain their individual liability. The separate liability of the partners is not an issue unless the partnership neglects or fails to pay the assessed liability.

(2) Partnerships normally have one employer identification number (EIN).

table frame="none" id="id357510090" summary="IF THEN table with instructions on how to handle partnership situations in relation to no	
If	Then
a single partnership has multiple outlets or businesses	one EIN should be assigned to that partnership.
the same person established several partnerships	each partnership should be assigned a different EIN.
there is any doubt that a change in the name of a partnership will affect any NFTL filings	request an advisory opinion from Area Counsel through appropriate channels. See <span style="border: 1px solid black; padding: 0 2px;">citation type="IRM"</span> IRM 5.1.11.7.14 <span style="border: 1px solid black; padding: 0 2px;">citation</span> , <span style="border: 1px solid black; padding: 0 2px;">emphasis type="i"</span> <i>Entity Changes</i> <span style="border: 1px solid black; padding: 0 2px;">emphasis</span> , for entity change procedures. BMF must reflect the name change. <span style="border: 1px solid black; padding: 0 2px;">note</span> <b>Note:</b> Although a change in name due to a change in membership of a partnership resulting from death, withdrawal, substitution or addition of a partner does not, in itself, effect a termination of a partnership for FICA or FUTA purposes, it does have an effect on the composition of the entity at law insofar as the collection of debts from the separate partners is concerned. <span style="border: 1px solid black; padding: 0 2px;">note</span>
Area Counsel advises that a new form should be submitted based on any changes in a partnership	prepare either a <span style="border: 1px solid black; padding: 0 2px;">citation type="Form"</span> Form SS-4 <span style="border: 1px solid black; padding: 0 2px;">citation</span> , Application for Employer Identification Number or <span style="border: 1px solid black; padding: 0 2px;">citation type="Form"</span> Form 2363 <span style="border: 1px solid black; padding: 0 2px;">citation</span> , Master File Entity Change.

adding to or changing a partnership entity

list all partners adding emphasis type="q" "PTR" emphasis following the name of the last partner.

(3) A supplemental assessment is not required when adding a general partner's name to the partnership assessment. The Service's position is that the assessment and statutory lien against the partnership is also an assessment and statutory lien against each general partner.

### 5.12.7.5.3 (MM-DD-YYYY) Limited Liability Company (LLC)

(1) When filing an NFTL on a single member disregarded LLC entity, whether the name of the single member or the name of the LLC should appear on the lien notice document depends on the tax liability being collected.

- a) For collection of employment taxes incurred with respect to wages paid **on or after** January 1, 2009, the LLC is the taxpayer and the name on the lien notice document should be the name of the LLC. See Treasury Regulation 301.7701-2T(c)(2)(iv)(A).
- b) For collection of certain excise tax liabilities imposed on or after January 1, 2008, the LLC is the taxpayer and the name on the lien notice document should be the name of the LLC. See Treasury Regulation 301.7701-2(c)(2)(v)(A).

(2) For NFTLs filed with respect to collection of liabilities not addressed in (a) or (b) above, you must determine whether the LLC or the single member owner of the LLC is the liable taxpayer. See IRM 5.1.21, *Collecting from Limited Liability Companies*, for assistance in making that determination. If the single member is the taxpayer then only the name of the single member should be included on the lien notice document.

**Caution:** Do not include the name of the disregarded entity. Such action would indicate to a potential creditor that the government has perfected a lien interest in the assets of the LLC. Including the name of the LLC would create a situation parallel to a "doing business as" or "trading as" secondary name line.

(3) If the NFTL is incorrectly filed in the name of the disregarded LLC and the single member is not listed on the lien notice document, then file a new NFTL in the name of the single member.

- a) Withdraw the previously filed NFTL listing **only** the name of the disregarded entity.

**Caution:** Depending on the facts of each case, an NFTL identifying the disregarded LLC as the taxpayer may be a valid notice against the single member owner. The Government's position is that an

NFTL need not precisely identify the taxpayer; rather, the NFTL is valid if it substantially complies with the filing requirement so that constructive notice is provided to third parties. The Service loses priority when withdrawing NFTLs so consult with Area Counsel where the name of the LLC is very close to the name of the taxpayer. Allow Counsel to make a determination based on the case facts.

- b) Do not release the previously filed NFTL filed in the name of the disregarded entity. This action would extinguish the underlying statutory lien which under IRC § 6322 is associated with the assessment.
- c) Filing under the correct name will not preserve the priority of the NFTL filed under the name of the disregarded LLC

(4) If the NFTL is incorrectly filed in the name of the disregarded LLC but the single member owner is also listed on the lien notice document, then correct the filed NFTL by removing the name of the disregarded LLC and referring back to the original NFTL.

- a) To correct a filed NFTL through the ALS application use the ALS AMEND program. The ALS AMEND program will supply the verbiage to connect the amended NFTL to the original NFTL.
- b) Use the Centralized Lien Operation (CLO) [Form 13809](#), available through the Publishing web site, to request CLO amend the original NFTL.
- c) Issue a partial Withdrawal only if requested.
- d) Do not release the previously filed NFTL. The release will extinguish the underlying statutory lien which under IRC § 6322 is associated with the assessment.

(5) The EIN used in the assessment should be used for the lien notice, despite the resulting mismatch between the entity name and the EIN, to ensure systemic notifications for the lien release in the Automated Lien system.

**Note:** Certain mistakes on the NFTL are permissible so long as the name on the NFTL is sufficient to put third parties on notice of a lien outstanding against the single member. Thus, even if the EIN used in the assessment and in the NFTL is that of a disregarded entity, the NFTL is still valid when it is filed in the name of the single member.

**Reminder:** If the name control and TIN on ALS are not the same, the TC582 and TC583 will not post. See IRM 5.12.7.9.2 for name control mismatch instructions.

(6) The entity type for the single member will dictate where the NFTL is filed with regard to the recording official specified in a state's version of the Uniform Federal Lien Registration Act.

If the single member is	then the NFTL filing location is the
a corporation	Secretary of State or equivalent official specified in state law.
a partnership	location provided for partnership filing in state law.
an individual	residence of the individual (for personal property). <div>note</div> <b>Note:</b> To perfect the lien against real property, owned by the single member, state law generally requires filing with the jurisdiction where the property is physically located. <div>note</div>
another LLC	location specified for the tax status elected by LLC or member status if single member LLC is also disregarded.

(7) When filing an NFTL where the LLC is the liable taxpayer:

- select the name line that contains only the name of the LLC (and trade name, if applicable).
- select the "Limited Liability Company" entity type when requesting NFTL through ICS.
- select the "LLC" entity type when requesting an NFTL through ALS.
- File it in the location specified for corporations in a state's version of the Uniform Federal Lien Registration Act .

(8) If the liable taxpayer changes, due to changes in ownership, classification or regulations, special actions may be required:

table frame="all" id="id357510164" summary="IF THEN table explaining how to file liens when LLC entity change occurs" width="4.5in"	
<div>emphasis type="b" If the identity of the taxpayer changed... emphasis</div>	<div>emphasis type="b" Then ... emphasis</div>
From one period to the next resulting in a change of the taxpayer of record	Separate NFTLs must be filed for each taxpayer, selecting the appropriate tax periods for each.

During a tax period	<p>Separate calculation of the portion of liability attributable to each taxpayer is required</p> <p><b>bulletlist</b></p> <ul style="list-style-type: none"> <li>• There may be two separate NFTLs with different names but the same EIN and tax period with the appropriately allocated amounts of liability.</li> <li>• Complete Form 12636, <i>Request for Filing or Refiling Notice of Federal Tax Lien</i>, for each liable taxpayer and send by secure email to the appropriate team in Centralized Lien Operation (CLO).</li> </ul> <p><b>bulletlist</b></p> <p>See <i>IRM 5.1.21</i></p>
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### 5.12.7.5.3.1 (MM-DD-YYYY) Creating New LLC Name Line Using ICS

- (1) The NFTL must properly identify the name of the taxpayer so that the public is placed on notice. You must determine whether the LLC or the owner is the liable taxpayer.
- (2) Care should be taken to ensure that the NFTL is filed properly by selecting the liable taxpayer's name and address and the correct location for filing under state law, depending on the identity of the taxpayer.
- (3) When creating a new name line using ICS, take the following steps.

table frame="all" id="id357510152" summary="this table contains instructions on how to create a new name line using ICS Windows"	
Step	Action
1	To create a new name and address using only the name and address of the identified taxpayer, at the ICS Case Summary Screen, select Entity Detail
2	Select Name/Address then 'Add'
3	'From the 'Case Address' menu, if the LLC itself is the liable taxpayer, select the 'LLC-LLC is Liable Address'. To create a new name for the single member, select the LLC-Owner is Liable Address'.
4	The Domestic Address Format is preselected. Change if applicable.
5	Add the address record. For an LLC-Owner is Liable address, input of the Secondary TIN is a required field, either an SSN or an EIN

6	When filing an NFTL, if the LLC is the taxpayer, remember to select the 'Proprietorship' option on the ICS menu so that no entity type will be printed on the NFTL. If the owner is the taxpayer, select the entity type of the owner, IRM 5.1.21
7	Click 'Save'
8	If all information is correct, click 'yes' when prompted
9	Click 'Exit' to return to the Case Summary Screen

#### 5.12.7.5.4 (MM-DD-YYYY)

##### Name Changes

(1) Taxpayers may change names after the NFTL has been filed. To avoid disputes over lien priority in subsequently acquired assets, correct the NFTL reflecting the name or alias.

- a) Place the new name on the first line.
- b) Place the previous name on the second name line, preceded by either 'aka' for 'formerly known as'.

(2) The DIAL (Delinquent Inventory Account Listing) interface does reduce the need for amended or corrected NFTLs. However, it is important to ensure that the name on the NFTL can be identified by public records searchers. Now that ALS has an AMEND application, use that application to correct NFTLs of this nature thus protecting the priority of the original NFTL.

(3) The ALS AMEND application (see also IRM 5.12.7.9.3) will supply the verbiage to connect the amended NFTL to the original NFTL. Use CLO Form 13809, available through the Publishing web site, to request CLO amend the original NFTL.

(4) Use this procedure when the taxpayer's name has been misspelled. See IRM 5.17.2.3.5, *Effect of Errors in Notice of Federal Tax Lien* for guidelines on whether the error makes the NFTL defective.

#### 5.12.7.5.5 (MM-DD-YYYY)

##### Substitute for Return (SFR) Notices of Federal Tax Lien

(1) When an SFR assessment is made against an individual as Married Filing Separate (MFS), that assessment is valid against that individual from the date of the SFR assessment until it is satisfied or expires. If the individual subsequently files a return, whether retaining or changing the filing status, the assessment is still valid against that individual from the date of the SFR.

(2) Only the taxpayer and their spouse can elect to file a joint return. So a taxpayer with an MFS SFR assessment and their spouse may subsequently choose to file a Married

Filing Joint (MFJ) return to replace the SFR assessment. In this situation the spouses become jointly liable. Where a spouse joins an existing SFR assessment, the joining spouse becomes liable for the tax from the date of the SFR assessment.

**Example:** An SFR (MFS) where the MFJ replacement return lowers the module balance:  
 04/14/2010 a 30-200812 MFS SFR assessment is made against John Doe.  
 10/31/2010 a 30-200812 MFJ return is filed by John Doe and his joining spouse Jane Doe.  
 12/15/2010 a TC 291 posts reducing the SFR (now joint) assessment. John Doe is liable for the adjusted assessment from the original assessment date 4/14/2010  
 Jane Doe is now liable for the assessment as adjusted from the original assessment date 4/14/2010.

**Example:** An SFR (MFS) where the MFJ replacement return increases the module balance:  
 12/15/2010 same facts as above except that a TC290 posts increasing the module balance.  
 John Doe remains liable for the assessment from the original assessment date 4/14/2010  
 Jane Doe is now liable for the assessment originally assessed on 4/14/2010.  
 John and Jane Doe are both liable for the TC 290 amount assessed 12/15/2010.

(3) The method of addressing NFTLs is as follows:

table frame="all" summary="If then table describing how the name on the notice of federal lien should appear in situations where a substi			
emphasis type="b" IF emphasis	emphasis type="b" AND emphasis	emphasis type="b" AND emphasis	emphasis type="b" THEN emphasis
SFR is assessed against primary spouse	NFTL is filed against primary spouse for the SFR assessment	MFJ return is filed which reduces the liability	No change should be made to NFTL on primary spouse. br A new NFTL can be filed using the original SFR assessment date and showing both spouses (preferable method). br A new NFTL can be filed using the joining spouse (only if filing against the primary spouse is prohibited).

SFR is assessed against primary spouse	NFTL is filed against primary spouse for the SFR assessment	MFJ return is filed which increases the liability	No change should be made to NFTL on primary spouse.  A new NFTL can be filed showing both spouses and reflecting both the original SFR assessment date and the additional assessment date.
SFR is assessed against primary spouse	No NFTL is filed against primary spouse for the SFR assessment	MFJ return is filed which either reduces or increases the liability	A new NFTL can be filed showing both spouses and reflecting both the original SFR assessment date (and additional assessment date, if applicable).

(4) Check with Area Counsel if the entity situation does not fit with the scenarios above. For example, a situation where an SFR MFS has been assessed against one spouse and then a MFJ return is filed using the joining spouse's SSN as the primary TIN. How the NFTL is addressed would depend on how the return is processed. Was the original SFR adjusted or abated as a result of the MFJ return filed? The statutory lien and its assessment must be accurately reflected on the NFTL.

#### 5.12.7.5.6 (MM-DD-YYYY) Consolidated Group NFTLs

(1) A consolidated group is an affiliated group of corporations filing one consolidated tax return for the affiliated corporations. The corporations are connected through stock ownership and share a parent-subsidary relationship with the Common Parent of the affiliated group (in these situations referred to as a Consolidated Group). The Common Parent of the Consolidated Group files a consolidated income tax return to offset profits and losses of the affiliates.

(2) Treasury Regulation 1.1502-6(a) imposes "several" liability for the consolidated tax liability of the group as a whole on the common parent and on each subsidiary which was a member of the consolidated group during any part of the consolidated return year. As a result, the IRS may collect from the common parent or from any such subsidiary for the unpaid tax liabilities of the consolidated group for the consolidated return year.

(3) ALS has limited name line space so care must be taken when filing an NFTL for a Consolidated Group. Consult with Area Counsel, if there are questions. When an NFTL needs to be filed and the subsidiaries are too numerous to fit on the name line for ALS, a manual NFTL must be utilized. The manual NFTL can attach a second page listing the names which did not fit on the face of the NFTL. See IRM 5.12.7.4 for manual NFTL preparation.

#### 5.12.7.5.7 (MM-DD-YYYY)



## Estate and Gift Tax

- (1) Estate and Gift Tax Liens are discussed in IRM 5.5.8, *Estate Tax Liens*.
- (2) To file a notice of the estate tax lien, Form 668(J) or Form 668(H) must be manually prepared
- (3) Manually post estate tax lien recording fees if applicable. These fees may be different than those fees used for recording Form 668(Y)(c).

### 5.12.7.6 (MM-DD-YYYY)

#### Special Condition NFTLs (Nominee, Alter Ego, Transferee)

- (1) Under certain circumstances a statutory lien continues to attach to transferred property even though an NFTL was not filed at the time of transfer. For example, the taxpayer (transferor) transfers property to a party (transferee) and does not receive adequate and full consideration in money or money's worth. The transferee is not considered a purchaser and so does not qualify for the protection of IRC § 6323. Those who are not protected by IRC § 6323 compete against the statutory lien rather than the filed notice. See IRC § 6323(h)(6) for a more complete definition of a purchaser. There are certain circumstances, even without a transfer, where the taxpayer has an interest in property owned by a third party. These circumstances include nominee and alter ego situations. A nominee is someone who holds legal title to the property while the taxpayer has a beneficial interest to which the statutory tax lien attaches. An alter ego situation is where the taxpayer and a third party are so closely aligned that legally they are regarded as having the same identity. Therefore, the taxpayer has a beneficial interest in all of the alter egos property to which the statutory lien attaches. As with the transfer discussed above, neither the nominee nor the alter ego have protection under IRC § 6323. See IRM § 5.17.14.6, *Nominee and Alter Ego Doctrines*.
- (2) Revenue Officers may encounter situations where the taxpayer has transferred property and circumstances indicate actual or constructive fraud. Property may have been acquired in the name of another person or entity and the taxpayer controls the property to such an extent that the title holder is possessed of 'color of title'. See IRM 5.17.2, *Federal Tax Liens* for nominee, alter ego, and transferee theory. Generally, no fraud is indicated if the transfer was made at a time when no tax liability had accrued or was anticipated or the taxpayer did not retain any use or control of the property. See also paragraph two in both IRM 5.12.7.6.1 the *Note*, and IRM 5.12.7.6.3.
- (3) An NFTL for a **nominee** situation contains a statement on the face of the NFTL. The statement expresses the lien's attachment, through the lien notice, to the specific property identified in the statement.
- (4) An NFTL in an **alter ego** situation will not be limited to certain identified property. Because of the broad nature of the lien asserted with alter egos, the facts of each case should be carefully considered before asserting an alter ego theory.

(5) An NFTL for a **transferee** situation contains a statement on the face of the NFTL. The statement expresses the lien's attachment, through the lien notice, to the specific property identified in the statement.

(6) Special NFTL condition lien notices are generally intended as a foundation for the pursuit of enforcement action such as levy, seizure, suit to foreclose a lien, or other related action. Collection and Counsel resources should be taken into consideration if the case collection action plan does not include pursuit of enforcement actions.

**Note:** See IRM 5.12.7.6.4 for instructions on the request, approval, and filing of special condition lien notices.

(7) If an NFTL is filed in the name of the taxpayer before the transferee encumbers or sells the property to a valid purchaser, the government's lien interest is fully perfected. In these circumstances, the lien can be enforced by a seizure of the property from the transferee or subsequent valid purchaser, or by a suit to foreclose the lien. A special condition NFTL would not be required in this situation.

(8) A special condition lien notice may **not** be filed without the written approval of Area Counsel.

#### 5.12.7.6.1 (MM-DD-YYYY) Nominee Lien Notices

(1) A nominee is someone designated to act for another. In the context of the federal tax lien, a nominee is generally a third person who holds legal title to property of a taxpayer while the taxpayer enjoys full use and benefit of that property. The statutory lien attaches to all property and rights to property owned by the taxpayer even if a third person holds legal title. The third person can be any person listed in IRC § 7701 (a) (1).

(2) A nominee situation normally involves a fraudulent conveyance or transfer of a taxpayer's property to avoid legal obligations. To establish attachment of the statutory lien in a nominee situation, it must be shown that while a third party may have legal title to the property, it is the taxpayer that owns the property and who enjoys the full use and benefit.

**Note:** If there are fraud indicators associated with a property transfer prior to the assessment (i.e. statutory lien arising) and little evidence that the taxpayer controls or enjoys full use and benefit of the property, contact Area Counsel as soon as practicable to discuss making a suit referral to the Department of Justice.

(3) Consider the following circumstances when developing your case:

- a) the taxpayer is paying maintenance expenses,
- b) the taxpayer is using the property as collateral for loans,
- c) the taxpayer is paying state and local taxes on the property,

- d) the taxpayer has the use or benefit from the property, or
- e) other relevant facts. See also IRM 5.17.2.5.7.2.

(4) The taxpayer may record fraudulent transfer documents that make it appear as if the transfer of the property was to a valid purchaser prior to the filing of the NFTL. For example, the taxpayer may record a warranty deed showing the alleged purchaser paid fair market value for the property instead of a quit-claim deed for love and affection. Examples of nominee situations include:

**Example:** Minnie College owes \$70,000 for tax periods 200812 and 200912 assessed in April 2012. Minnie deeds property valued at \$250,000 to her daughter, Molly for no cost in January 2011. Minnie continues to maintain the property and uses it as collateral for obtaining a car in January 2012. Even though Molly lives on the property, Molly is a nominee of Minnie because consideration was not paid for the property.

**Example:** Sam Smith is the beneficiary of an Illinois Land Trust, the corpus of which consists of land located in the state of Illinois. ABC Trust Co is designated as the trustee of the trust. Although under Illinois law the trustee is the legal owner of the land, Sam retains full use and benefit of the land, including control over disposition. Therefore ABC Trust Co is Sam's nominee with respect to the land held in the trust. A nominee lien should be filed in the county office where the land is located in the name of "ABC Trust Co, nominee of Sam Smith".

(5) A nominee lien notice may **not** be filed without the written approval of Area Counsel.

#### 5.12.7.6.2 (MM-DD-YYYY) Alter-Ego Lien Notices

(1) The "alter-ego" (second self) doctrine has been summarized as follows: The obligation of a corporation will be recognized as those of another person, and vice versa, where it appears that the corporation is not only influenced and governed by that person, but there is such a unity of interest and ownership that the individuality or separateness, of the person and the corporation has ceased. Also the facts are such that adherence to the fiction of the separate existence of the corporation would, under the particular circumstances, sanction a fraud or promote an injustice. The alter ego question does not concern property rights and should not focus on whether the taxpayer had a state-law enforceable property right in property. Rather, a proper alter ego analysis focuses on which entities are liable for the debt and whether two entities that are formally separate should be regarded as one.

**Note:** It is generally more difficult to establish alter-ego relationships than a nominee situation.

(2) There are two elements to the alter ego doctrine:

- a) Unity of ownership and interest, and
- b) Fraud or inequity would result from the failure to disregard the corporate entity.

(3) Some factors pertinent to a determination to disregard the corporate entity are whether the individual:

- a) is in a position of control or authority over the entity;
- b) controls the entity to shield himself from personal liability;
- c) uses the business entity for his or her own financial benefit;
- d) uses the business entity to assume personal debts, or debts of another, or
- e) uses personal funds to pay the business entity's debts.

(4) Some facts establishing the factors in (3) above are:

- a) commingling of funds and other assets,
- b) failure to segregate funds of the separate entities,
- c) an unauthorized diversion of corporate funds or assets to other than corporate uses,
- d) treatment by an individual of the assets of the corporation as his own,
- e) failure to obtain authority to issue stock or to subscribe to or issue the same,
- f) holding out by an individual that he or she is personally liable for the debts of the corporation,
- g) failure to maintain minutes or adequate corporate records, and the confusion of records of separate entities,
- h) the identical equitable ownership in two entities,
- i) the failure to adequately capitalize a corporation, the total absence of corporate assets, and under capitalization,

(5) Explore the possibility of using the administrative process of jeopardy, transferee assessment, nominee lien notice, emergency lien foreclosure action, or emergency transferee or fraudulent conveyance suit before filing an NFTL in the name of an alter-ego.

(6) Do not file an NFTL in the name of an alter-ego without legal review, advice, and written direction from Area Counsel as to:

- a) the need for a supplemental assessment,
- b) a new notice and demand, and
- c) the language to be incorporated in the NFTL.

(7) Refer to the Legal Reference Guide for Revenue Officers, IRM 5.17.2, for additional information.

### **5.12.7.6.3 (MM-DD-YYYY)**

#### **Transferee Lien Notices**

(1) The term transferee can be a confusing concept because the term is used in different ways. In the context of this IRM section, transferee refers specifically when a statutory lien attaches to property and the property has been transferred by the taxpayer though a gift, bequest, devise, or inheritance before an NFTL could be filed. There is no requirement that the taxpayer retain use of or a beneficial interest in the property. With the approval of Area Counsel, a special condition lien notice naming the transferee and the property transferred may be filed.

**Example:** William and Mary have outstanding tax liabilities but state they have no property and so cannot pay their liability. They gave their \$600,000 home to their son Bob after the liabilities and statutory lien arose but before an NFTL was filed. After which, they moved into leased property. The deed to the home is in Bob's name, he lives in the home, maintains it, and has used the home as collateral to finance his mortgage. Bob is a transferee because the statutory lien existed before the transfer and he did not pay for the property.

(2) Contact Area Counsel as soon as practicable to discuss making a suit referral to the Department of Justice if there are fraud indicators associated with a property transfer prior to the assessment (i.e. statutory lien arising) and little evidence that the taxpayer controls or enjoys full use and benefit of the property.

(3) Other uses for transferee include:

- a) An administrative transferee assessment under IRC § 6901. An IRC § 6901 assessment carries its own statutory federal tax lien. Normal NFTL filing procedures and appeal rights are followed.
- b) A transferee judgment lien obtained through a suit to establish a transferee liability or set aside a fraudulent transfer. This transferee judgment lien is not the same as a statutory federal tax lien and can't be used as the basis to file a special condition transferee lien notice.

(4) For more information about transferee situations, see the following references:

- IRM 5.17.14, the *Legal Reference Guide for Revenue Officers - Fraudulent Conveyances and Transferee Liability*,
- IRM 5.1.14.2, *Field Collection Techniques and Other Assignments* for information on Transferee liabilities assessed under IRC § 6901, and the
- IRM 25.3, *Litigation and Judgments* series when pursuing a suit recommendations regarding fraudulent transfers.

#### 5.12.7.6.4 (MM-DD-YYYY)

#### Special Condition NFTL Approval Process: Request, Advisory Review, and Post-Approval

(1) The request and approval of special condition NFTL involves a request from a revenue officer, approval by their manager, review by Advisory, and approval by Area Counsel.

(2) Given the geographic diversity of the workforce, all review and approval work will be conducted, whenever possible, through electronic transmissions (generally via secure email).

(3) The Revenue Officer's pre-approval request actions are the first step.

**Note:** See also IRM 5.12.7.6.4.1, *Taxpayer NFTL Filing When Special Condition NFTL Filed*.

(4) The revenue officer's manager is the second step in the approval process. If the special condition lien notice is a protective action only, consideration must be given to economic factors, and the resources of Field Collection and Area Counsel. Consideration of these factors will be reflected in the request package.

(5) The third step is the review process in Advisory. See IRM 5.12.7.6.4.4, *Advisory Review Actions*.

(6) The final step is the responsibility of Area Counsel. They must approve all special condition NFTL and any associated enforcement action, court action, or protective action recommended by the originating revenue officer.

(7) If Area Counsel approves a special condition lien notice and associated enforcement action, generally they return the request package to Advisory (IRM 5.12.7.6.4.4, *Advisory Review Actions*) with any document perfections needed. There may be occasions because of time and/or inventory considerations where the revenue officer perfects the approved special condition NFTL. In either situation, perfecting the draft NFTL involves following Area Counsel's directions as to the name line, property description, and any other special identifying language.

(8) Generally where a suit is anticipated and even though they have reviewed the draft suit package along with the special condition NFTL request, Area Counsel will need to have the suit package re-presented to them once the special condition lien notice has been filed.

#### **5.12.7.6.4.1 (MM-DD-YYYY)**

#### **Taxpayer NFTL Filing When Special Condition NFTL Filed**

(1) As part of the special condition NFTL request process, ensure that a regular NFTL, naming the taxpayer and covering the same statutory liens (assessments), is filed in real and personal property where the taxpayer resides before or at the time of the special condition NFTL filing.

(2) Additionally, ensure that a regular NFTL is filed in the same location(s) as the

special condition NFTL either before, or at the time of, filing the special condition NFTL. These actions will protect the government's interest in the event of bankruptcy or litigation.

#### 5.12.7.6.4.2 (MM-DD-YYYY) Revenue Officer Request Actions

- (1) Revenue officer actions for a special condition NFTL request pre-approval include:
  - a) Identify, as part of case review and analysis, when the elements exist to pursue a special condition NFTL. See IRM 5.12.7.6.1, IRM 5.12.7.6.2, IRM 5.12.7.6.3, and IRM 5.17.2.5.7;
  - b) See IRM 5.12.7.6.4.1, *Taxpayer NFTL Filing When Special Condition NFTL Filed*;
  - c) Seek pre-submission advice on the merits of the case from Advisory or Area Counsel to ensure that the elements needed to substantiate the request have been established; and
  - d) Prepare the request.
- (2) The revenue officer prepares a memorandum request for a special condition NFTL outlining the elements of the case.
- (3) A draft special condition lien notice is prepared and included along with the request memorandum for approval. Counsel has advised that generally the request memorandum should specify the alternative proposed (nominee, alter ego, or transferee) and should not propose all three as alternatives. The draft special condition NFTL should reflect the proposed alternative in the draft name line. If Area Counsel approves the filing of the special condition NFTL, the draft NFTL will be rechecked and perfected based on the language provided by Area Counsel before it is filed. When preparing the draft NFTL, use the ICS instructions in IRM 5.12.7.6.4.3 below.
- (4) **Do not use ALS** to create a special condition nominee or transferee NFTL because both require that a description of the property attached by the lien be included in the body of the NFTL. ALS does not have the capability to add text to the body of an NFTL. It allows, in addition to the entity information, only the standard information, i.e., MFT, tax period, TIN, etc. When a property description is needed, the NFTL must be manually prepared.
- (5) The request memorandum should:
  - a) Develop and substantiate the basis for a special condition NFTL.
  - b) Be able to withstand a court challenge (with minimal additional development).
  - c) If this is a transferee situation, focus of the request should be for advice as to the need for a supplemental assessment and a new notice and demand. See IRM 5.1.14, *Field Collection Techniques and Other Assignments* for IRC § 6901 requests.
  - d) Seek advice as to the name line to be used and any special language to be



incorporated into the body of the NFTL.

- e) Include enforcement plans, since special condition lien notices are generally intended for enforcement.
  - (i) If the plans are for levy or seizure, include the basis for those actions so that Area Counsel's approval can contain the approval for those actions as well. The actual forms will not be prepared until approval has been received.
  - (ii) If a suit to foreclose the lien is planned, outline that plan, as the suit's package will likely need the approval of this action prior to the suit's package preparation.
  - (iii) If the special condition lien notice is protective in nature, provide all relevant information to provide Area Counsel the background needed to determine whether a protective special condition lien notice is appropriate.

(6) The request will be forwarded to the group manager for approval of the decision.

(7) The manager approved request will be forwarded to Advisory for review.

(8) Wherever possible, transmission of the request should occur electronically via secure email.

#### 5.12.7.6.4.3 (MM-DD-YYYY)

#### Preparing the Draft Special Condition NFTL

(1) ICS steps to use in preparation of the draft special condition NFTL:

table frame="all" summary="A numbered step table identifying the steps to take in the Inventory Collection System" width="6.625in"	
Step	Action
1	From the <b>Case Summary</b> screen, click <b>Entity Detail</b>
2	At <b>Entity Detail</b> , from the drop down menu, select <b>Name and Address</b>
3	Click <b>Add</b> to create a name/address entry for a special condition NFTL
4	Click <b>Case Address - Other Address</b>
5	Enter the name and special condition as provided by Area Counsel (e.g. <b>Jane Doe as nominee of John Doe</b> )
6	Enter the address, click <b>save</b> and click <b>exit</b> to exit this process



7	Next, in ICS from <span>emphasis type="q"</span> "within case" <span>emphasis</span> , select ICS Form 668Y Template
8	Click <span>emphasis type="q"</span> "Next" <span>emphasis</span> . A pop-up fill-in dialogue box appears
9	Skip the <span>emphasis type="q"</span> "Enter the Serial Number" <span>emphasis</span> field as no SLID should be placed on the draft document at this time
10	<p>Complete the entity section of the NFTL by entering:</p> <p><span>alphalist</span></p> <ul style="list-style-type: none"> <li><span>li</span> a) name of the special condition entity <span>li</span></li> <li><span>li</span> b) the name line phrase anticipated (e.g. Jane Doe as nominee of John Doe)</li> </ul> <p><span>note</span> <b>Note:</b> These two name line items will be perfected later by Area Counsel if the request is approved. <span>note</span> <span>li</span></p> <ul style="list-style-type: none"> <li><span>li</span> c) the name of the taxpayer <span>li</span></li> </ul> <p><span>alphalist</span></p>
11	Enter the taxpayer's address
12	Enter the tax period information
13	<p>For an asset specific notice, use the designated template field.</p> <p><span>alphalist</span></p> <ul style="list-style-type: none"> <li><span>li</span> a) If the description is brief, enter:           <ul style="list-style-type: none"> <li><span>br</span> <span>emphasis type="q"</span> "This special condition lien notice attaches to only the specified property described below" <span>emphasis</span></li> <li><span>br</span> [insert property description]</li> </ul> <p><span>note notetype="example"</span> <b>Example:</b> Example: Seascape Yacht, VIN 65T23465, Location: Blackrock Court, Seaside, FL 94899. <span>note</span></p> </li> <li><span>li</span> b) If the property description is lengthy, enter           <ul style="list-style-type: none"> <li><span>br</span> <span>emphasis type="q"</span> "This special condition lien notice attaches to only the specified property described in the attached exhibit."</li> <li><span>br</span> [attach a separate document with the property description] <span>li</span></li> </ul> </li> </ul> <p><span>alphalist</span></p>
14	Enter the filing location
15	Enter your t-sign number
16	Select <span>emphasis type="q"</span> "no" <span>emphasis</span> when asked if you want to add Form 3982

17	Click <span style="border: 1px solid black; padding: 0 2px;">emphasis type="q"</span> "save" <span style="border: 1px solid black; padding: 0 2px;">emphasis</span>
18	<p>From the Print Manager, Click <span style="border: 1px solid black; padding: 0 2px;">emphasis type="q"</span> "Switch to Word" <span style="border: 1px solid black; padding: 0 2px;">emphasis</span> and review the document for accuracy.</p> <p><span style="border: 1px solid black; padding: 0 2px;">note</span> <b>Note:</b> the typed property description may cause the bottom sections of the NFTL document to roll over to another page. To fix this, simply place your cursor over the empty rows, click <span style="border: 1px solid black; padding: 0 2px;">emphasis type="q"</span> "Table" <span style="border: 1px solid black; padding: 0 2px;">emphasis</span> on the Word Menu Bar (at the top), scroll down to the <span style="border: 1px solid black; padding: 0 2px;">emphasis type="q"</span> "Delete" <span style="border: 1px solid black; padding: 0 2px;">emphasis</span> command and over to <span style="border: 1px solid black; padding: 0 2px;">emphasis type="q"</span> "Rows" <span style="border: 1px solid black; padding: 0 2px;">emphasis</span> and click. This will delete the unused rows and roll up the unused sections from the other page back to the NFTL. Make sure to execute this fix on both pages of the NFTL. <span style="border: 1px solid black; padding: 0 2px;">note</span></p>

**Reminder:** If the ICS template is unavailable, prepare the NFTL using the [PDF fillable version](#) from the Publishing catalog.

#### 5.12.7.6.4.4 (MM-DD-YYYY) Advisory Review Actions

- (1) Advisory generally becomes involved with a special condition NFTL request prior to submission of the request package. Advisors provide advice to revenue officers on the merits of the case and the substantiation needed for approval. The advisor will seek the assistance of Area Counsel, as needed, at this stage.
- (2) When receiving a special condition NFTL request package, Advisory opens an ICS NFOI 191 control.
- (3) Advisory is then responsible to review and perfect the request package for approval consideration. They are to ensure all the elements needed for the request have been provided and that the revenue officer has included adequate substantiation to prove their position.

**Note:** See also IRM 5.12.7.6.4.1, *Taxpayer NFTL Filing When Special Condition NFTL Filed*

- (4) Once the request is ready, Advisory will forward the request to Area Counsel for approval. Wherever possible, transmission of the request should take place electronically.
- (5) Once the special condition lien notice and any associated enforcement actions have been approved, Advisory perfects the name line, special conditions, and, for any notices of nominee or transferee lien the property description, based on Area Counsel's instructions.
- (6) Advisory then notifies the originating revenue officer of the approval and forwards the special condition NFTL and any attachments (generally via secure email) to CLO FORT (Field Office Resource Team) for processing at \*SBSE CCP FORT. See IRM 5.19.12,

### *Centralized Case Processing - Liens for CCP procedures.*

**Reminder:** See also IRM 5.12.7.6.4.1, *Taxpayer NFTL Filing When Special Condition NFTL Filed*.

- (7) As ALS does not issue any CDP notice letters or special condition NFTL letters when a special condition NFTL is filed, both the FORT and Advisory must ensure that the originating revenue officer has the information needed to send the appropriate CDP notice letter(s) and/or other letters timely as part of the filing process.
- (8) Advisory will receive from the FORT, via secure email, a copy of the special condition NFTL, including the SLID assigned by ALS, sent to the recording office for filing. Again, Advisory must ensure that the FORT sends this to Advisory as soon as the special condition NFTL is printed and sent for filing.
- Note:** If a SLID must be obtained by Advisory or the revenue officer, see IRM 5.12.7.6.4.7 for methods of obtaining the serial lien identification number (SLID) when manually creating an NFTL.
- (9) Advisory provides the originating revenue officer (generally via secure email) a copy of the special condition NFTL with a reminder to the revenue officer to monitor ALS for the posting of the recording information and to follow-up on the letters to be sent to the special condition entity, taxpayer, and any applicable Powers of Attorney.
- (10) Advisory closes their ICS control.
- (11) The FORT should be providing a copy (electronically scanned and secure emailed) of the filed special condition NFTL and any associated taxpayer NFTL with the recording information to both the originating revenue officer and Advisory. Advisory will associate this with their closed case file. The FORT will also retain an electronic copy of the filed special condition NFTL and any associated taxpayer NFTL for future reference.
- (12) Subsequent levy or seizure enforcement action is at the Area Office's discretion once Area Counsel has approved the special condition theory in writing. Generally suit packages are re-presented to Advisory and Area Counsel once the special condition lien notice is in place.

#### **5.12.7.6.4.5 (MM-DD-YYYY) Special Condition NFTL SLID Numbers**

- (1) Normally the special condition NFTL SLID number will be generated by ALS when CLO inputs the information from the approved special condition NFTL after receiving it from Advisory. However, there may be situations when either the originating revenue officer or Advisory will need to generate the SLID.
- (2) One way to request a SLID is to use Form 12636 to request it from CLO by fax or secure email to the group for the appropriate state.

(3) A second way to generate a SLID is through ICS. Through coordination with ALS, ICS can generate a SLID starting with the number 27. From the ICS Collection Activity Screen:

- Select “Federal Tax Lien”
- Request “Lien”
- Verify the address information
- From “Lien type”
- Select “File Manually”
- Type the SLID obtained from the ICS process into the ICS Form 668(Y)(c) template. Secure email the NFTL and any attachments to CLO and they will complete the billing and issuance process.

(4) A third way that **Advisory** can generate a SLID is through ALS, if they have permissions, by entering all applicable entity and tax information, and then:

- Selecting the entity type as nominee to suppress the printing of the regular CDP notice. This selection automatically populates the first line of the lien notice with “Nominee of”
- Suppressing the printing of the lien notice by answering (N)o to the question “Print and Store” before inputting the revenue officer's assignment number.
- Answering the question “On Voucher”, for NFTL manually prepared and hand carried for filing, as “N”.

**Exception:** For filing with Boston United States District Court and for the Connecticut Secretary of State answer the “On Voucher” question “Y”.

(5) However the SLID is generated, the revenue officer must ensure that CLO has a copy of the manually filed NFTL.

#### 5.12.7.6.4.6 (MM-DD-YYYY)

#### Post Approval Revenue Officer Actions

(1) After receiving from Advisory a copy of the approved special condition lien notice and confirmation that the special condition NFTL has been sent for filing, the revenue officer **must within five (5) days** manually prepare and mail the appropriate letters informing the special condition entity and the taxpayer of the special condition NFTL filing and providing the taxpayer, if appropriate, the taxpayer's CDP notice. See IRM 5.12.7.4 *Manual NFTL Preparation* and IRM 5.12.7.6.5 *Appeal Rights for Special Condition NFTLs* for those instructions.

**Reminder:** See also IRM 5.12.7.6.4.1, *Taxpayer NFTL Filing When Special Condition NFTL Filed*.

(2) When the special condition NFTL is processed through CLO and the FORT, the

recording office will return the recording information to CLO. The revenue officer must follow-up to ensure the NFTL was properly filed and the court recording data entered into ALS. The FORT should be providing a copy (electronically scanned and secure emailed) of the filed NFTL with the recording information to both the originating revenue officer and Advisory.

(3) The revenue officer associates this special condition NFTL document, a copy of the approval memorandum from Area Counsel, and any other relevant documents with their case file.

(4) The revenue officer proceeds with their intended case actions. See IRM 5.12.7.6.6.

#### 5.12.7.6.4.7 (MM-DD-YYYY)

#### Post Approval Exigent Circumstance Actions

(1) Most special condition lien notices are processed routinely through the CLO FORT. Occasionally there are exigent circumstances such as an imminent property transfer or other jeopardy situation. In these situations the special condition lien notice is hand carried to the recording office for filing.

**Reminder:** See also IRM 5.12.7.6.4.1, *Taxpayer NFTL Filing When Special Condition NFTL Filed*.

(2) Either Advisory or the revenue officer will contact the CLO FORT by phone and follow-up with an electronic or faxed expedite Form 12636 request for a SLID number "only". The exigent circumstances will be explained and an electronic copy via secure email of the approved special condition NFTL will be provided to the FORT. This way the FORT will know to select an entity type in ALS for the special condition, suppress printing the NFTL for filing, and take this NFTL off the normal voucher system for filing fees.

(3) The FORT creates a special condition NFTL in ALS to mirror the special condition NFTL based on ALS limitations and provides the SLID to the requestor. See IRM 5.12.7.6.4.5 for those instructions.

(4) The revenue officer then physically carries the special condition lien to the recording office for filing.

(5) See IRM 5.12.7.6.4.8 for instructions on paying filing fees.

(6) The revenue officer **must within four (4) days** of physically filing the special condition NFTL, forward electronically via secure email a copy of the filed NFTL with recording information to both the FORT and Advisory.

**Reminder:** If the recording data is not input to ALS, timely release may not occur.

(7) The revenue officer **must within five (5) days** manually prepare and mail the appropriate letters informing the special condition entity and the taxpayer of the special

condition NFTL filing and providing the taxpayer, if appropriate, the taxpayer's CDP notice. See IRM 5.12.7.4, *Manual NFTL Preparation* and IRM 5.12.7.6.5 *Appeal Rights for Special Condition NFTLs* for those instructions.

(8) The revenue officer associates this special condition NFTL document, a copy of the approval memorandum from Area Counsel, and any other relevant documents with their case file.

(9) The revenue officer proceeds with their intended case actions. See IRM 5.12.7.6.6.

#### 5.12.7.6.4.8 (MM-DD-YYYY)

#### Filing Fee Payment for Special Documents

(1) Hand-Carried Documents for filing:

- a) Revenue officers preparing special documents hand carried to recording offices may be required to pay the recording fee.
- b) If recording fees are paid out-of pocket, use the IRS' travel program for reimbursement.
- c) Recording offices in some jurisdictions may accept the submission of Form 3982, *Billing Support for Lien and Certificate Fees*, for fee payment (IRM 5.12.7.12.3).
- d) Fees may be more than the cost of a regular lien notice filing because of attachments. You should contact the recording office prior to hand carrying documents for filing to ensure the amount needed to file is available.

(2) CLO Processed Documents for filing:

- a) Revenue officers may also forward manually prepared documents via secure email or regular mail to CLO for processing and fee payment. These documents will be issued (mailed) with the next Tuesday or Thursday lien notice document issuance to recording offices, after receipt.

**Example:** RO Smith forwards a manually prepared nominee lien notice, containing a property description in the body of the NFTL, to CLO via secure email Wednesday morning. The document is retrieved by CLO Wednesday afternoon. The normal document print cycle is Thursday. RO Smith's nominee lien notice will be batched and mailed with documents scheduled for the Thursday print cycle.

(3) See also IRM 5.12.7.6.4.1.

#### 5.12.7.6.5 (MM-DD-YYYY)

#### Appeal Rights for Special Condition NFTLs

(1) Persons assessed as transferees under IRC § 6901 have an assessment and

statutory lien separate from the transferor/taxpayer entitling them to due process appeal rights. Ensure they are issued a Letter 3172, *Notice of Federal Tax Lien Filing and your Rights to a Hearing Under IRC 6320*.

(2) Persons determined to be nominees, alter-egos, or transferees not assessed under IRC § 6901 are entitled to a post-filing appeal under the Collection Appeals Program (CAP).

**Manually issue** Letter 3177, *Letter Notifying of Federal Tax Lien Filing-Nominee or Alter-Ego*, and related publications after the lien notice has been filed.

**Note:** Persons determined to be nominees, alter-egos, or transferees not assessed under IRC § 6901 do not meet the definition of eligibility for CDP rights. That definition is outlined in IRC §6320 and identifies the party to receive notice as the taxpayer against whose property the statutory lien has arisen. A statutory lien attaches to all of a taxpayer's property whether or not it is held by a third party. See also Treasury Regulation § 301.6320-1 *Question and Answer* numbers A7 and B5, IRM 5.12.6, and IRM 5.17.2.

(3) The taxpayer is entitled to a collection due process hearing only the **first** time that the statutory lien appears on a lien notice and to a CAP appeal for the filing of an additional NFTL or a special condition NFTL.

**Note:** See IRM 5.12.7.6.4.1, *Taxpayer NFTL Filing When Special Condition NFTL Filed*.

**The taxpayer letters to be issued are:**

table frame="all" summary="table explains which letters are to be issued to the taxpayer, when they are to be issued, and how they are to be issued"		
Letter	Issued when	Issued How
<p>citation type="Letter" Letter 3172 citation,</p> <p>emphasis type="i" <i>Notice of Federal Tax Lien Filing and your Rights to a Hearing Under IRC 6320</i></p> <p>emphasis</p>	<p>emphasis type="b" <b>first time filing</b> emphasis</p> <p>note <b>Note:</b> Ensure that the regular NFTL, when it is the first time, is filed before or at the same time as the special condition NFTL note</p>	<p>Systemically: NFTL is issued through ALS</p> <p>br</p> <p>br Manually: exigent circumstances or NFTL created manually</p>
<p>citation type="Letter" Letter 3171 citation,</p> <p>emphasis type="i" <i>Notice of Additional Federal Tax Lien Filing</i> emphasis</p>	<p>emphasis type="b" <b>additional filing</b> emphasis</p>	<p>Systemically: NFTL is issued through ALS</p> <p>br</p> <p>br Manually: exigent circumstances or NFTL created manually</p>



<div> <div>citation type="Letter"Letter</div> <div>3886</div> <div>citation</div> <div>emphasis type="i"Notice to Taxpayer of Nominee/Alter Ego Federal Tax Lien Filing</div> <div>emphasis</div> </div>	for every special condition NFTL issued	Always issued manually
--	--	------------------------

**Reminder:** For exigent circumstances or manually created NFTL see also IRM 5.12.7.6.4.7 and IRM 5.12.7.4.

(4) Additional IRM references include: IRM 5.12.6 and IRM 5.17.2.4.

#### 5.12.7.6.6 (MM-DD-YYYY)

##### Enforcement of Special Condition NFTL

- (1) In determining what additional enforcement action should be taken (other than filing the NFTL), consideration must be given to the confusion in the chain of title and redemption rights of the taxpayer. These conditions may depress the marketability of any property.
- (2) A judicial lien foreclosure or seizure followed by suit to foreclose the NFTL will generally bring a greater sale price particularly for real property.
- (3) The administrative seizure and sale process may be used if prompt action is needed to protect the government's interest. Include any concerns and relevant facts in the request for opinion from Area Counsel.

#### 5.12.7.6.7 (MM-DD-YYYY)

##### Retention, Release, and Withdrawal of Special Condition NFTL

- (1) Special condition NFTL documents and case files are unique in nature and have a need to be kept longer than the normal retention period. This allows for subsequent inquiries, collection actions, and eventual lien releases to be resolved timely.
- (2) Advisory will maintain the special condition NFTL, the Area Counsel authorization memorandum, and associated case histories for one year after the underlying tax liability has been satisfied or one year after the statutory period for collection has expired. See item 43 of Document 129900, *Records and Information Management Record Control Schedules*. Maintenance of the file may include transferring it to the appropriate Records Control Center as long as precautions are in place to ensure that the Special Condition NFTL may be timely released. Generally there will be other cases related to the special condition NFTL file such as a seizure file or suit to foreclose the lien. It may be appropriate to associate the special condition NFTL file with these other Advisory files.
- (3) The revenue officer file would be disposed of following normal procedures.



(4) Releases of special condition NFTL are generally processed in the same manner as regular NFTL. The releases are systemically generated through ALS after ALS is notified by Master File of a satisfied module or ALS notes that the collection period has expired. But the release generated by ALS will have a different appearance from the manually prepared and filed special condition NFTL because ALS has certain limitations associated with name line and property descriptions. A recording office may choose to reject the document as too different from the original filing. If the recording office rejects an ALS generated release:

- a) CLO and the FORT will utilize their retained copy of the manually created special condition NFTL to prepare and file a manual release.
- b) The FORT may need to contact Advisory or the revenue officer for their retained copy in order to prepare a manual release.

(5) A request for withdrawal of a special condition lien notice may be considered where all actions related to all the property associated with the special condition lien notice have been concluded but the underlying statutory lien is still open because the taxpayer's liability has not been satisfied. See IRM 5.12.9 *Notice of Lien Withdrawal*.

#### 5.12.7.7 (MM-DD-YYYY)

##### Other Distinctive Filing Considerations

(1) In addition to special consideration lien notices, there are other filing situations which are unusual and care must be taken to ensure that the documents filed are correct.

#### 5.12.7.7.1 (MM-DD-YYYY)

##### Jeopardy and Prompt Assessments NFTL

(1) Sometimes it is necessary to file a lien notice less than 10 days after an assessment is made or before an assessment has posted to IDRS. NFTLs calling for this type of action may be the result of one of the special conditions discussed above. Even if that is not the case, these NFTL require special attention in their creation, filing, and follow-up.

(2) It is important that the information on the filed NFTL, on ALS, on ICS, and on IDRS is reflected correctly and consistently. These systems operate on different processing schedules which impacts when and how NFTL filing information posts to IDRS.

(3) Creation of an NFTL with an assessment date less than 10 days old is a multi part process.

- a) When there is no master file account, hold the lien notice until the account is established.
- b) Revenue officers **must** request the SLID from the **CCP FORT** because ALS will reject an ICS SLID that is less than 10 days from the assessment date. See IRM 5.1.4, *Jeopardy, Termination, Quick and Prompt Assessments* for more information on jeopardy situations.

**Note:** ALS contains an override of the “assessment less than 10 day” system block. ALS queries the creator, “Is this a jeopardy assessment? (y/n)”. If the answer is “yes”, ALS allows continuation of NFTL creation.

- c) If the NFTL will not be hand carried, allow the NFTL to be processed through the CLO normal printing and filing process.
- d) If the NFTL is being hand carried, request “printing” of the NFTL be suppressed in ALS. This will prevent a duplicate of the manual NFTL being generated for filing. The RO then uses the ALS jeopardy SLID when creating the manual NFTL in the ICS lien notice template. The NFTL can then be hand carried to the recording office as soon as the SLID is received. The revenue officer hand carrying the NFTL will have to pay the filing fee (IRM 5.12.7.6.4.8) and obtain the recording data.

**Reminder:** The stored NFTL in ALS and the manual NFTL created in the ICS lien notice template need to match so that a later issued release by ALS will be accepted by the recording office.

- e) If the lien notice must be filed expeditiously and the filing location is other than where the originating revenue officer works, initiate an Other Investigation (OI) with the manager's approval. Utilize scanning and electronic transmission via secure email where possible. Note on the front of the OI that this is a jeopardy situation and that immediate filing of the NFTL is required. The group receiving the OI will hand carry the NFTL for filing with the recording office, pay the filing fee, and obtain the recording information. The acknowledgement copy of the 3210 with a copy of the filed document will immediately be returned to the originating office.

(4) Non-ICS users needing to file an NFTL where the assessment date is less than 10 days old, must work directly with CLO to create the NFTL.

(5) **The TC 582 lien indicator and TC 360 filing fee must be manually input to IDRS after the assessment posts. This is the primary responsibility of the lien notice initiator.** The NFTL initiator is to ensure that the TC 582 posts so that in the future when the NFTL needs to be released, ALS will be informed of the module closure.

(6) Inadvertent lien releases are a risk with these NFTL because it takes time for the various systems to align their information with one another. The NFTL **originator must monitor the status** of the module frequently and work with CLO to physically pull any inadvertent releases before they can be mailed to the recording office. Monitor until the jeopardy or prompt assessment is in collection status.

(7) Continue to monitor master file until the TC 360 (filing fee) posts and is the correct amount.

#### 5.12.7.7.2 (MM-DD-YYYY)

#### Preparing NFTLs Filed After Original CSED (NAOC)

(1) Notices filed after the original “collection statute expiration date” (CSED) passed but the statute remained open were referred to as “Portland” notices. They are now called an “NFTL After Original CSED” or NAOC. The original 10 year collection statute has passed yet the statute remains open because the CSED was extended or suspended.

**Example:** A tax liability was assessed 10/20/2001. The taxpayer filed bankruptcy which suspended the statute and a new CSED calculation posted to IDRS of 12/20/2014. The NFTL was filed in December 2011. Since the filing occurred after the original 10 year statute would have expired, the system will prompt for a date and if nothing is entered places N/A or blank in column (e), the refile by date field.

(2) When inputting these lien notices to ALS, the system will ask for the new CSED. Enter the current CSED date or, if the CSED is suspended, show all asterisks or a date that is at least 20 years after the assessment date.

**Note:** When completing a Form 12636 request, it is essential to show the updated CSED for each period to be refiled. The updated CSED will be input to ALS. If the CSED is in suspense, the CSED field of Form 12636 should show all asterisks (\*\*/\*\*/\*\*\*\*) or a future date (e.g., original CSED plus 20 years). The CSED will update on ALS once the suspense status is resolved. Do **not** put N/A in the CSED field of Form 12636.

(3) Whether there is a correct date, an incorrect date, no date, or an “N/A” in the refile by date field (column (e)), the rules for refiling do not change. The lien notice must be refiled timely according to IRC § 6323(g) in order for the lien’s “notice” to remain valid against third parties and more importantly, that the statutory lien is not inadvertently released because of incorrect information in column “e”.

(4) Refile deadlines can be calculated using the formula below:

- a) Calculate the original refile deadline according to IRC § 6323(g)(3)(A), [e.g., 10/20/2001 + 10 years 30 days = 11/19/2011]
- b) For a second refile period deadline, calculate the refile period according to IRC § 6323(g)(3)(B), [the one year period ending 10 years after the first refile deadline, [e.g., 11/19/2011 + 10 years = 11/19/2021]
- c) For a third refile period deadline, calculate the refile period according to IRC § 6323(g)(3)(B)), [the one year period ending 20 years after the first refile deadline, [e.g., 11/19/2011 + 20 years = 11/19/2031].
- d) Enter the date calculated using the above methodology in column (e) of the NFTL.

**Note:** The refile period calculations for old assessments may vary due to prior law. Contact Advisory and Counsel if a tax assessment CSED or lien notice refile period ended prior to November 5, 1990. See IRM 5.12.2.20.2.1 for additional information.

- e) See also IRM 5.12.8.

(5) When the module is satisfied, which for this example would be 12/20/2014, ALS will know to systemically issue a release.

### 5.12.7.7.3 (MM-DD-YYYY)

#### Preparing Offshore Voluntary Disclosure Initiative (OVDI) NFTL

(1) The OVDI penalty (also know as Offshore Voluntary Disclosure Program or OVDP) is assessed under Title 26 as an MFT 55 or MFT 13 module using Exam penalty reference numbers 594 - 598. See IRM 20.1.9.1.4.

(2) On the NFTL, the OVDI penalty is reflected in column "a", *Kind of Tax*, with the acronym "OVDI".

(3) NFTL for these assessments can be requested normally through ICS or by sending a Form 12636 to CLO

- For ICS requests, select the module/assessment applicable for the OVDI penalty and input the appropriate PRN. ALS will translate a PRN of 594 - 598 into "OVDI" on the NFTL that is generated for filing.
- For Form 12636 requests, enter "OVDI" in the column titled *\*Tax Form/MFT or IRC Code*.

**Reminder:** MFT 55 and MFT 13 modules assessed to individual taxpayers cannot appear on the same NFTL with joint liabilities. See IRM 5.12.7.3(14).

### 5.12.7.7.4 (MM-DD-YYYY)

#### Restitution-Based Assessment NFTLs

(1) Following the conviction of a defendant for a criminal tax violation or tax-related offense, the court may order the defendant to pay restitution to the IRS. Restitution is discussed in IRM 5.1.5, *Balancing Civil and Criminal Cases*.

(2) A restitution module will post as a Master File Tax (MFT) 31 and can be identified by Transaction Code (TC) 971 with action code (AC) 102. A TC 290, 298, or 300 assessment will use reason codes 141 through 149 to describe the source of the assessment (IMF or BMF and if there is a duplicate civil assessment). Also a TC 971 with AC 180 through 189 will reflect the type of tax and tax periods for which restitution was ordered (i.e., the underlying tax source). There will be a TC 971 that may have a dollar amount reference on the module. The reference dollar amount represents the amount of assessable restitution duplicated on another module. The Notice and Demand (Letter 4885) is issued manually and its issuance date is notated on the module as the date associated with the TC 971 AC 806.

**Note:** When a module contains both a TC 971 AC 102 and a TC 971 with AC 180 through 189 consider pulling the Document Locator Number (DLN) source document to determine the appropriate course of action to be taken.

IDRS research should also be secured on all cross referenced modules that were identified in the TC 971 AC 180-189.

(3) Generally, restitution is ordered against an individual taxpayer and is assessed on the MFT 31 restitution module under the SSN of the defendant taxpayer. While it is possible for a business entity to be both convicted of a tax crime and ordered to pay restitution, it is a rare occurrence. Assessable restitution could arise in any criminal case where restitution is ordered for failure to pay any tax imposed under the IRC. For example, an individual could be ordered to pay restitution for an employment or income tax violation of his or her business. Regardless of the underlying source of the tax loss, the SSN of the individual taxpayer ordered to pay restitution will be used for the MFT 31 account.

(4) The same determination and filing criteria apply when filing NFTL for the statutory liens of unpaid restitution-based assessments as apply with other balance due accounts. See IRM 5.12.2.

(5) NFTLs for these statutory liens:

- a) **must** be manually prepared because of the special programming used for making restitution-based assessments in master file, and
- b) **must list only** the specific MFT 31 restitution taxpayer and the statutory liens for the associated restitution-based assessments made against that taxpayer. This is important to remember because multiple taxpayers may be jointly and severally liable to pay restitution for the same underlying tax liability.

(6) To create a manual NFTL for restitution-based assessments, use the ICS Form 668(Y)(c) template. See IRM 5.12.7.3.1, IRM 5.12.7.3.2, and IRM 5.12.7.4.2 for instructions.

**Reminder:** Redact the first five SSN digits on any manually prepared NFTL.

**Example:** Taxpayer A is ordered to pay restitution for the unpaid employment tax of ABC, Inc., a corporation formerly owned by the taxpayer. In this situation, the restitution-based assessments will be made on the MFT 31 account using Taxpayer A's SSN, not the EIN of ABC, Inc. Generally, any restitution payments made by Taxpayer A will be applied against both the restitution-based assessment made against Taxpayer A on MFT 31, and the employment tax liability assessed under the EIN of ABC, Inc.

(7) When preparing the manual NFTL, the "Kind of Tax" field identifies both the underlying tax liability used to calculate the restitution amount and the fact that the assessment is a restitution-based assessment. ALS has been programmed to accept an "R" followed by the form number of the underlying tax source.

**Example:** Taxpayer A was both convicted of criminal evasion of tax under IRC §

7201 and ordered to pay restitution to the IRS in the amount of \$60,000. This restitution amount was calculated based on tax loss for **income taxes** for the 2005 and 2006 tax years in the amounts of \$25,000 and \$35,000, respectively. **ENTER R1040** in the “Kind of Tax” field to correctly identify the statutory lien(s) of each of these assessments.

**Example:** Taxpayer B was both convicted of criminal failure to collect or pay over tax under IRC § 7202 and ordered to pay restitution in the amount of \$30,000. This restitution amount was calculated based on the tax loss resulting from the taxpayer’s failure to pay **employment taxes** in the amount of \$10,000 for each of the last three quarters of 2007. **ENTER R941** in the “Kind of Tax” field to correctly identify the statutory lien(s) for each of these assessments.

(8) In addition to identifying restitution-based assessments by placing an “R” in front of the form number in the “Kind of Tax” column, the following statement should be typed on the face of the NFTL.

**Pursuant to IRC § 6201(a)(4), these assessments reflect the amount of restitution ordered payable to the IRS.**

Exhibit 5.12.7-3 overlays the instructions for creating a manual restitution lien notice with an example restitution lien notice.

(9) *Letter 3172, Notice of Federal Tax Lien Filing and Your Rights to a Hearing Under IRC 6320*, must be manually issued when filing a restitution NFTL. The taxpayer is not stripped of his or her collection due process rights even though the statute allowing the IRS to civilly assess restitution restricts a taxpayer’s ability to challenge the underlying tax liability (IRC § 6201(a)(4)(C)). The revenue officer or Advisory Probation Liaison (APL) who prepares the NFTL is responsible for manually issuing the *Letter 3172* and following the instructions in IRM 5.12.6.3.6, *Issuing the CDP Notice*, IRM 5.12.6.3.7, *Preparation and Delivery of Manual CDP Notices*, and IRM 5.12.6.3.18, *Inputting Transaction Code 971 and Action Code to Indicate the Notice Status* for manually issuing the letter and inputting the TC 971 AC 252 on the tax module.

## 5.12.7.8 (MM-DD-YYYY)

### International NFTL for Taxpayers or Treaty Partners

(1) Revenue Officers may be required to file an NFTL for international taxpayers with either domestic or foreign addresses. They may also receive an OI on behalf of an International Treaty Partner to file an NFTL. This sub-section describes how NFTL in these situations are prepared and filed.

#### 5.12.7.8.1 (MM-DD-YYYY)

### International Taxpayers with or without Foreign Addresses

(1) When a taxpayer has a foreign address **OR** lives outside the United States and its



Territories while maintaining a domestic address (e.g., uses their representative's address or a P.O. Box address for social security drop box purposes):

- a) File an NFTL with the Washington D.C. register of deeds;
- b) **Reminder:** If the taxpayer has an interest in real property located in the United States or its territories, also file an NFTL with the appropriate recording office for the location where the real property exists.

(2) If the international taxpayer uses a **foreign address** as their “last known address”, the revenue officer should select **international** as the filing location in ICS. This will ensure an NFTL is filed in Washington D.C. It will also ensure, when appropriate, that a CDP notice is sent by **registered mail** to the taxpayer.

**Note:** If the revenue officer selects “Washington DC” as the filing location for a foreign address, (i.e. the state and zip code are blank or contain zeros), the CDP notice will still be sent by registered mail; however, this choice increases the likelihood that ALS may receive incomplete data from ICS resulting in an error in the CDP notice's delivery.

(3) If the international taxpayer maintains a **domestic address** as their “last known address”, the revenue officer should select **Washington D.C.** as the filing location in ICS. This will ensure an NFTL is filed in Washington D.C. Since the address is clearly domestic, the CDP notice will be sent by **certified mail** to the taxpayer's domestic address.

**Note:** If the revenue officer is aware of an international address for the taxpayer, though it is not the taxpayer's official “last known address”, they may send a duplicate CDP notice to the international address.

(4) NFTL requested using **Form 12636** rather than ICS, specify **Washington D.C.** as the filing location. Also indicate any POAs associated with the case.

(5) The taxpayer's representative should receive a copy of the CDP notice issued. See IRM 5.12.6 for other information regarding CDP notices for NFTL.

#### 5.12.7.8.2 (MM-DD-YYYY)

#### Inbound Mutual Collection Assistance Request (MCAR)

(1) The U.S. treaties with Canada, Denmark, France, Netherlands, and Sweden provide for collection assistance. A treaty partner may send a Mutual Collection Assistance Request (MCAR) to the United States Competent Authority, the Office of the Deputy Commissioner (International), LB&I.

(2) The U.S. Competent Authority forwards the MCAR to the MCAR Coordinator, SB/SE International.

(3) If the treaty allows on a case by case basis, the Service may consider taking distraint action against assets located in the U.S. to collect foreign taxes for a treaty partner with

the treaty partner's permission. This permission is required because the treaty partner may be responsible for the distraint action costs. Collection may require filing a Notice of Federal Tax Lien but the NFTL filing fees are absorbed by the Service.

(4) For general procedures processing MCAR, see IRM 5.1.8.7 and IRM 5.1.12.25.

#### 5.12.7.8.2.1 (MM-DD-YYYY)

##### Preparation of MCAR Lien Notices

(1) If an MCAR lien notice is needed, the MCAR coordinator will initiate an ICS OI "to Area". The revenue officer receiving the OI should be aware that:

- a) They **must** contact the coordinator for instructions.
- b) The coordinator will create the MCAR lien notice using Exhibit 5.12.7-1 and include the treaty citation which allows the lien notice to be filed.
- c) The coordinator provides a special SLID number which is **not** created through the ALS or ICS systems.
- d) The coordinator calculates the refile date.
- e) The coordinator will provide the taxpayer with their CAP appeal rights.

**Note:** Do not use ALS to prepare MCAR lien notices.

**Note:** CDP notices will not be created for MCAR lien notices.

(2) The revenue officer assigned the OI will be provided the original and copy of the MCAR lien notice by the MCAR coordinator. The revenue officer will then file the MCAR lien notice in the appropriate recording office. Once the recording office files the lien notice and has documented the recording information on the lien notice, the revenue office will return that documented lien notice to the MCAR coordinator.

(3) Do not request input of TC 582 or TC 360 for the filing fee because they are not assessed against MCAR taxpayers.

#### 5.12.7.8.2.2 (MM-DD-YYYY)

##### Refiling and Release of MCARs

(1) The MCAR coordinator will be responsible for determining whether to refile or release the MCAR lien notice. The coordinator will open an ICS OI "to Area" for filing assistance. These release and/or refiles are not processed through CLO or ALS.

(2) The revenue officer is provided the original and a copy of the release or refile by the MCAR coordinator. The revenue officer then files the document in the appropriate recording office. Once the recording office files the refile or release and has documented the recording information, the revenue office returns that documented refile or release to the MCAR coordinator.

(3) There will be no, TC 582 (for a refile), TC 583 (for a release) or a TC 360 (filing fee)



with these requests.

### **5.12.7.9 (MM-DD-YYYY)**

#### **NFTL Corrections**

- (1) Great care should be taken to ensure that the notice(s) filed accurately reflect the statutory lien(s) they represent.
- (2) The ALS database should always contain NFTL data that mirrors the NFTL filed with the recording office(s). This ensures the statutory lien and NFTL are properly and timely released. Exceptions are documents not created by ALS or changed after generation.
- (3) The current process of filing paper documents in recording offices (with a few electronic recording office exceptions) results in a static environment whereas the statutory lien and its underlying assessment change. For example, a finite document cannot account for accruing penalty and interest. Also recording offices today more often than not maintain their records on a publicly accessible electronic database. The intermingling of these varying technologies can create confusion. This section describes whether or not the Service needs to consider changes to a particular filed document.
- (4) A taxpayer entity may alter or change its name or entity type.
- (5) Also, and unfortunately, even with the greatest care, mistakes can be made.
- (6) This section describes when, if, and how changes to the lien notice(s) may be needed to put the notice back in sync with the statutory lien(s).

### **5.12.7.9.1 (MM-DD-YYYY)**

#### **Correcting the Notice Prior to Filing**

- (1) An error may be corrected prior to the NFTL being mailed for filing. Normally this is within two days of the ICS or ACS request. Contact CLO by secure e-mail to request the correction.
- (2) After the document has been mailed for filing, changes will not be made to the document. Though sometimes, if necessary, an NFTL that has been mailed might be intercepted at the recording office before it is filed. Contact CLO for assistance in this situation.
- (3) If a change is needed after the NFTL has been filed, the NFTL may need to be amended or possibly the change will only need to be a cross reference within ALS. These cross references allow ALS to receive a satisfied status from Master File and correctly associate it with the NFTL filed. This is to ensure that the statutory lien and NFTL are properly and timely released. See IRM 5.12.7.9.2.
- (4) If changes were made after generation of the NFTL for filing, an ALS history item must be added explaining the change.

### 5.12.7.9.2 (MM-DD-YYYY) Correcting the Filed Lien Notice

(1) Some inaccuracies, such as an incorrect name, will make the NFTL invalid while other inaccuracies such as TIN, MFT and period will prevent the module satisfaction notification from posting.

**Note:** Care must be taken when using the term “erroneous” in relation to NFTLs because it is a legally defined term. Use of the term should be limited to the definition found in Treasury Regulation 301.6326-1(b). The remedy for an NFTL found to be legally “erroneous” is found in IRM 5.12.3, *Lien Release and Related Topics* and IRC § 6326(b). NFTLs which have “errors” could either be inaccurate or legally erroneous depending on the circumstances.

(2) Incorrect NFTLs must be linked to corrected NFTLs and/or corrected information.

(3) Module satisfaction notification must be associated with correct TIN/name control and MFT/period and tied back to the incorrect NFTL. This allows a Certificate of Release to be generated for BOTH the correct and incorrect notice upon satisfaction or expiration.

(4) Where inaccuracies do not affect the validity of the NFTL, CLO corrects the information using a “not to be filed” lien linking the correct and incorrect information together in ALS. This prevents miscommunication in systemic operations. See IRM 5.12.7.9.2.3.

(5) Guidance is provided in IRM 5.17.2.3.5, *Effect of Errors in Notice of Federal Tax Lien*, regarding inaccuracies in the taxpayer’s name as it appears on the notice.

table frame="none" id="id357510094" summary="IF THEN table with instructions on what to do with inaccuracies on notices of federal tax

If	Then
it is determined that the NFTL should be corrected	file an amended or new NFTL as appropriate. See also <div> <div>seealso idref="id58946362550218"</div> <div>IRM 5.12.7.9.3</div> <div>seealso</div> </div>
the inaccuracy on the original NFTL was made to the name control portion of the name line only and an amended NFTL is not needed	change the name control on the original NFTL record.

#### 5.12.7.9.2.1 (MM-DD-YYYY) NFTL Names Only the Wrong Person(s)

(1) If the NFTL inaccurately names a non-liaible person (a person other than the person against whom the statutory lien applies as a result of the tax assessed) and that person is

the **only** person named on the NFTL, contact Advisory. Advisory will consult with Counsel as to the best solution which could be to file a non-attachment (IRM 5.12.10), an erroneous lien release (IRM 5.12.3), or even a withdrawal (IRM 5.12.9). These circumstances result in the appearance that the property of the non-liaible person is attached by the NFTL and differing fact patterns might call for different solutions.

**Note:** If the liability for which the NFTL is being filed relates to a LLC, see IRM 5.12.7.5.3 and IRM 5.1.21 for a solution before contacting Advisory.

**Reminder:** A lien notice determination is needed to ascertain, dependent on the circumstances, whether an NFTL identifying the correct taxpayer should be filed.

#### 5.12.7.9.2.2 (MM-DD-YYYY)

#### Other Types of NFTL Inaccuracies

(1) Use ALS to create amended lien notices rather than manually creating a corrected NFTL. ICS does not have an amend option so revenue officers may request the amendment through CLO by secure emailing Form 13809. The form contains a box for the original SLID.

(2) Listed below is a chart that explains how to correct other types of errors. The errors are grouped as to what type of action is needed:

##### a) Inaccuracies requiring a new NFTL

table frame="all" id="id357510175" summary="Table describing errors that would require a new notice of federal tax lienular types of error"	
INACCURACY TYPE	EXPLANATION
Address	No action is required to correct the original NFTL. If the city, state and/or zip code are incorrect, <b>a new NFTL may have to be filed in the correct recording office.</b>

##### b) Inaccuracies requiring a corrected/amended NFTL

table frame="all" id="id357510176" summary="table describing errors where a corrected notice of federal tax lien is required these corrected"	
INACCURACY TYPE	EXPLANATION

Tax Period	Based on provisions of <span style="border: 1px solid black; padding: 0 2px;">citation type="IRC"</span> IRC § 6320 <span style="border: 1px solid black; padding: 0 2px;">citation</span> , taxpayers are entitled to collection due process (CDP) appeal rights for each tax period with a liability for which an NFTL has been filed. Use ALS AMEND program to file an amended NFTL when the tax period is incorrect and a CDP letter will be issued.
Assessment Date	An amended NFTL is required. The life of the NFTL directly relates to this date as it becomes the statutory lien date. Also the last day for refiling is computed using the assessment date. Do not prepare a "not to be filed" NFTL. Do not issue a new CDP notice.
Last Date for Refiling	The refile date on the recorded lien notices may not be amended. The last day for refiling is computed by ALS print function using the assessment date. If the assessment date is incorrect, the last day for refiling will be computed incorrectly. Amend the NFTL to correct the assessment date and the last day for refiling will be systemically corrected. If not corrected, the NFTL may improperly self-release causing the underlying statutory lien to release thus requiring a revocation of release filing to reinstate the statutory lien and new NFTL filing. Changes to this date will not be made for any other reason. See <span style="border: 1px solid black; padding: 0 2px;">citation type="IRC"</span> IRC § 6323(g)(3) <span style="border: 1px solid black; padding: 0 2px;">citation</span>
Dollar Amount	Amend the NFTL when there is a substantial increase or decrease to the dollar amount as the result of an audit or keystroke (input) error.
Non-Liable Spouse	Amend the NFTL to remove the name of the non-liable spouse.

Improper inclusion of government official name or government office address	<p>Amend the NFTL to remove the name of the non-liaible official. Because of the sensitive nature, take the following, additional steps:</p> <p style="text-align: right;">alphalist</p> <ul style="list-style-type: none"> <li>li a) Notify GM of the situation li</li> <li>li b) GM notifies TM li</li> <li>li c) Send a copy of the original and amended NFTL to the Abusive Transactions Program Analyst via secure E-mail. li</li> <li>li d) Retain a copy of the amended NFTL for the case file li</li> </ul> <p style="text-align: right;">alphalist</p> <p><b>Note:</b> Normally NFTLs are not amended for an incorrect address only. The address can be changed though in conjunction with another correction to the NFTL <span style="float: right;">note</span></p>
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c) Inaccuracies where the correction stays in ALS.

table frame="none" id="id357510096" summary="table describing when the error correction stays within the automated lien system" width="1000"	
INACCURACY TYPE	EXPLANATION
Taxpayer Identification Number (TIN)	<p>This error type does not require a corrected NFTL document. Request CLO prepare a <span style="border: 1px solid black; padding: 2px;">emphasis type="q" "not to be filed NFTL "</span> <span style="border: 1px solid black; padding: 2px;">emphasis</span> in the database.</p>
MFT	<p>This type of error does not require a corrected NFTL document. Request CLO prepare a <span style="border: 1px solid black; padding: 2px;">emphasis type="q" "not to be filed NFTL "</span> <span style="border: 1px solid black; padding: 2px;">emphasis</span> in the database.</p>

**Note:** This statement or a similar statement will be printed on the face of amended NFTLs. **THIS NOTICE OF FEDERAL TAX LIEN IS FILED TO CORRECT**(insert what is being corrected, i.e., tax period, assessment date, MFT, minor misspelling) **ON THE ORIGINAL LIEN NOTICE RECORDED** (insert date of filing) **AS RECORDING NUMBER** (insert recorder's number). **ALL OTHER INFORMATION ON THE ORIGINAL NOTICE FILED IS CORRECT AND THAT INSTRUMENT REMAINS IN FULL**

## FORCE AND EFFECT.

(3) The NFTL issued to the recording office is identified as an AMENDED LIEN NOTICE.

### 5.12.7.9.2.3 (MM-DD-YYYY) Not To Be Filed Lien Notices

(1) Not to be filed lien notices (NTBFL) are created by CLO when a non-critical error, e.g., TIN or MFT, is found on a filed lien notice. The information sharing between IDRS and ALS relies on the correct TIN, MFT, tax period and name control. In order for IDRS to pass information such as updated CSED or satisfaction of a tax module to ALS, a lien notice must be created with matching information from the original lien notice but with the corrected TIN and/or MFT. Any other corrections will be made by amending the lien notice.

(2) Requests should be submitted using Form 13809.

(3) The ALS name control can be corrected without creating a NTBFL.

(4) The history screen is documented listing the original lien notice's SLID number and the NTBFL SLID number.

(5) NTBFLs are not mailed to recording offices. These lien notices are for internal use only.

(6) When the lien modules are satisfied on IDRS, the systemic notification is sent to ALS. ALS will update the NTBFL. Once all the modules are satisfied, the NTBFL will generate a release to the print queue.

(7) When the release is printed, CLO will be alerted to the NTBFL status of the release and will take steps to immediately release the corresponding original lien notice.

(8) If a NTBFL is sent to the recording office in error, and you become aware of the filing, immediately call CLO so that they may contact the recording official via telephone to retrieve the notice.

table frame="all" id="id362550107" summary="IF THEN table describing what to do if a not to be filed lien is accidentally filed" width="4.5

<div>emphasis type="b" &gt;</div> <b>If a not to be filed lien notice</b> <div>&lt;emphasis</div>	<div>emphasis type="b" &gt;</div> <b>and there is</b> <div>&lt;emphasis</div>	<div>emphasis type="b" &gt;</div> <b>then</b> <div>&lt;emphasis</div>
is filed	no balance due (full paid)	contact CLO for issuance of a certificate of release.

has been mailed to a recorder but has not yet been filed		contact the recording official requesting the NTBFL be returned without being recorded. If the recording office does not return the NTBFL, CCP will add a ALS history item including the date, name of contact, and resolution.
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(9) CLO procedures are found in IRM 5.19.12.2.4.

### 5.12.7.9.3 (MM-DD-YYYY)

#### Amending the NFTL Using the ALS Amend Option

(1) NFTLs that have been filed and where the recording data is available in ALS may be amended using the ALS Amend option. However, the ALS amend option may not be used if the recording data (i.e., date, book, page, or other recorder information) is not available in ALS.

(2) **DO NOT use this option to ADD a new person or entity to a filed NFTL.** If an additional name is needed, a new NFTL must be filed to add the name(s) (e.g. a separate to joint situation). An amendment is not a legal option.

(3) ALS amendments are restricted to:

- a) Tax periods;
- b) Taxpayer name (limited to occasions where the taxpayer is not identifiable by lenders) or does not clearly identify the taxpayer to other creditors (e.g. Y. Corn should be Yale Cornell).

**Example:** A non-liaie spouse name may be removed.

**Example:** A non-liaie name may be removed when both the name of an LLC and the name of the owner of an LLC are included on an NFTL.

**Example:** The name and address of **government officials** may be removed from the NFTL, where the inclusion of that information was improper (e.g., Secretary of the Treasury, IRS Commissioner, etc.). **Remember** to notify the Group Manager where an NFTL is identified containing the improper inclusion of a name of a government official or an address of a government office.

- c) Assessment date; and
- d) Amount due on NFTL. This is generally used when an input error results in a significant increase or decrease in the amount owing.

**Example:** An NFTL shows \$30,000,000 and the actual assessment is \$30,000.

(4) Unless special circumstances exist, NFTLs are not amended for an incorrect address only. The address can be changed in conjunction with another correction to the NFTL.

(5) **With ALS Permissions** to amend the NFTL, follow the instructions in the [ALS User Guide](#) Chapter 5, *Resolving Lien Errors*.

(6) **Without ALS Permissions** to amend the NFTL, send Form 13809 via secure email to CLO including:

- a) the serial number (SLID) of the NFTL,
- b) the court recording data for the NFTL, if not already in ALS; and,
- c) the correction to be made (e.g., change the name of the taxpayer from Y. Corn to Yale Cornell).

(7) NFTLs should be amended within five days of receipt of request by the appropriate lien team. Contact the appropriate CLO team if the amended lien notice is not on ALS within that time.

(8) ALS will generate a new CDP notice for amendments to the tax period.

(9) For NFTLs not generated by ALS (nominee, alter ego, transferee lien notices), the requesting employee will prepare the amended lien notice document. Secure e-mail scanned documents to the appropriate lien team for processing.

(10) If the NFTL is related to an abusive tax avoidance (ATAT) situation, notify the ATAT Collection Policy Analyst.

(11) CLO procedures are found in IRM 5.19.12.

#### 5.12.7.10 (MM-DD-YYYY) FILING

(1) It is important that Notices of Federal Tax Lien be filed in the proper jurisdiction to protect the governments' interest amongst other creditors. State law dictates the place of filing. Exhibit 5.12.7-2, "State Filing Locations", gives the filing locations for each state, the District of Columbia and Puerto Rico. Names of recording offices may be different in different states. Many states now designate the Secretary of State as the one office for filing notices of lien against personal property of corporations, partnerships, and other entities.

(2) For an NFTL mailed to a recording office that does not require the lien notice to be indexed in order to give notice to third parties of its existence, the date the NFTL is delivered by the U.S. Postal Service to the recording office is the date it is filed. The



Service presumes that it takes three business days, beginning the business day after mailing, for an NFTL to be received in the mail by a local recording office. As a result, under the Service's assumptions, the NFTL is "deemed filed" on the third business day after the mailing date. However, some states' laws require deeds affecting real property be indexed. In such states, pursuant to IRC § 6323(f)(4), filing is not complete until such NFTL is indexed by the local recording official and recorded in the index at a place of public filing in such a manner that a reasonable inspection of the index will reveal its existence.

(3) Individuals:

- a) Real Property - file the NFTL in the recording office for the county where the real property is located;
- b) Personal Property (tangible or intangible) - **In general**, file the NFTL at the recording office for the county where the taxpayer resides at the time the NFTL is filed. Be sure to check Exhibit 5.12.7-2 "State Filing Locations" for a specific state's requirement.

(4) Corporations and Partnerships:

- a) Personal Property - file as designated by the state where the principal executive office of the business is located. This may be with the Secretary of State or other designated office Exhibit 5.12.7-2, "State Filing Locations". Contact Advisory or Counsel resources for questions or clarification on place of filing.

**Reminder:** The principal executive office is deemed to be the residence of the corporation or partnership. It is the place where the major management decisions are made. Do not confuse the principal executive office with the principal place of business.

- b) Real Property - file in the recording office for the county where the real property is physically located.

(5) Clerk of the United States District Court - File with the office clerk if the state has not designated one office within the state that comports with federal law (e.g. Puerto Rico files with the clerk of the court).

(6) Recorder of deeds of the District of Columbia - Personal property whether tangible or intangible, is deemed to be located in the District of Columbia if the taxpayer's residence is located there or outside the United States at the time the notice of lien is filed.

(7) An NFTL encumbers motor vehicles, airplanes and vessels in the same manner as other personal property when an NFTL is filed in the recording office designated by state law as the residence of the taxpayer. Do not file Form 668(Y)(c) with Departments of Vehicles, FAA, or the U.S. Coast Guard or similar agencies. (See IRC § 6323(f)(5)).

(8) Consult Area Counsel if there is any uncertainty regarding lien notice filing locations. Also, see IRM 5.17.2, Federal Tax Liens, for additional information.

#### **5.12.7.10.1 (MM-DD-YYYY)**

##### **Additional Filing Information for Texas**

- (1) The Texas Uniform Federal Lien Registration Act, Section 14.004, "Duties of the Filing Officer" specifies in paragraph (a)(2) that county clerks will file "Federal liens" alphabetically in the real property records. If requested by the party submitting the document, it may be entered alphabetically in the personal property index, as appropriate. These additional entries include the same filing and certification information that was entered into the real property records.
- (2) Employees requesting NFTLs for Texas will ensure lien notices are properly filed in real property records.

#### **5.12.7.10.2 (MM-DD-YYYY)**

##### **Lien Notices Filed in Other Areas**

- (1) A revenue officer should use ICS to file an NFTL in any location where their taxpayer owns property. It is no longer necessary to complete Form 2209, *Courtesy Investigation*, to request an out-of-area NFTL filing.
- (2) Before requesting the NFTL determine the proper place of filing and ensure that you are in the correct state where you want the NFTL filed.
- (3) Determine whether the NFTL is to reach real or personal property or both. This is necessary as the recording official and/or office may be different in certain states.
- (4) A TC 582 will be automatically generated.

#### **5.12.7.10.3 (MM-DD-YYYY)**

##### **Removing the NFTL**

- (1) An NFTL may be physically removed from the documents being mailed to a recording office. However, an NFTL can only be deleted from ALS if it has not yet appeared on the Billing Support Voucher (BSV).
- (2) When an NFTL has been requested in error, the requesting employee may request that the NFTL be removed from documents being mailed to the recording office.
- (3) The employee who requested the NFTL can call or secure email CLO asking that the NFTL be removed from the documents being mailed to the recording office.
- (4) Requests must be received and CLO actions completed by 5 PM EST on the day the lien notice is printed (Wednesday or Friday). Timely requests eliminate the generation of the CDP notice.
- (5) Request that CLO document the reason the lien notice is being removed and keep the documentation.

- (6) CLO procedures are found in IRM 5.19.12.7.2.2.

#### 5.12.7.10.4 (MM-DD-YYYY)

##### Duplicate NFTL

- (1) Duplicate NFTLs are those filed on a taxpayer with entity, tax period information, and filing location identical to that of a previously filed NFTL. Duplicates may result from the same NFTL being manually and systemically filed in the same recording office due to requester/CLO miscommunication. All employees will research IDRS or ALS before inputting NFTL requests to ensure duplicates are not requested. Contact CLO immediately if a duplicate situation is identified.
- (2) ALS will only prevent the generation of a duplicate NFTL if the duplicates are requested the same day. If the NFTL is requested on a subsequent day, ALS will warn of the duplication but not prevent the duplication from being processed.
- (3) A duplicate NFTL can occur either with the same SLID as the original but have different recording office data. Or the duplicate could have both a different SLID and different recording office data.
- (4) If research indicates a previously recorded NFTL exists, do not request a new lien notice.
- (5) If a NFTL is reflected on ALS but there is no recording office data entered, check with CLO to determine whether this NFTL is on the "Lost Lien Report" and is already being addressed by CLO. If it is not on the report, have CLO follow-up with the recording office.
- (6) For a duplicate NFTL **where the SLIDS are the same** (original and duplicate):
- a) Issue Letter 2440, *Certificate of Duplication of Federal Tax Lien* to the recording office for associating with the duplicate NFTL.
  - b) Send a copy of the Letter 2440 to the taxpayer and their representative (if appropriate) notifying them a duplicate lien notice has been filed. Instruct the taxpayer to retain the letter and document for future reference and tell them to **not file** the document.
- (7) For a duplicate NFTL **where the SLIDS are different** (original and duplicate):
- a) CLO or the revenue officer will submit a request for withdrawal to Collection Advisory. If the originator is no longer assigned the case, the request will be forwarded to the Advisory office responsible for the taxpayer's geographical location.
  - b) Advisory will process the withdrawal to CLO following standard procedures (see IRM 5.12.9). The recording office information for the duplicate (later filed) NFTL will be used for the withdrawal.
  - c) Filing fees for withdrawals of duplicate NFTL will not be posted to the taxpayer's account.

(8) For refileing where a duplicate NFTL has been filed but not withdrawn, provide Area Counsel with the particular situation and ask whether both the original and duplicate will need to be refiled. A duplicate can cause confusion if the duplicate self-releases or appears to self-release.

**Reminder:** To protect the statutory lien when the decision is made to refile, all lien notices listing the statutory lien must be refiled. A duplicate NFTL will have different recording data than the original NFTL whether or not the SLIDs on the original and duplicate are the same. The question for Area Counsel will be whether the duplicate would be treated the same as an additional NFTL filed in another jurisdiction.

(9) Both the ALS history and the case history must be documented.

#### 5.12.7.11 (MM-DD-YYYY) DISTRIBUTION

(1) The distribution process for an NFTL Form 668(Y)(c) involves:

- a) printing the notice (with the exception of the few recorders the Service files with electronically),
- b) mailing the notice for filing to the designated recording office, and
- c) mailing to the taxpayer and, if appropriate, their representative copies of the notice and, if required, the CDP letter.

##### 5.12.7.11.1 (MM-DD-YYYY) Printing the NFTL

(1) NFTLs will be printed within 5 business days of input to ALS.

(2) An NFTL generated by ALS on Sunday, Monday, or Tuesday will print out on Thursday. An NFTL generated by ALS on Wednesday, Thursday, Friday, or Saturday will print out on Tuesday.

(3) Lien notices are printed by ALS on Tuesdays and Thursdays ONLY. However, when deemed necessary by CLO management, lien notices may be printed other days. CLO will ensure that CDP notices are issued timely in these instances. This printing schedule allows ALS to send a data file electronically to the Correspondence Production Services so they can timely issue the CDP notices and release copies. The schedule also allows ALS to process timely TC 582 lien indicators and correct TC 360 amounts.

(4) CLO is allotted 3 business days (including the print day) for administrative processing. Documents are normally sent to recording offices by close of business the next business day.

(5) The taxpayer and representative's NFTL copies are printed with the CDP notice and

mailed from the Correspondence Production Services.

(6) CLO procedures are found in IRM 5.19.12.

#### 5.12.7.11.2 (MM-DD-YYYY)

##### Mailing the NFTL

(1) CLO generally mails NFTLs to the recording offices within 2 business days of the day the NFTL is printed. So an NFTL printed on Tuesday will be put in the mail by CLO on Wednesday. An NFTL printed on Thursday will be put in the CLO mail on Friday.

**Example:** ALS receives an ICS NFTL request on Friday. The NFTL is printed the following week on Tuesday. Then the NFTL is generally in the CLO mail for the designated recording office by close of business Wednesday.

**Example:** ALS receives an ICS NFTL request on Monday. The NFTL is printed the same week on Thursday. Then the NFTL is generally in the CLO mail for the designated recording office by close of business Friday.

**Example:** A revenue officer requests an NFTL through ICS on a Friday. ALS will receive that request from ICS on Monday. The NFTL will be printed on Thursday and will generally be in the CLO mail for the designated recording office by close of business Friday.

(2) Generally CLO mails paper documents to the recording offices for filing. There are a few recording offices where the delivery is done electronically. But even with these recording offices, there are some exceptions. Check with CLO if there is a question about how a specific NFTL or other lien document is delivered to a particular recording office.

(3) For **NFTL not needing to be indexed**: Because it is difficult to ascertain the date a recording office receives the NFTL in the mail, the Service has made certain assumptions in order to identify the last date by which the taxpayer can request a CDP hearing. The Service presumes the NFTL is “deemed filed” on the third business day after the mailing date.

**Example:** An NFTL is printed on Tuesday and mailed on Thursday, it is deemed filed on Tuesday of the following week.

**Caution:** A taxpayer can challenge this presumed filing date if (s)he can show that the recording office received the NFTL on a date later than under the Service's presumed filing date.

(4) For **NFTL needing to be indexed**: Some states' laws require deeds affecting real property be indexed. In such states, pursuant to IRC § 6323(f)(4), filing is not complete until such NFTL is indexed by the local recording official and recorded in the index at a place of public filing in such a manner that a reasonable inspection of the index will

reveal its existence.

**Caution:** Situations could arise where the taxpayer will be able to dispute the Service's calculation of the last date by which a CDP hearing can be requested. It may be possible where they have the indexing date and it differs from the Service's presumptive filing date.

(5) The taxpayer and Power of Attorney (POA) copy of the NFTL and any associated letters such as notification of CDP rights or the Letter 3171, Notice of Additional Federal Tax Lien Filing, are sent from the Correspondence Production Sites (CPS) after ALS provides the information systemically. For more information about CDP go to either IRM 5.1.9.3.2.1, *Timeliness of the CDP Hearing Request* or IRM 5.12.6.

(6) CLO procedures related to printing and mailing lien documents and letters are found in IRM 5.19.12.

### 5.12.7.11.3 (MM-DD-YYYY)

#### Obtaining Copies of Filed Documents

(1) Employees who require certified copies of filed documents must:

- a) obtain a travel advance, or
- b) claim the expense on a travel voucher.

(2) Invoices received by CLO for revenue officer filing expenses from recording offices, will be forwarded to the applicable revenue officer group manager for resolution. CLO does not process this type of payment request with their Billing Support Voucher. The group manager will be responsible for ensuring the invoice is paid within 10 calendar days of receipt.

(3) Recording offices will be provided the name, phone number and mailing address of the revenue officer group manager to pursue fee collection.

(4) To prevent further payment requests from recording officials, CLO may annotate the location of the invoice and retain a copy in their files.

### 5.12.7.12 (MM-DD-YYYY)

#### Recording Office Data, Indicators, Fees, and Codes

(1) The filing of the lien notice begins a maintenance process that covers the life of the lien and underlying tax liability.

(2) The location of the recording office and the filing data to identify, where the NFTL can be located at the recording office, are needed in order to reference the NFTL for release, refiling, or other associated lien certificate filing. This filing data from the recorder must be entered into ALS for retention. This is discussed more fully in IRM 5.12.7.12.1.

(3) In order for Master File to communicate systemically with ALS when the liability underlying the statutory lien has been satisfied, an indicator must be posted accurately to Master File. This is discussed more fully in IRM 5.12.7.12.2.

(4) The filing fees associated with the lien notice filing and release need to be charged to the taxpayer's account so that the Service may be reimbursed when the liability is paid. The Service is not reimbursed where the liability is not paid, the fees are not input, or the fees are abated. This is discussed more fully in IRM 5.12.7.12.3.

(5) In order to acknowledge payments made as a result of the lien notice filing or subsequent filing of additional lien certificates, Master File transaction payment codes can be designated. These are called Designated Payment Codes (DPC) which are discussed more fully in IRM 5.12.7.12.4.

#### 5.12.7.12.1 (MM-DD-YYYY)

#### Adding Recording Office Data to ALS

(1) The priority of the federal tax lien amongst certain creditors is determined by the filing date and time of the notice. In regard to a lien that attaches real property, priority may be determined by state law requiring that the lien notice be not only filed but also indexed in such manner that a reasonable inspection of the index will reveal the existence of the lien notice filing. Most recording offices provide recording or indexing data which includes the date, time, book number, page number, and time of the filing or indexing. It is important to accurately and timely enter correct filing data from the recording office. Filing and index data (book number, page, etc.) differ amongst recording offices, i.e., some use the recording number, some use the book and page, some use the serial numbers, some use a combination of the above. The court input data screen is set by the ALS functional coordinator.

(2) Input the recording office data as soon as possible but **no later than four (4) calendar days** after obtaining or receiving the data.

- a) **Without ALS permissions** secure e-mail or fax the filing or indexing data to the CLO.
- b) **With ALS permissions**, filing and indexing data is entered following the steps in the [ALS User Guide - Chapter Eight \(8\)](#).

(3) When entering the data, review the lien notice to verify that the county identified on the lien notice matches the county where the lien notice was filed. This is very important since it establishes our lien priority.

(4) If the (filing location) counties don't match, contact the appropriate lien team for assistance. The team will assist with any corrective action needed. If there is an error, the lien may not properly release through ALS once the tax liability is satisfied.

**Reminder:** There are some locations in the country where the zip code mailing



address is in one county but the actual physical location of the property is in another county.

- (5) Add an ALS history with an explanation of the error.

#### 5.12.7.12.1.1 (MM-DD-YYYY)

### Actions for Releasing NFTL when Recording Office Information Missing

- (1) If ALS does not have recording office filing information for the original lien notice and a release is needed, take the following actions:

- a) Access the web site for recording office (or Secretary of State) where the lien notice is supposed to be filed;
- b) Research using Accurint;
- c) Phone or visit the recording office where the lien notice is supposed to be filed;
- d) Contact CLO for assistance.

- (2) If recording office information cannot be found, contact Advisory to determine the best course of action.

#### 5.12.7.12.2 (MM-DD-YYYY)

### Lien Notice Filing Indicator (LFI)

- (1) A lien (notice) filed indicator (LFI) appears on Master File when the Transaction Code (TC) 582 posts.
- (2) ALS systemically generates and passes this indicator to Master File for all tax modules on an NFTL when that NFTL is processed through ALS. The primary purpose of the LFI is for Master File to notify ALS when a module is satisfied and ALS can generate a release.
- (3) ALS transmits the LFI to Master File weekly.
- (4) TC 582 is not generated to non Master File (NMF) accounts.
- (5) ICS users receive a systemic notification if the TC 582 does not post to IDRS within 30 days. Follow up action is required.
- (6) **For ALL manually prepared lien notices and estate tax liens:** Revenue Officers **must request** input of TC 582 for a lien (notice) filed indicator and TC 360 for recording fees, if applicable.

#### 5.12.7.12.2.1 (MM-DD-YYYY)

### Reversing the LFI

- (1) Once a tax module is satisfied and Master File has notified ALS, the release is generated and ALS returns to Master File a TC 583 to reverse the TC 582. See IRM 5.12.3.



(2) If the balance due is NMF, and as indicated in IRM 5.12.7.12.2, no LFI has posted to the NMF module, then no LFI action is needed to reverse the indicator.

(3) Effective 1/2007, TC583 must be used with one of the following definer codes:

- a) DC 1 – released
- b) DC 2 – withdrawal due to administrative error
- c) DC 3 – withdrawal due to collection due process appeal rights
- d) DC 4 – reversal
- e) DC 5 – self-released (statute expiration)

### 5.12.7.12.3 (MM-DD-YYYY)

#### Filing Fees

(1) The taxpayer's account is charged up front for both the filing and release fee.

(2) For ALS processed NFTL, the appropriate filing and release fees are transmitted systemically to Master File. The transmission occurs weekly on Friday and includes fees through close of business Wednesday. Contact CLO if an NFTL has been requested but full payment is also received before this weekly transmission and the NFTL appears on a Billing Support Voucher. This will allow CLO to delete the NFTL and fees.

(3) For manually processed NFTL, the NFTL and release fee are the responsibility of the revenue officer. The revenue officer must ensure that the correct filing fee is timely submitted for posting to Master File. The posting request for the fee is submitted as soon as the NFTL is hand carried or mailed to the recording office.

**Reminder:** TC 360 should appear on the oldest module listed on the lien notice to which the TC 582 also posted (correctly).

(4) Fees for hand carried documents may be paid by the revenue officer and included on the travel voucher for reimbursement. Almost all recording offices have now been set up on electronic funds transfer for billing and payment. However, some recorders may accept a billing voucher (Form 3982, *Billing Support Voucher*) from the revenue officer. Check with CLO as to the status of a particular recorder.

(5) For NMF accounts, a listing will generate for TC 360 and a posting request to the Automated NMF (ANMF) must be prepared and forwarded to the servicing campus using Form 3244, *Payment Posting Voucher*.

(6) Fee amounts can change over time. Contact CLO for assistance with determining the filing and release fee portions.

(7) Reverse the TC 360 when an NFTL is filed in error (see IRM 5.12.3.9).

(8) A taxpayer may have an immediate need to file documents. If the document is a release and the taxpayer is hand carrying the release to the recording office, see IRM

5.12.3.7 for instructions related to the release fee.

(9) See IRM 5.12.7.13, for information regarding billing methods.

#### **5.12.7.12.4 (MM-DD-YYYY)**

##### **Designated Payment Code (DPC)**

(1) A designated payment is a voluntary payment designated by the taxpayer to be applied in a particular manner, i.e., kind of tax, specific tax period, etc.

(2) In the absence of a designation by the taxpayer, payments will be applied in a manner consistent with the provisions of Revenue Procedure 2002-26, unless a specific statute, regulation or procedure designates otherwise.

(3) A DPC is mandatory on all Collection initiated posting vouchers for transaction codes 640, 670, 680, 690, 693 and 700. DPCs serve three purposes.

- a) They identify payments that are designated for trust fund or non-trust fund employment and excise taxes.
- b) They identify application of payments for a specific liability.
- c) They identify the event which resulted in the payment.

(4) Use the following DPC for lien related payments when collected by

- a) A revenue officer or other staff outside of Advisory, Insolvency, or the Centralized Lien Operation:

- DPC 07 when applying payments secured for the release of a notice of federal tax lien.

- b) Advisory, Insolvency, or Centralized Lien Operation employees:

- DPC 53 when applying payments secured for a discharge of federal tax lien.
  - DPC 55 when applying payments secured for a subordination of federal tax lien.
  - DPC 56 when applying payments secured for a withdrawal of the lien notice.
  - DPC 57 when applying payments secured from either a judicial or non-judicial foreclosure.
  - DPC 58 when applying payments secured from either a redemption or a release of right of redemption.
  - DPC 59 when applying payments secured from estate tax liens and as the result of the filing of a proof of claim in a probate proceeding.

(5) All payments must be posted to the taxpayer's account within 48 hours of receipt. Lien Units will forward payments for posting by close of business the day of receipt. When a check is received in response to a payoff letter:

- a) Verify if the amount received is correct.
- b) Verify the due date for payment as stated in the payoff letter has not passed.
- c) Verify the payment type, cashier's check, bank/postal money order, bank check, personal check.
- d) Release liens associated with the payment but only if the tax period is full paid and the funds are certified.

### 5.12.7.13 (MM-DD-YYYY) BILLING

(1) The recording office billing of the filing fees and the Service's payment of those fees is now almost entirely a systemic process. The process starts with CLO. They perfect the ALS generated Form 3982, *Billing Support Voucher* and forward the Forms 3982 both to the recording office and Beckley Finance Center. Beckley then pays the recording offices through Electronic Funds Transfer (EFT).

(2) There may be rare occasions where either a revenue officer or taxpayer hand carries a document for immediate filing. In these situations, contact CLO before going to the recording office to see if the recorder accepts a Form 3982, *Billing Support Voucher*. CLO will provide instructions when this is the case. See also IRM 5.12.7.12.3.

(3) If the revenue officer needs to file lien documents with a recording office which does not accept a Form 3982, the fee must be paid by the revenue officer and submitted for reimbursement on their travel voucher.

### 5.12.7.14 (MM-DD-YYYY) Lost Lien Notices

(1) A *potential* lost lien notice is one which has been sent to a recording office but where the filing information has not been returned to the Service. CLO monitors this activity using the Lost Lien Report.

**Reminder:** The IRS considers the lien notice *filed* when the recorder receives it. Even if a recorder fails to record a notice which has been filed with them, the notice is still considered *filed* for legal purposes.

#### 5.12.7.14.1 (MM-DD-YYYY) The Lost Lien Report

(1) ALS generates the Lost Lien Listing every 30 days. The listing shows the NFTLs that have been sent to recording offices but no filing information has been entered into the court screen on ALS.

- (2) Recording offices can take days, weeks, or at times, months to record the lien notice filed with them and return that information to the IRS.
- (3) Lien notices hand carried to the recording office by revenue officers will show as lost NFTLs, if the recording information is not input to ALS. To avoid this situation, revenue officers must enter the recording office information to ALS or provide it to CLO to enter into the ALS court screens.
- (4) Without the recording office information, subsequent lien certificate filing cannot occur as this information is used by the recording office to associate subsequent lien certificates with the original NFTL.
- (5) Revenue officers may at times be asked to assist CLO to locate missing recording office information.

#### **5.12.7.14.2 (MM-DD-YYYY)** **Replacement Lien Notices**

- (1) Replacement notices may be required if the recording office information cannot be found. Effective December 2006, CLO will replace NFTLs and send notifications to other functions for all lost NFTLs unless there is six months or less time before the CSED.
- (2) CLO issues replacement NFTLs on accounts in the following statuses:
  - a) Automated Collection System - Status 22
  - b) Field - Status 26
  - c) Currently Not Collectible - Status 53
  - d) Installment Agreement - Status 60
  - e) Defaulted Installment Agreement - Status 64
- (3) When replacement NFTLs are generated on ALS, a CDP notice, if appropriate, is not suppressed.
- (4) For NFTLs that originated in ACS or if accounts are currently in status 22, the replacement NFTLs will be issued using an ACS assignment number.
- (5) For NFTLs on accounts currently in status 60, 64, and 53, that originated in Field Collection and accounts currently in status 26, the replacement NFTL will be issued using the originating revenue officer's name.
  - a) If the originating revenue officer's TSIGN cannot be found in ALS, the lost NFTL request will be forwarded to the group manager where the taxpayer resides for confirmation on issuance.
  - b) Calls and requests for other actions from taxpayers on these lien notices will be referred to the group manager where the taxpayer resides, or where the lien notice is filed based on the nature of the request.

#### 5.12.7.14.2.1 (MM-DD-YYYY)

### Replacement Lien Notice Assistance Requests to Other Functions

- (1) If taxpayers are in a status that requires specific expertise to determine if replacement NFTL filing is allowed, CLO may request assistance from other functions.
- (2) Litigation:
  - a) Status code 72; and
  - b) when the closing code for the last TC 520 on the tax module is 70-80, 82; then
  - c) CLO will contact:  
Title: Group Manager, Advisory  
Mail Address: Advisory Unit where the taxpayer resides.
- (3) Insolvency:
  - a) Status 72 and the TC 520 closing codes are 60-67, 81, or 83-89 then
  - b) CLO will contact.  
Title: Group Manager, Insolvency  
Mail Address: Insolvency Unit where the taxpayer resides.
- (4) Centralized Offer in Compromise (COIC) - for status 71 and TC 480 (where no TC 780, TC 788; or TC 781 is present on the module), for:
  - a) COIC - Memphis, then  
CLO will contact:  
Title: Team Manager  
Mail Address: 5333 Getwell Rd, Stop 880, Memphis, TN 38118.
  - b) COIC - Brookhaven, then  
CLO will contact:  
Title: Program Manager  
Mail Address: 1040 Waverly Avenue, Holtsville, NY 11742.
- (5) Monitoring Offer In Compromise (MOIC) - for status 71 and TC 780, for:
  - a) MOIC - Brookhaven, then  
CLO will contact:  
Title: Department Manager, Brookhaven MOIC Unit  
Mail Address: IRS, P.O. Box 9006, Holtsville, NY 11742.
  - b) MOIC - Memphis, then  
CLO will contact:  
Title: Department Manager, Memphis MOIC Unit  
Mail Address: IRS, 5333 Getwell Rd., Stop 813, Memphis, TN 38118.
- (6) Innocent Spouse:

- a) MFT 31, TC 971, AC 104, then
- b) CLO will contact

Title: Senior Tax Analyst

Mail Address: P. O. Box 120053, Covington, KY 41012.


#### 5.12.7.14.2.2 (MM-DD-YYYY)

#### Replacement Lien Notice Assistance Actions by Other Functions

- (1) When CLO notifies one of the functions identified in IRM 5.12.7.14.2.1, a decision must be made whether or not the taxpayer's situation precludes filing a replacement NFTL. The function contacted is responsible to make the replacement NFTL filing decision.
- (2) Once CLO has notified the function that a replacement NFTL decision is needed, they will remove the NFTL from the Lost Lien Notifications. A response to the notification is not needed. It is the responsibility of the function notified to decide whether or not a replacement NFTL will be filed. However, if the function has a question, contact CLO.
- (3) If the decision is made to file a replacement NFTL, ICS users will complete Form 12636 and forward to CLO via secure email, notating "do not suppress the CDP notice", if appropriate.
- (4) If the replacement NFTL request is input directly into ALS by the function, the system may query if it is a duplicate NFTL filing. If this occurs:
  - a) Set answer to "yes";
  - b) Proceed with input; and,
  - c) Do not suppress the CDP notice, if appropriate.
- (5) If a replacement NFTL will not be filed, input a TC 583 to reverse the LFI and use a TC 361 to abate the filing fee.

#### Exhibit 5.12.7-1 (MM-DD-YYYY)

#### Notice of Federal Tax Lien (MCAR)

graphic id="id357510110" 

#### Exhibit 5.12.7-2 (MM-DD-YYYY)

#### State Filing Locations

table frame="all" id="id357510163" summary="table that identifies the state, where real property liens are filed, and where personal prop

<div>emphasis type="b"</div> <div><b>State</b></div> <div>emphasis</div>	<div>emphasis type="b"</div> <div><b>Real Property</b></div> <div>emphasis</div>	<div>emphasis type="b"</div> <div><b>Personal Property</b></div> <div>emphasis</div>
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## Notice of Federal Tax Lien Under Internal Revenue Laws

District

Serial Number

For Optional Use by Recording Office

NAME OF DISTRICT

98YYHNNNNH

As provided by sections 6321, 6322, and 6323 of the Internal Revenue Code, notice is given that taxes (including interest and penalties) have been assessed against the following-named taxpayer. Demand for payment of this liability has been made, but it remains unpaid. Therefore, there is a lien in favor of the United States on all property and rights to property belonging to this taxpayer for the amount of these taxes, and additional penalties, interest, and costs that may accrue.

Name of Taxpayer FIRST NAME LINE  
SECOND NAME LINE

Residence STREET ADDRESS  
CITY, STATE ZIP CODE

IMPORTANT RELEASE INFORMATION: With respect to each assessment listed below, unless notice of lien is refiled by the date given in column (e), this notice shall, on the day following such date, operate as a certificate of release as defined in IRC 6325(a).

Kind of Tax (a)	Tax Period Ended (b)	Identifying Number (c)	Date of Assessment (d)	Last Day for Refiling (e)	Unpaid Balance of Assessment (f)
INCOME	MM/DD/YY	98-NCA-NNNNN or NNN-NN-NNNN	MM/DD/YY	MM/DD/YY	\$ NNNNNNNNNNNN
THIS AMOUNT IS DUE, OWING AND UNPAID TO THE GOVERNMENT OF [TREATY PARTNER] AND IS BEING COLLECTED ON BEHALF OF [TREATY PARTNER] UNDER THE PROVISIONS OF ARTICLE [NN] OF THE UNITED STATES - [TREATY PARTNER] INCOME TAX CONVENTION AND APPLICABLE PROVISIONS OF THE INTERNAL REVENUE LAWS OF THE UNITED STATES.					

Place of Filing

NAME LINE  
STREET ADDRESS  
CITY, STATE ZIP CODE

Total \$ NNNNNNNNNNNN

This notice was prepared and signed at \_\_\_\_\_ CITY, STATE \_\_\_\_\_, on this,

the \_\_\_\_ NN \_\_\_\_ day of \_\_\_\_ MONTH \_\_\_\_ 19 \_\_\_\_ YEAR \_\_\_\_.

Signature

ORIGINATOR'S NAME

Title

ORIGINATOR'S TITLE

(NOTE) Certificate of officer authorized by law to take acknowledgments is not required to the validity of Notice of Federal Tax Lien.  
Rev. Rul. 71-468, 1971-2 C.B. 469

Form 888 (Y) (Rev. 1-67)

Part 1 - kept by Recording Office

Alabama	Office of Probate Judge for the county where the real property is located.	Corporations and Partnerships (with principal executive office in Alabama): Office of the Sec'y of State. <input type="checkbox"/> Trusts: Office of the Sec'y of State. <input type="checkbox"/> Estates of Decedents: Office of the Probate Judge for the county in which the estate is administered. <input type="checkbox"/> All Other Cases: Office of the Probate Judge for county where the taxpayer resides.
Alaska	Office of the Recorder of the recording district where the real property is located.	Individual Taxpayers: Records of the recording district where the person resides at the time of recording the lien. <input type="checkbox"/> Corporations and Partnerships: The Office of the Recorder of the recording district where the principal executive office of the business is located.
American Samoa	Office of Territorial Registrar	Office of Territorial Registrar
Arizona	Office of the Recorder in the county where the real property is located.	Corporations and Partnerships (with principal executive office in Arizona): Office of the Sec'y of State <input type="checkbox"/> Trusts: Office of the Sec'y of State <input type="checkbox"/> Estates of Decedents: Office of the Sec'y of State <input type="checkbox"/> All Other Cases: Office of the Recorder for county where the person against whose interest the lien applies resides at the time of filing or recording the tax lien.
Arkansas	Office of the Circuit Clerk of the county where the real property is located.	Corporations and Partnerships (with principal executive office of Arkansas): Office of the Sec'y of State <input type="checkbox"/> Trusts: Office of the Sec'y of State <input type="checkbox"/> Estates of Decedents: Office of them Sec'y of State. <input type="checkbox"/> All Other Cases: Office of the Circuit Clerk for the county where the person against whose interest the lien applies resides at the time of filing.



California	Office of the County Recorder in which the real property is located.	Corporations, Limited Liability Companies, and Partnerships (with principal executive office in California: Office of the Sec'y of State. [br] Trusts: Office of the Sec'y of State. [br] Estate of Decedents: Office of the Sec'y of State [br] All Other Cases: Office of the Recorder for the county where the person against whose interest the lien applies resides.
Colorado	Office of the County Clerk and Recorder of the county where the real property is located.	Corporations, Partnerships, and Limited Liability Companies (with chief executive office in Colorado): Office of the Sec'y of State. [br] Trusts: Office of the Sec'y of State. [br] Estates of Decedent: Office of the Sec'y of State. [br] All Other cases where person lien is filed against has principal residence in Colorado: Office of the Secretary of State.
Connecticut	Office of the clerk of the town in which the real property is located.	Office of the Secretary of State
Delaware	Office of the Recorder of Deeds of the county where real property is located.	Corporations, Partnerships, Limited Liability Companies (with principal executive office in Delaware): Office of Sec'y of State [br] Trusts: Office of the Sec'y of State [br] All Other Cases: Office of the Recorder of Deeds of the county where the person against whose interest the lien applies resides at the time of filing.
District of Columbia	Office of the Recorder of Deeds of the District of Columbia where the real property is located.	Office of the Recorder of Deeds of the District of Columbia where the taxpayer resides.

Florida	Office of the Clerk of the Circuit Court (or County Recorder) of the county where the real property is located.	Corporations and Partnerships, (with principal executive office in Florida): Office of Sec'y of State <div>br</div> Trusts: Office of the Sec'y of State <div>br</div> Estates of Decedents: Office of the Sec'y of State <div>br</div> All Other Cases: Office of the Clerk of the Circuit Court (or County Recorder) of the county where the person against whose interest the lien applies resides at the time of filing.
Georgia	Office of the Clerk of the Superior Court of the county where the real property is located.	Corporations and Partnerships, (with principal executive office located in Georgia): Office of the Superior Court of the county where the principal executive office is located. <div>br</div> All Other Cases: Office of the Clerk of the Superior Court of the county where the taxpayer resides.
Guam	Department of Land Management <div>note</div> <b>Note:</b> Some real property in Guam may still be unregistered. If <div>emphasis type="i"</div> <div>emphasis type="b"</div> <b>unregistered</b> <div>emphasis</div> <div>emphasis</div> property is encountered contact Area Counsel. <div>note</div>	Clerk of the U.S. District Court of Guam
Hawaii	Office of the Bureau of Conveyances	Office of the Bureau of Conveyances

Idaho	Office of the County Recorder of the county where the real property subject to the lien is located.	Corporations and Partnerships, (with principal executive office in Idaho): Office of the Sec'y of State <div>br</div> Trusts: Office of the Sec'y of State <div>br</div> Estates of Decedents: Office of the Sec'y of State <div>br</div> All Other Cases: Office of the County Recorder of the county where the taxpayer resides.
Illinois	Office of the Recorder of the county in which the real property subject to the lien is located. <div>emphasis type="q"</div> “n1” <div>emphasis</div>	Non-individuals (Corporation, Partnership, Estate, or Trust): Office of the Secretary of State. <div>br</div> All Others: Office of the Recorder of the County of the taxpayer's residence.
Indiana	Office of the Recorder of the county where the real property is located.	Corporations, Partnerships, and Limited Liability Companies, except disregarded single- member LLCs: Office of the Recorder of the county where the principal executive office of the business is located. <div>br</div> All Others, including disregarded single-member LLCs: Office of the Recorder of the county of the taxpayer's residence.
Iowa	Office of the Recorder of the county where the real property is located.	Corporations and Partnerships, (principal executive office in Iowa): Office of Sec'y of State <div>br</div> All Other Cases: Office of the Recorder of the county where the person resides.
Kansas	Office of the Register of Deeds of the county where the real property is located.	Corporations and Partnerships, (with principal executive office in Kansas): Office of Sec'y of State <div>br</div> Trusts: Office of the Sec'y of State <div>br</div> Estates of Decedents: Office of the Sec'y of State <div>br</div> All Other Cases: Office of the Register of Deeds for counties for the county where the taxpayer resides.

Kentucky	Office of the County Clerk of each county within which the property subject to lien is located	Office of the County Clerk of each county within which the property subject to lien is located. <span style="border: 1px solid black; padding: 0 2px;">emphasis type="q"</span> "n2" <span style="border: 1px solid black; padding: 0 2px;">emphasis</span>
Louisiana	Immovable Property: Office of the Parish Recorder of Mortgages of the parish in which the immovable property subject to lien is located.	Movable Property: Office of the Clerk of Court of any parish or, in the case of Orleans Parish, with the Recorder of Mortgages (filing officer), for inclusion in the master index of information maintained by the Sec'y of State.
Maine	Registry of deeds in the county or counties within which the affected property is situated.	Timber to be cut, as-extracted collateral (oil, gas, minerals): Office of the Registry of Deeds in the county where the mortgage on the real estate concerned would be filed or recorded <span style="border: 1px solid black; padding: 0 2px;">br</span> All Other Cases: Office of the Secretary of State
Maryland	Office of the Clerk of the Circuit Court of the County where the real property is located.	Corporations and Partnerships (principal executive office located in Maryland): Office of the Clerk of the Circuit Court where the principal executive office is located. <span style="border: 1px solid black; padding: 0 2px;">br</span> All other cases: Office of the Clerk of the Circuit Court of the county where the person resides at the time of filing of the tax lien.
Massachusetts	Office of the Register of Deeds of the county where the real property is located	Office of the United States District Court for the judicial district in which the taxpayer resides. <span style="border: 1px solid black; padding: 0 2px;">emphasis type="q"</span> "n3" <span style="border: 1px solid black; padding: 0 2px;">emphasis</span>
Michigan	Office of the Register of Deeds of the county in which the real property subject to liens is located.	Corporations and Partnerships, (with principal executive office in Michigan): Office of Sec'y of State <span style="border: 1px solid black; padding: 0 2px;">br</span> All Other Cases: Office of the Register of Deeds for the county where the taxpayer resides.

Minnesota	Office of the County Recorder in the county in which the real property subject to liens is located.	Corporations and Partnerships, (with principal executive office in Minnesota): Office of Sec'y of State <div>br</div> All Other Cases: County Recorder of the county where the person against whose interest the lien applies resides at the time of filing.
Mississippi	Office of the Chancery Clerk of the county where the real property is located.	Corporations and Partnerships, (with principal executive office in Mississippi): Office of Sec'y of State <div>br</div> Trusts: Office of the Sec'y of State <div>br</div> Estates of Decedents: Office of the Sec'y of State <div>br</div> All Other Cases: Office of the Chancery Clerk for the county where the owner resides at the time of filing of the notice of lien.
Missouri	Office of the Recorder of Deeds of the county within which the real property is located.	Office of the Recorder of Deeds or in the office of the Clerk of the Circuit Court as ex officio Recorder of Deeds of the county where the property is located.
Montana	Office of the Clerk and Recorder of the County or counties where the real property is located.	Corporations and Partnerships, (with principal executive office in Montana): Office of Sec'y of State <div>br</div> Trusts: Office of the Sec'y of State <div>br</div> Estates of Decedents: Office of the Sec'y of State <div>br</div> All Other Cases: Office of the Clerk and Recorder for the county where the taxpayer resides.
Nebraska	Office of the Sec'y of State. Sec'y of state will then forward notice to proper Register of Deeds.	Office of the Secretary of State

Nevada	Office of the County Recorder of the county where the real property is located.	Corporations and Partnerships, (with principal executive office in Nevada): Office of Sec'y of State <div>br</div> Trusts: Office of the Sec'y of State <div>br</div> Estates of Decedents: Office of the Sec'y of State <div>br</div> All Other Cases: Office of the County Recorder of the county where the person against whose interest the lien applies resides.
New Hampshire	Office of the Registry of Deeds of the county in which the real property subject to lien is located.	Office of the Secretary of State
New Jersey	Office of the County Recording Officer of the county or counties where the real property is situated.	Office of the County Recording Officer of the county or counties where the property is situated.
New Mexico	Office of the County Clerk of the county where the real property is located.	Officer of the County Clerk of the county where the property owner resides at the time of recording the notice of lien.
New York	Office of the Clerk of the county where the real property is located. Exceptions are in <div>emphasis type="q"</div> <div>n4</div> <div>emphasis</div>	Corporations and Partnerships: Office of the Secretary of State. <div>br</div> All Other Cases: In the office of the Clerk of the county where the lienholder, if a resident of the state, resides at the time of the filing of the notice of lien. <div>emphasis type="q"</div> <div>n5</div> <div>emphasis</div>

North Carolina	Office of the Clerk of the Superior Court of the county where the real property is located.	Corporations and Partnerships, (with principal executive office in North Carolina): Office of Sec'y of State [br] All Other Cases: Office of the Clerk of the Superior Court of the county where the person against whose interest the lien applies resides.
North Dakota	Office of the County Recorder where the property subject to the lien is located.	Corporations, Limited Liability Companies, and Partnerships, (with principal executive office in North Dakota): Office of Sec'y of State [br] Trusts: Office of the Sec'y of State [br] Estates of Decedents: Office of the Sec'y of State [br] All Other Cases: Office of the Recorder of the county where the person against whose interest the lien applies resides.
Northern Mariana Islands	Commonwealth Recorder's Office in the Commonwealth Superior Court	Office of the Clerk of the District Court of the U.S. for the District of the Northern Mariana Islands
Ohio	Office of the County Recorder where the property subject to the lien is located.	Office of the County Recorder of the county where the property subject to the lien is located.
Oklahoma	Office of the County Clerk of the county where the real property is located.	Corporations and Partnerships, (with principal executive office in Oklahoma): Office of County Clerk of Oklahoma County, Oklahoma [br] Trusts: Office of the County Clerk of Oklahoma County, Oklahoma [br] Estates of Decedents: Office of the County Clerk of Oklahoma County, Oklahoma [br] All Other Cases: Office of the County Clerk of the county where the person against whose interest the lien applies resides at the time of filing notice of lien.



Oregon	Office of the Recorder of Conveyances of the county where the property is located. Exceptions are in emphasis type="q" "n6" emphasis	Office of the Secretary of State
Pennsylvania	Office of the Prothonotary of the county in which the real property subject to the lien is located.	Office of the Prothonotary of the county where the person against whose interest the lien applies resides at the time of the filing of the notice of lien.
Puerto Rico	Section of the Registry of Property of the district where the real property is located.	Office of the Clerk of the District Court of the U.S. for the District of Puerto Rico. emphasis type="q" "n7" emphasis
Rhode Island	Office of the Recorder of Deeds of the city or town where the real property is located. emphasis type="q" "n8" emphasis	Office of the Recorder of Deeds of the city or town where the taxpayer resides. emphasis type="q" "n8" emphasis
South Carolina	Office of the Register of Deeds (or Clerk of Court in counties where Office or Register of Deeds has been abolished) of the county where the property subject to lien is situated.	Office of the Register of Deeds (or Clerk of Court in counties where Office or Register of Deeds has been abolished) of the county where the property subject to lien is situated.

South Dakota	Office of the Register of Deeds in the county in which the property subject to lien is located.	Corporations and Partnerships, (with principal place of business in South Dakota): Office of Sec'y of State  All Other Cases: Office of the Register of Deeds in the county where the taxpayer resides.
Tennessee	Office of the Register of Deeds of the county where the real property is located.	Office of the Register of Deeds of the county within which the property subject to liens is located.
Texas	Office of the County Clerk of the county where the real property subject to the lien is located.	Corporations and Partnerships (with principal executive office in Texas): Office of the Sec'y of State.  All Other Cases: Office of the County Clerk of the county where the taxpayer resides at the time of filing notice of lien.
United States Virgin Islands	Office of the Register of Deeds for the judicial district where the real property is located	Office of the Clerk of the District Court of the U.S. Virgin Island
Utah	Office of the County Recorder of the county within which any property subject to the lien is situated.	Office of the County Recorder of the county within which any property subject to the lien is situated.
Vermont	Office of the Town Clerk of the town where the property subject to lien is located.	Office of the Town Clerk of the town where the property subject to lien is located.

Virginia	Office of the clerk of the Circuit Court of the county or city in which the real property subject to lien is located.	Corporations and Partnerships (with principal executive office in Virginia): Office of the Clerk of the State Corporation Commission. All Other Cases: Office of the Clerk of the Circuit Court of the county or city (1) where the taxpayer resides, or (2) in the case of a trust or decedent's estate, having jurisdiction over the qualification of the trustee or probate of the will, at the time of filing of the notice of lien
Washington	Office of the County Recorder of the county where the real property subject to liens is located.	Department of Licensing
West Virginia	Office of the clerk of the County Commission of the county where the real property subject to liens is located.	Office of the Clerk of the County Commission of the county wherein the person against whose interest the lien applies resides at the time of filing. The residence of a corporation or a partnership is deemed to be the place at which the principal executive office is located.
Wisconsin	Office of the Register of Deeds of the county where the real property is located.	Corporations and Partnerships (with principal executive office in Wisconsin); Department of Financial Institutions Trusts: Department of Financial Institutions Estates of Decedents: Department of Financial Institutions All Other Cases: Office of the Register of Deeds of the county where the person against whose interest the lien applies resides at the time of filing.

Wyoming	Office of the County Clerk of the county in which the real property subject to the lien is situated.	Corporations and Partnerships, (with principal executive office in Wyoming): Office of Sec'y of State <div>br</div> Trusts: Office of the Sec'y of State <div>br</div> Estates of Decedents: Office of the Sec'y of State <div>br</div> All Other Cases: Office of the County Clerk of the county where the person against whose interest the lien applies resides at the time of filing.
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n1 See also Rev. Proc. 68-1 CB 741, superseding Rev. Proc. 67-15, 1967-1 CB 592.

n2 See also *Harrison v. Harold Cox Concrete Constr. Co.*, 440 F.Supp. 859 (W. D. Ky 1977).

n3 Rev. Rul. 85-89, 1985-2 CB326

n4 For real property located in the county of Kings, the county of Queens, the county of New York, or in the county of the Bronx, notice of lien is filed in the Office of the City Register of the city of New York in such county. For property located in two or more counties, notice of lien is filed in the office of the Clerk or the City Register, as the case may be, in each of such counties.

n5 If the person against whose interest the lien applies resides at the time of filing in the county of Kings, the county of Queens, the county of New York or the county of the Bronx, the place of filing such liens shall be in the office of the city register of the city of New York for such county. When there is more than one lien against whose interest the lien applies, the notice of lien shall be filed for each lien.

n6 If the county does not have a Recorder of Conveyances, notice of tax lien against real property must be filed in the Office of the County Clerk of the county where the real property is located. R.S. § 87.806(2).

n7 Flores 76-1 USTC P 9394; 535 F.2nd 135, and *In re Escribano*, 433 B.R. 59 (D. Puerto Rico 2010).

n8 Notice of tax lien against real or personal property to be filed by the city or town clerk if he has custody of the land records. G.L. 1956, § 34-34-1.

### Exhibit 5.12.7-3 (MM-DD-YYYY) Restitution NFTL

This exhibit shows how the instructions in IRM 5.12.7.7.4 are used to manually create the restitution NFTL.



## Notice of Federal Tax Lien

SB/SE Central Area

Serial Number  
000000011

For Optional Use by Recording Office

As provided by sections 6321, 6322, and 6323 of the Internal Revenue Code, we are giving a notice that taxes (including interest and penalties) have been assessed against the following named taxpayer. We have made a demand for payment of this liability, but it remains unpaid. Therefore, there is a lien in favor of the United States on all property and rights to property belonging to this taxpayer for the amount of these taxes, and additional penalties, in

Insert serial number  
obtained from ALS

Name of Taxpayer

A C TAXPAYER

List only one taxpayer  
against whom a restitution  
assessment has been made

Residence

123 MAIN STREET  
HOMETOWN, OH 45999

List the taxpayer's  
last known address.

IMPORTANT RELEASE INFORMATION: For each assessment listed below, unless notice of lien is refiled by the date given in column (e), this notice shall, on the day following such date, operate as a certificate of release as defined in IRC 6325(a).

Kind of Tax (a)	Tax Period Ended (b)	Identifying Number (c)	Date of Assessment (d)	Last Day for Refiling (e)	Unpaid Balance of Assessment (f)
R1040	12/31/2005	XXX-XX-6789	10/01/2010	10/31/2020	25,000.00
↑ Insert an "R" and then the form number of the type of tax for which restitution was ordered	↑ TC 971 with action codes 180 through 189 will reflect the type of tax and tax periods for which restitution was ordered	↑ All restitution assessments use SSN. Redact the first five digits of the SSN	↑ List the date on which the restitution assessment was made on the MFT 31 account	↑ Ten years and 30 days from the date in column d	↑ Include only accruals under the Internal Revenue Code. Do not include interest that may accrue under Title 18

\*\*\*\*Pursuant to IRC § 6201(a)(4), these assessments reflect the amount of  
restitution ordered payable to the IRS.\*\*\*\*

Type the above statement on  
the face of the notice

Place of Filing

COUNTY RECORDER  
ANY COUNTY  
HOMETOWN, OH 45999

Total

\$25,000.00

This notice was prepared and signed at HOMETOWN, OH, on this, the 31 day of DECEMBER, 2012

Signature

, Employee # -

Title

REVENUE OFFICER

, Phone # - 999-555-5555