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

SMALL BUSINESS/SELF-EMPLOYED DIVISION

March 18, 2021

Control Number: SBSE-05-0321-0020
Expiration Date: December 31, 2021
Affected IRMs: 5.11.2; 5.19.4

MEMORANDUM FOR ALL COLLECTION EXECUTIVES

FROM: Kareem Williams *Kareem Williams*
Acting Director, Collection Policy

SUBJECT: Deviation for Pre and Post Levy Actions Involving Recovery Rebates to Individuals

With this memorandum, we are implementing a temporary deviation that provides guidance as to the collection activities that modify release of levy procedures in certain situations.

The Internal Revenue Service and the Treasury Department are delivering a third round of stimulus payments, known as Recovery Rebates, to millions of Americans as part of the American Rescue Plan Act of 2021. As with previous stimulus payments under the CARES Act and the Coronavirus Response and Relief Supplemental Appropriations Act, most recipients will receive these payments by direct deposit while some may receive a paper check or debit card.

The Recovery Rebate stimulus payment is generally $1,400 for individuals and $2,800 for married couples filing a joint return. In addition, those with qualifying children will also receive $1,400 for each qualifying child.

Pre-levy determinations

- Following current field guidance for taxpayer contact, when possible, determine if the taxpayer received a Recovery Rebate stimulus payment and in what amount, where the funds were deposited, and when.
- When known, employees should not levy on a bank account that contains Recovery Rebate stimulus funds received within the prior 8 weeks.

Levy Release Determinations (See IRM 5.11.2.3 & 5.19.4.4.10)
When Recovery Rebate funds are levied inadvertently, employees must release the levy on the Recovery Rebate stimulus funds. If an employee

believes that exigent circumstances exist to not release the levy, the matter must be elevated to the Area Director or Campus Director and documented in the case history before communicating any decision to the taxpayer.

- An exigent circumstance involves the final loss of opportunity for the government to collect taxes due, such as the expiration of the statute of limitations, assets that taxpayers place beyond the reach of the government, etc. Generally, the taxpayer's indication that he/she may file for bankruptcy is not an exigent circumstance.

Additional References:

- Expiration of People First Initiative Suspension of Certain Collection Activities, dated July 10, 2020
- Field Collection Interim Guidance for COVID-19, dated July 10, 2020
- SBSE-05-1020-0090, "Pre and Post Levy Actions Involving Paycheck Protection Program (PPP) Funds," dated October 30, 2020
- SBSE-05-0121-0007, "Pre and Post Levy Actions Involving Economic Aid Act Paycheck Protection Program (PPP) Funds (Deviation)," dated January 13, 2021.
- SBSE-05-121-0009 "Pre and Post Levy Actions Involving Economic Impact Payments (Deviation) dated January 20, 2021

If you have any questions, a member of your staff may contact Collection Policy Enforcement Program Analysts James Maslanka, Michael Williams, or Suzanne Wolfe.

cc: Director, Collection
Director, Headquarters Collection
Director, Campus Collection
Director, Field Collection
IRS.gov (https://www.IRS.gov)