



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

SMALL BUSINESS/SELF-EMPLOYED DIVISION

December 28, 2012

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IRM 5.10.4
IRM 5.10.6

MEMORANDUM FOR DIRECTOR, ADVISORY AND INSOLVENCY
DIRECTORS, FIELD COLLECTION AREA OPERATIONS

FROM: Scott D. Reisher /s/ **Scott D. Reisher**
Director, Collection Policy

SUBJECT: Reissuance of Interim Guidance Memorandum for Issuance of
Manual Lien Releases When Payments Are Received from the
Redemption of Seized Property Prior to Sale and Transmission of
Forms 2436 and 2436R to Submission Processing

This is a reissuance of Interim Guidance Memorandum SBSE-05-1211-108 dated December 30, 2011.

The purpose of this memorandum is to provide Interim Guidance (IG) regarding issuance of manual lien releases by Revenue Officers (ROs) in cases where the taxpayer's liability is paid in full as a result of redemption of seized assets prior to sale and on the transmission of Forms 2436 and 2436R to Submission Processing. Please ensure information is distributed to all affected employees within your organization. These guidelines are effective immediately and will be incorporated into Internal Revenue Manual (IRM) 5.10.4, IRM 5.10.6 and IRM 5.12.6.

Internal Revenue Code (IRC) 6325 requires that a certificate of release (Form 668-Z) of lien to be issued within 30 days of a determination by the Service that the underlying tax liability is satisfied or becomes legally unenforceable. This is stated in IRM 5.12.6.5.1(1).

In order to assure compliance with the above, please adhere to the following procedures:

Redemptions of Seized Assets Prior to Sale

In all cases that results in the full payment of the taxpayer's liability and/or an underlying federal tax lien, including any expenses which may have been incurred as a result of the

seizure, the RO assigned to the case will issue a manual release of lien through Form 13794 and according to the procedures which are currently in place for issuance of such releases. As per IRM 5.12.6.5.1(3), such requests may be faxed or secure emailed to the Centralized Lien Unit (CLU). Highlight "immediate release" at the top of the request. This action should be initiated as soon as it is determined that the liability and/or underlying federal tax lien and all expenses of the seizure are satisfied. As a general rule when property is released or redeemed prior to sale, arrangement should be made for direct payment of any seizure expenses by the taxpayer. If expenses are incurred and not paid directly to the vendor, the cost must be debited to the taxpayer's account by input of Transaction Code (TC) 360. Payments made to redeem property prior to sale must be by cash, certified or cashier's check or money order made payable to the United States Treasury.

All payments received for the release or redemption of seized property must be submitted with Form 2433, Part 8A- Remittance Processor, to the Ogden Submission Processing Center and should **not** be submitted on Form 795. The module balances will be automatically updated after the Form 2436R (See IRM 5.10.4.6, *Seized Property Release/Redemption Report*) is processed. The Form 2436R must be completed by the RO or Property Asset Liquidation Specialist (PALS) and forwarded to Advisory within 10 calendar days of the payments being received from the taxpayer.

Transmission of Forms 2436 and 2436R to Submission Processing

Effective immediately, Advisory will transmit all Forms 2436 and 2436R to the Revenue Accounting Control System (RACS) unit by secure email or fax.

Electronic versions of Forms 2436 and 2436R will be transmitted by secure email to: ***W&I Seizures**. The form number and originating Area number should be included in the subject line to insure proper routing. This is a dedicated email address to be used only for this purpose.

Alternatively, and in the event it is not possible to transmit the aforementioned by email, transmit the Forms 2436 and 2436R to Submission Processing using the following fax numbers: **(801) 620-6856 or (801) 620-6866**.

This is being done to reduce the transmittal time of these documents and expedite the posting of funds to the taxpayer's account.

If you have any questions or need additional information, please contact me or a member of your staff may contact Matthew G. Roberts or Alan Gilds, Senior Program Analysts. Territory personnel should direct any questions through their management staff to the appropriate Area contact.

cc: Director, Field Collection
www.irs.gov