



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

SMALL BUSINESS/SELF-EMPLOYED DIVISION

December 22, 2015

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MEMORANDUM FOR DIRECTOR, FIELD COLLECTION
DIRECTORS, FIELD COLLECTION AREA OPERATIONS

FROM: Phyllis Brown /s/ *Phyllis Brown*
Director, Collection Inventory Delivery and Selection

SUBJECT: Federal Payment Levy Program – Return of FPLP Levy
Proceeds

This memorandum provides clarification on returning Federal Payment Levy Program (FPLP) levy proceeds. Please ensure this information is distributed to all affected employees within your organization.

The Internal Revenue Code provides that levy payments may be returned to persons wrongfully levied upon or to taxpayers only if the request for the return of the levied property was received within 9 months of the date of the levy. There has been some confusion about when the "date of levy" is for FPLP levies. Counsel has recently determined that the Service may return FPLP levy payments received within 9 months preceding the date of the request. FPLP levy payment dates should be verified before refunding the payment.

The advice pertains to levy payments received only through the FPLP and should be applied to wrongful levies, erroneous levies and in situations described in IRM 5.11.2.4.1(4). The return (refund) of levy proceeds requires special handling in accordance with IRC 6343(d) and IRM [5.11.2.4](#), *Returning Levied Property to the Taxpayer*.

Internal Revenue Manual (IRM) 5.11.7.2, *Collection, Notice of Levy, Automated Levy Programs, FPLP*, will be updated to incorporate this change.

If you have any questions you may contact me, or a member of your staff may contact Kristi Darby, Tax Analyst, at 816-291-9705 or kristi.l.darby@irs.gov.

cc: www.irs.gov