



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

8.24.2

NOVEMBER 19, 2025

EFFECTIVE DATE

(11-19-2025)

PURPOSE

- (1) This transmits IRM 8.24.2, Jeopardy Levy Appeals.

MATERIAL CHANGES

- (1) Editorial changes have been made throughout this IRM. Website addresses, legal references, code sections and IRM references were reviewed and updated accordingly.
- (2) Added Program Scope and Objectives with internal controls section and its related subsections to comply with IRM 1.11.2.2.5, Functional Statement IRM. Subsequent sections are renumbered accordingly.
- (3) References to Taxpayer First Act (TFA) procedures for case access were also added to IRM 8.24.2.2.1.
- (4) Added under Related Resources, information on the Taxpayer Bill of Rights (TBOR), based on guidance from the Division Counsel/Associate Chief Counsel (National Taxpayer Advocate Program) and Branch 3 of the Associate Chief Counsel (Procedure and Administration). Also added reference to IRM 25.30.2.3, Statement of Commitment, indicating Appeals' commitment to the Service Level Agreement with Taxpayer Advocate Service (TAS).
- (5) Updated references to 'Advisory' to Civil Enforcement Advice and Support Operations (CEASO).
- (6) CEASO, TFA, and TAS added to Terms and Acronyms.
- (7) Added a "Note" under IRM 8.24.2.2.1, Review Procedures.
- (8) Added IRM 8.24.2.3 , Closing Letter, for jeopardy levy cases that reference Letter 5100 to use along with two paragraphs that can be pasted into the body of the closing letter.

EFFECT ON OTHER DOCUMENTS

This IRM section supersedes IRM 8.24.2, dated May 1, 2014.

AUDIENCE

Independent Office of Appeals (Appeals) Employees

Steven M. Martin
Director, Operations Support

8.24.2

Jeopardy Levy Appeals

Table of Contents

8.24.2.1 Program Scope and Objectives

8.24.2.1.1 Background

8.24.2.1.2 Authority

8.24.2.1.3 Responsibilities

8.24.2.1.4 Program Reports

8.24.2.1.5 Terms and Acronyms

8.24.2.1.6 Related Resources

8.24.2.2 Jeopardy Levy Appeals

8.24.2.2.1 Review Procedures

8.24.2.3 Closing letter

8.24.2.1
(11-19-2025)
Program Scope and Objectives

- (1) Purpose: This IRM provides instructions for Appeals Technical Employees (ATE), Appeals Account Resolution Specialists (AARS) and Account and Processing Support (APS) employees working jeopardy levy appeals cases.

8.24.2.1.1
(11-19-2025)
Background

- (1) Collections may issue a jeopardy levies when collection of the tax liability is determined to be in jeopardy. Jeopardy levies are not subject to the same requirements as outlined in Internal Revenue Code (IRC) 6331 and IRM 5.11.1, Background, Pre-Levy Actions, Restrictions on Levy & Post-Levy Actions. The taxpayer's specific appeal rights depend on the notices issued prior to or at the time of the jeopardy levy.

8.24.2.1.2
(11-19-2025)
Authority

- (1) Part 5 (Collecting Process) of the IRM and the IRC sections listed below are the primary authorities for the legal and procedural requirements that Appeals must follow in making determinations on jeopardy levy appeals cases.
- (2) IRC sections, regulations, and other guidance providing authority and relating to jeopardy and termination and other accelerated assessments include:
 - IRC 6303 , Notice and demand for tax
 - IRC 6330, Notice and opportunity for hearing before levy
 - IRC 6331 , Levy and distraint
 - IRC 6332 , Surrender of property subject to levy
 - IRC 6851 , Termination assessments of income tax
 - IRC 6861 , Jeopardy assessments of income, estate, gift, and certain excise taxes
 - IRC 6862 , Jeopardy assessment of taxes other than income, estate, gift, and certain excise taxes
 - IRC 6863 , Stay of collection of jeopardy assessments
 - IRC 6867 , Presumptions where owner of large amount of cash is not identified
 - IRC 6871 , Claims for income, estate, gift, and certain excise taxes in receivership proceedings, etc.
 - IRC 7429, Review of jeopardy levy or assessment procedures
 - Treasury Regulations § 301.6331-1 - Levy and distraint
 - Treasury Regulations § 301.6332-1 - Surrender of property subject to levy
 - Treasury Regulations § 301.6332-2 - Surrender of property subject to levy in the case of life insurance and endowment contracts
 - IRM 1.2.1.6.1 , Policy Statement 5-1, Enforcement is a necessary component of a voluntary assessment system
 - IRM 1.2.1.5.27, Policy Statement 4-88, Jeopardy assessments to be used sparingly and assessment to be reasonable in amount

8.24.2.1.3
(11-19-2025)
Responsibilities

- (1) The Director, Operations Support, is the executive responsible for Appeals' policy and procedural guidance.
- (2) The Director, Policy, Planning, Quality and Analysis (PPQ&A), is responsible for program oversight.
- (3) The policy analyst shown on the Product Catalog page as the originator is the assigned author of this IRM.

8.24.2.1.4
(11-19-2025)

Program Reports

- (1) PPQ&A provides trend, data analysis and detailed summary reports for Appeals.

8.24.2.1.5
(11-19-2025)

Terms and Acronyms

- (1) The table below lists common acronyms used in this section:

Term	Acronym
Appeals Account Resolution Specialist	AARS
Appeals Centralized Database System	ACDS
Appeals Case Memorandum	ACM
Appeals Technical Employee	ATE
Account and Processing Support	APS
Appeals Team Manager	ATM
Appeals Officer	AO
Civil Enforcement Advice and Support Operations	CEASO
Collection Appeal Program	CAP
Collection Due Process	CDP
Department of Justice	DOJ
Notice of Federal Tax Lien	NFTL
Settlement Officer	SO
Taxpayer Advocate Service	TAS
Taxpayer Bill of Rights	TBOR
Taxpayer First Act	TFA

8.24.2.1.6
(11-19-2025)

Related Resources

- (1) The TBOR lists taxpayer rights, putting them in simple language and grouping them into 10 fundamental rights. Employees are responsible for being familiar with and acting in accord with taxpayer rights. See IRC 7803(a)(3) , Execution of Duties in Accord with Taxpayer Rights. For additional information about TBOR, see *Taxpayer Bill of Rights*.
- (2) In accordance with IRM 25.30.2.3, Statement of Commitment, Appeals will work collaboratively with the TAS to enhance the taxpayer experience. For more information, see IRM 25.30.2, Service Level Agreement between the IRS Independent Office of Appeals and the Taxpayer Advocate Service.

8.24.2.2
(11-19-2025)

Jeopardy Levy Appeals

- (1) Under normal deficiency assessment procedures, the notices and waiting periods described in IRC 6331 and IRM 5.11.1, Background, Pre-Levy Actions, Restrictions on Levy & Post-Levy Actions, must be adhered to before property can be levied. However, if collection is in jeopardy, property can be levied sooner. One of two situations will be in effect:

- A jeopardy or termination assessment is made, with an immediate notice and demand being issued (see IRM 8.7.1, Guidelines for Cases with Special Issues). The immediate notice and demand is followed by a jeopardy levy. In this instance, the taxpayer is often also appealing the assessment.
- An assessment was made before collection is identified as being in jeopardy. In such situations, the determination to take jeopardy levy action is ordinarily made after the case is assigned to a revenue officer.

(2) A jeopardy levy without a jeopardy or termination assessment can happen:

- After tax is assessed, but before the notice and demand normally required by IRC 6331(a) is issued, provided immediate notice and demand is given to the taxpayer;
- After the notice and demand is issued, but before 10 days have passed;
- After the 10-day notice and demand period ends, but before the 30-day notice of intent to levy and notice of a right to a hearing have been issued; or
- After the notice of intent to levy and notice of a right to a hearing have been issued, but before the 30 days for the taxpayer to request a hearing have passed.

Note: The taxpayer may request an administrative or judicial review of the jeopardy levy action under IRC 7429 during any of these periods. If a jeopardy levy occurs before the IRC 6330(a) notice is given, the IRS will issue a CDP notice under IRC 6330(f) within a reasonable period of time to give the taxpayer an opportunity to seek CDP appeal rights under that section.

(3) In general, no levy can be made in the following circumstances:

- On the appearance date of a summons,
- When there is a pending or active installment agreement,
- For 30 days following the termination of an installment agreement and during an appeal of the termination,
- When a rejected installment agreement can be appealed or is being appealed,
- While an offer in compromise is pending,
- While a rejected offer in compromise can be appealed or is being appealed, or
- A CDP hearing is pending.

Exception: However, in the circumstances listed in (3), if collection is in jeopardy, a jeopardy levy may be issued.

(4) If collection is believed to be in jeopardy, a jeopardy levy may be issued any time after assessment but before 30 days from the notice and demand. The jeopardy levy requires the approval of Chief Counsel or their delegate. However, this type of jeopardy levy will be very rare as it is normally possible only if a revenue officer or other IRS employee secures a taxpayer's return and subsequently discovers that a jeopardy situation exists. Normally, a revenue officer would not receive a taxpayer's delinquent account until well after the expiration of the required notice and demand period. See IRM 5.1.4, Jeopardy, Termination, Quick and Prompt Assessments, and IRM 5.11.3, Jeopardy Levy without a Jeopardy Assessment, for collection jeopardy levy procedures.

Note: The notice and demand gives the taxpayer 10 days to pay. See IRM 5.11.1, Background, Pre-Levy Actions, Restrictions on Levy & Post-Levy Actions.

- (5) A jeopardy levy issued before the issuance of a jeopardy and termination assessment only requires the issuance of a notice and demand before a levy is issued. There is no waiting period for a levy after the notice and demand has been made. Under the authority of IRC 7429(a), administrative appeals with judicial review are available for jeopardy levies following regular assessments or for jeopardy levies following jeopardy or termination assessments.

Note: See IRM 5.11.3, Jeopardy Levy without a Jeopardy Assessment, for information about issuing a jeopardy levy without a jeopardy assessment. This IRM section explains the administrative, legal and approval procedures that must be followed before a jeopardy levy can be issued.

- (6) A jeopardy levy requires a condition that would have allowed a jeopardy assessment. See IRM 1.2.1.5.27, Policy Statement 4-88, Jeopardy assessments to be used sparingly and assessment to be reasonable in amount, regarding jeopardy assessments. Appeals determines if the levy was reasonable under the circumstances. The timeframes for working cases, indicated in IRM 8.7.1, Guidelines for Cases with Special Issues, should be followed in working jeopardy levy cases. Jeopardy levy appeals will be received from Collection on a Form 3210, Document Transmittal. CEASO and Insolvency act as liaisons for these cases. Local Appeals and Collection offices may work out their own transmittal and liaison procedures for faster case processing.

Note: All jeopardy levies (and jeopardy assessments) require Chief Counsel approval.

- (7) The collection file, related to the jeopardy levy, received by Appeals should indicate the status of the levy proceeds. Collection sends a letter with each jeopardy levy that instructs the recipient to hold the levy proceeds for 45 days, to allow the taxpayer time to appeal. If a taxpayer immediately appeals a jeopardy levy, Collection can request the levied entity continue to hold the levy proceeds until Appeals has made its determination on whether or not the jeopardy levy was "reasonable under the circumstances". In a separate requirement, IRC 6332(c) requires banks to hold levy proceeds for 21 days after service of a levy, prior to giving the proceeds to the IRS.
- (8) IRC 6343(d) provides the authority for the IRS to return property in certain cases. Therefore, Appeals has the authority to instruct Collection to refund money if it is determined that the jeopardy levy being appealed was not reasonable under the circumstances.

8.24.2.2.1 (11-19-2025)

Review Procedures

- (1) In accordance with TFA and IRC 7803(e)(7), ATEs will ensure that "specified taxpayers" have access to the nonprivileged portion of the case file on record regarding the disputed issues (other than documents provided by the taxpayer to the IRS). ATEs will note the communications with each taxpayer regarding this issue in the case activity record (CAR). See IRM 8.6.1.2.1, Taxpayer First Act Access to Case File, for procedures.

Note: Because of the expedited nature of jeopardy levy appeals, it is recommended the ATE use the quickest means to offer, process and provide the administrative file to the taxpayer.

- (2) A jeopardy levy requires the same conditions that would allow a jeopardy assessment. See IRS policy statement P-4-88 in IRM 1.2.1.5.27, regarding jeopardy assessments, and for the conditions under which a jeopardy assessment will be made.
- (3) Jeopardy levies may be subject to administrative review, judicial review, or both. Refer to IRC 7429. Statutory authority to levy is contained in IRC 6331. For normal, non-jeopardy assessments, which are in balance due status, there is generally a series of notices, prior to the delinquent account being issued to the Automated Collection System (ACS) or to a revenue officer. The first notice under IRC 6331(a) is a 21 calendar day (10 business days if the amount is \$100,000 or more) notice and demand. The notice under IRC 6331(d) is the 30-day intent to levy notice. See IRM 5.11.1, Background, Pre-Levy Actions, Restrictions on Levy & Post-Levy Actions, for additional information regarding notice and demand procedures. A taxpayer must be offered IRC 7429 appeal rights when:
- a notice and demand described in IRC 6303 for an assessment has not been issued or the 10-day waiting period arising after the issuance of that notice has not expired; or
 - a notice of intent to levy described in IRC 6331(d)(1) was not issued for each tax and period or the waiting period described in IRC 6331(d)(2) has not expired.

Note: For more information see IRM 5.11.3.4, Getting Approval, and 5.11.3.5, Forms and Letters for a Jeopardy Levy without a Jeopardy Assessment.

- (4) In order for a taxpayer to be entitled to an administrative appeal and judicial review under IRC 7429, the following conditions must have been met:
- a. The taxpayer must file a written protest with the Collection Area Director within 30 days of the date on Letter 2439, Notice of Jeopardy Levy and Right of Appeal, requesting a redetermination of whether the levy is reasonable under the circumstances, and
 - b. The written protest must be sent to the address listed on the Letter 2439.
- (5) The issue is whether the jeopardy levy is reasonable under the circumstances (collection is truly in jeopardy). If the jeopardy levy is sustained by Appeals, the taxpayer can obtain judicial review of the jeopardy levy. Generally, district courts have jurisdiction over IRC 7429; however, if any of the liabilities on the jeopardy levy were being considered in Tax Court before the making of the jeopardy levy, the taxpayer can obtain judicial review of the jeopardy levy by the Tax Court.
- (6) If the jeopardy levy was issued after 30 days from the notice and demand and the taxpayer has not already been issued appeal rights under IRC 6330, then Collection must notify the taxpayer of their appeal rights under IRC 6330. See IRM 5.11.3, Jeopardy Levy without a Jeopardy Assessment. The taxpayer has 30 days from the date of the Letter 2439 to request a CDP hearing. The taxpayer must timely request a CDP hearing under IRC 6330 in order to be entitled to judicial review under that section. See IRM 8.22, Collection Due Process, for additional information about taxpayers' rights to appeal under IRC 6330.

- (7) If the taxpayer has requested a judicial review of the jeopardy assessment, the ATE should contact Area Counsel before proceeding with any jeopardy levy appeal hearing.
- (8) If the taxpayer appeals or states that a suit is being filed, Collection will contact CEASO and seek advice from Counsel, as needed. The local Appeals office will handle the administrative appeal. Collection will also advise the levy recipient(s) to delay paying over the funds while the appeal is considered using Letter 2438, Jeopardy Levy Letter to Third Party Recipient.
- (9) If the taxpayer has received all the pre-levy notices and the waiting periods have passed, the taxpayer can appeal under the Collection Appeals Program (CAP) or request an equivalent hearing (EH). The taxpayer cannot go to court if the taxpayer disagrees with Appeals' decision in a CAP or EH. See IRM 5.1.9, Collection Appeal Rights, IRM 8.24.1.3, CAP Appeals, and IRM 8.22.5, Receipt, Control and Pre-Conference Considerations, for additional information on CAP and EH cases.

8.24.2.3
(11-19-2025)
Closing letter

- (1) Appeals does not have a designated closing letter for jeopardy levy appeals. The ATE should use Letter 5100, Collection Appeals Program Template, for jeopardy levy appeals. The ATE should:
 - a. Include a Summary of Decision, and
 - b. Copy and paste the following paragraphs into the body of Letter 5100:
 - Under IRC 7429, you may request a judicial review of whether the determination that collection is in jeopardy is reasonable, by bringing a civil suit against the United States in the U.S. District Court in the judicial district in which you live, or in which your principal office is located. However, if you filed a timely petition with the Tax Court for a redetermination of a deficiency under IRC Section 6213(a) before the IRS served the levy, and at least one of the taxes for one period included on the levy is also included in that petition, the Tax Court (in addition to the U.S. District Court) also has jurisdiction to review the levy for all tax periods on the levy. You may also be eligible to request a judicial review under IRC Section 6330 after the Collection Due Process (CDP) hearing as explained in the enclosed Publication 1660.
 - You must file your suit within 90 days after the earlier of (1) the day the IRS notifies you of its decision on your protest, or (2) the 16th day after you make the protest. The court will make an early determination of the same points raised in your protest to decide whether the IRS's determination that collection was in jeopardy was reasonable under the circumstances. The court's determination is final and not reviewable by any other court.

Note: Pub 1660, *Collection Appeal Rights*, should be listed as an enclosure on the Letter 5100.

- (2) For CDP or EH cases with jeopardy levy issues, the ATE will address the appropriateness of the jeopardy levy in the Appeals Case Memorandum (ACM) or closing agreement (unless precluded) and use the appropriate closing letter outlined in IRM 8.22.9.5, CDP Closing Letters.
- (3) For jeopardy levy CAP cases, the ATE will address the appropriateness of the jeopardy levy in the Letter 5100.