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[Third Party Communication:

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**From:**

**Sent:** Thursday, August 29, 2013 10:47:22 AM

**To:**

**Cc:**

**Bcc:**

**Subject:** CDP Rights for Successor Entity

When an entity is deemed to be a mere continuation of a taxpayer, the successor entity is liable for the unpaid taxes of the taxpayer. See, e.g., Today's Child Learning Ctr., 40 F. Supp. 2d 268, 273 (E.D. Pa. 1998). The assessment against the taxpayer and the tax liens based on those assessments are valid against the successor entity. Cf. United States v. Galletti, 541 U.S. 114, 123 (2004) (holding that the assessments attach to the tax debt without reference to the special circumstances of the secondarily liable parties). The assessment lien attaches to the successor's property and the Service may levy on such property to collect the taxpayer's liability. Cf. Ballard v. United States, 17 F.3d 116 (5th Cir. 1994); Underwood v. United States, 118 F.2d 760, 761 (5<sup>th</sup> Cir. 1941). If the Service has previously issued notices under IRC §§ 6320 and 6330 to the taxpayer for a particular tax period, the Service is not required to issue these notices to the successor entity. Notice to the taxpayer under section 6320 or 6330 is effective as to the taxpayer's successor when the successor is a mere continuation. Cf. Young v. U.S. I.R.S., Dep't. of Treasury, 387 F. Supp. 2d 143, 145 (E.D. N.Y. 2005).

In order to put third parties on notice of the assessment lien attached to the property of the successor entity, we agree with your recommendation that the Service should file a notice of federal tax lien that specifically identifies the entity as a successor of the taxpayer. A section 6320 notice, however, does not need to be given to the successor entity for the tax periods listed on the notice of federal tax lien if a section 6320 notice has already been given to the taxpayer for the same periods.

If you have additional questions or concerns, feel free to contact me.