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From:

Sent: Monday, October 21, 2013 8:30 AM

To:

Cc:

Subject: Boat Slip case

Based on our conversation over the phone we would like to alter our advice to say that pursuant to sections 6341 and 6342, the cost of sale expense only covers the fees incurred for the period from the date of the seizure to the date of the sale of the boat slip. The cost of sale does not cover the fees for the period of time before the Service seized the boat slip, as well as it does not cover any fees accrued for the period after the sale of the boat slip.

Although I.R.M. section 5.10.4.7(4) allows PALS to exercise sound judgment when they are identifying the necessary expenditures and determine whether they can be charged as expenses of sale, such exercise of judgment should be limited to determining the fees owed for the period of time the Service is in the possession of the seized property. The same section of the IRM states that "expenses made to preserve the value of the property and prevent wasting may be incurred as an expense of sale". Again, we believe that such expenses should be limited to expenses incurred for the time the property is within the Service's possession.

If you have any further questions please do not hesitate to contact me.