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From: [REDACTED]
Sent: Wednesday, February 10, 2021 11:19:05 AM
To: [REDACTED]
Cc: [REDACTED]
Bcc:
Subject: RE: 6335(e)(3) Inquiry

Good morning.

You asked whether, if the area director declares a sale null and void as the result of the default in payment by a purchaser in a deferred payment sale and resells the property, the Service has any discretion to return a portion of the amount paid or whether the entire amount paid must be forfeited. Discretion to return to the purchaser any portion of the amount paid is not stated in or implied in the Code or the Treasury Regulations. Both provide that any amount paid by a defaulting bidder "shall be forfeited." I.R.C. § 6335(e)(3); Treas. Reg. § 301.6335-1(c)(9). Similarly, there is nothing in the IRM that suggests any circumstances under which the Service would have the ability to return any portion of the amount forfeited under section 6335(e)(3). In fact, the IRM has special accounting procedures for how the Service is to handle forfeited bid-in amounts. See I.R.M. 5.10.6.5.1(2) (cross-referencing I.R.M. 3.17.63).