



**Small Business/Self-Employed**

Collection

# Section 11071 Tax Cuts & Jobs Act of 2017

**Student Guide e-Book**

**ELMS Course 72370**

**Official IRS Training Material**

This material was designed specifically for training purposes only.  
Under no circumstances should the contents be used or cited as  
authority for setting or sustaining a technical position.

This product is not designed nor intended to be printed.





**Click on each of the linked icons to:**

- Read the IRS Mission Statement.
- Read more information on the Taxpayer Bill of Rights.
- Learn about recent Policy: Fairness and Integrity in Enforcement Selection.
- Learn about Privacy, Disclosure, and Official Use Only references in training materials.
- Get a copy of the new Ethics Handbook, and read the 14 Principles of Ethical Conduct.
- Read the Assistive Technology Tips for navigating this e-Book, if applicable.



# Notices and Disclaimers

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## Identification Number

The employee numbers, computer ID numbers, Social Security numbers (SSNs) and any other identification used in this course are hypothetical. They were constructed by random selection of numbers to appear realistic and increase the effectiveness of the training. Any duplication of numbers actually assigned is purely coincidental. All other names and numbers used in this material are fictitious.

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## Naming Conventions

Any taxpayer and business names shown in this publication are fictitious. They were chosen at random from a list of names of counties and colleges in the United States as shown in the *United States Government Printing Office Style Manual*. Street addresses were chosen from this same list and are also not meant to identify any actual addresses.

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## Graphics and Screen Captures

This guide contains numerous exhibits of screen captures. These screens do not contain any live taxpayer information. Where possible, the captures are from the training database.

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## Notices and Disclaimers, Continued

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### IRM Revisions

Each lesson or topic should be checked carefully and IRM references updated, if needed. During preparation and instruction, **instructors should ensure all IRM references are current.** The IRM Online should be used to obtain IRM updates.

Check the following for the most up-to-date information:

- Internal Revenue Manuals (IRM)
  - Internal Revenue Code (IRC)
  - SERP
  - Other Internal Revenue websites as appropriate
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### Local Procedures

Throughout this course, reference is made to local procedures. Since local procedures vary by office, it is your responsibility to incorporate your local procedures into this training.

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# Course Information

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## Course Title

Section 11071, Tax Cuts and Jobs Act of 2017

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## Course Materials

- Student Guide e-book
  - PowerPoint Presentation
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## e-Book

The materials for this course were created using an e-book format. The materials are to be used electronically. It is recommended that you save the e-book to your desktop for easy access.

Refer to job aid [#55364, Using Adobe e-Books](#), for more information on using Adobe e-books.

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## Course Information, Continued

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### Evaluation Plan

It is important to gather feedback to evaluate the effectiveness of the training course.

### Level 1 Evaluation

**Purpose:** The Level 1 Evaluation is to:

- Measure the reactions to the training materials and the training environment.
- Identify errors in the written course materials.
- Make suggestions on improving the course design.

**Students:** Each student will have an opportunity to complete a Level 1 Evaluation.

- ELMS will send a system-generated email notification with a link to the Level 1 survey.
  - Completion of the survey is optional, but encouraged.
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# Section 11071, Tax Cuts & Jobs Act of 2017

## Student Guide e-Book

### Overview

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#### Contents

This guide contains the following topics:

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## Overview, Continued

### References



- IRC section 6343(b), Return of property
- IRC section 6532(c), Suits by persons other than taxpayers
- IRM 5.11.2.4.1, [Current Authority for Returning Levied Property to the Taxpayer](#)
- IRM 5.17.5.17.9, [Period of Limitation on Suit](#)
- Publication 4528, [Making an Administrative Wrongful Levy Claim Under Internal Revenue Code \(IRC\) Section 6343\(b\)](#)
- Publication 5149, [Making an Administrative Return of Property Claim Under Internal Revenue Code \(IRC\) Section 6343\(d\)](#)



## Overview, Continued

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### Introduction

This course provides information to assist Collection employees in understanding how the Tax Cuts and Jobs Act (TCJA) of 2017 modified certain levy procedures. As Collection employees you are in the best position to inform the taxpayer of their rights and to ensure levy procedures are followed correctly. This course will provide you with the necessary information to advise taxpayers on filing a timely wrongful or erroneous levy claim.

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### Objectives

At the end of this lesson, you will be able to:

- Calculate the period a taxpayer has to file a wrongful or erroneous levy claim.
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# TCJA, Section 11071 – Extension of Time Limit for Contesting an IRS Levy

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## Revised Time Period to Contest Levy

The Tax Cuts and Jobs Act of 2017, the tax reform law enacted in December, extended the time limit for filing an administrative claim and for bringing a suit for wrongful levy from nine months to two years.

Section 11071(a) amended:

- IRC 6343(b) to extend the period for returning wrongfully levied money. A “wrongful levy” is one that improperly attaches property belonging to a third party in which the taxpayer has no rights.
- Under IRC 6343(d) the extended time period for returning money applies to erroneous levies as well. An “erroneous” levy is one that properly seeks to capture a taxpayer’s property (rather than a third party’s property), but, for example, is served prematurely or otherwise in violation of an administrative procedure or law.

Publication 4528, [Making an Administrative Wrongful Levy Claim Under Internal Revenue Code \(IRC\) Section 6343\(b\)](#), provides instructions to a third party wanting to submit an administrative wrongful levy claim.

Publication 5149, [Making an Administrative Return of Property Claim Under Internal Revenue Code \(IRC\) Section 6343\(d\)](#), provides instructions to a taxpayer wanting to submit an administrative return of property claim (erroneous).

**Note:** The 2-year limitation period applies to the sale proceeds, not the seized property. The seized property may be returned at any time (IRC 6343(b)(flush language)).

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## TCJA, Section 11071 – Extension of Time Limit for Contesting an IRS Levy, Continued

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### Calculation of a Timely Claim

An amount equal to the amount of money levied or received from the levy (tax sale) may be returned, but there are time limitations for requesting the return of the funds. Under the new rule, the time period for seeking return of the levied funds is as follows:

If the date of Levy is...	Then...
on or before March 22, 2017,	a request must be made before the expiration of 9 months starting from the date of levy.
on or after March 23, 2017,	a request must be made before the expiration of 2 years starting from the date of such levy.

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### Example 1

Ruby Ash receives a copy of a levy dated March 12, 2017, from her bank that she believes has wrongfully levied her account; then Ruby must file an administrative claim on or before December 11, 2017.

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### Example 2

Zinnia Gray receives a copy of a levy dated March 28, 2017, from her bank that she believes has wrongfully levied her account; then Zinnia must file an administrative claim on or before March 27, 2019.

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## TCJA, Section 11071 – Extension of Time Limit for Contesting an IRS Levy, Continued

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### Suit for Wrongful Levy

A suit under IRC § 7426 must be commenced within a statutory time period that runs from the date of the levy or from the date of an agreement under IRC 6325(b)(3). The statutory time period will be extended (shorter of 12 months from filing claim, or 6 months from mailing disallowance) when there is a timely section 6343(b) claim.

- TCJA changed a 9-month period to 2 years for both levies and agreements.
- The change applies to levies made after the date of the enactment (12/22/2017) and to levies made on or before such date if the section 6343(b) 9-month period has not expired (without regard to the section 6532(c)(2) extension) as of the date of enactment.

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## TCJA, Section 11071 – Extension of Time Limit for Contesting an IRS Levy, Continued

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### Practice Exercise 1

The third party has two years to submit a wrongful levy claim for a levy dated 06/30/2018. *Check True or False.*

True

False

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### Practice Exercise 2

Azalea receives a copy of levy dated July 24, 2017, that was served on her Certificate of Deposit (CD). If Azalea believes that the levy improperly attached her CD, she must file a wrongful levy claim by what date? *Select the correct answer.*

a. 12/22/2017

b. 04/23/2018

c. 07/24/2019

d. 03/27/2019

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## Summary

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Taking enforcement action while observing taxpayer's rights is a vital tool in bringing taxpayers into compliance with their tax obligations. Issuing levies and providing relief is an important part of this process.

Collection employees need to exercise good judgment and ensure that proper procedures are followed when issuing levies. In this course, you have learned how to:

- Calculate the period a taxpayer has to file a wrongful or erroneous levy claim
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## Objectives

At the end of this lesson, you will be able to:

- Calculate the period a taxpayer has to file a wrongful or erroneous levy claim.
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## Answers to Practice Exercises

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### Practice Exercise 1

The third party has two years to submit a wrongful levy claim for a levy dated 06/30/2018. *Check True or False.*

True

False

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### Practice Exercise 2

Azalea receives a copy of levy dated July 24, 2017, that was served on her Certificate of Deposit (CD). If Azalea believes that the levy improperly attached her CD, she must file a wrongful levy claim by what date? *Select the correct answer.*

a. 12/22/2017

b. 04/23/2018

c. **07/24/2019**

d. 03/27/2019

**Explanation:** Since the levy date is after March 23, 2017, the claim date is two years from the July 24, 2017, date on levy.

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