



Welcome to TaxMama's Place

Home of the



10 Steps to Release IRS Levies on Paychecks or Bank Accounts



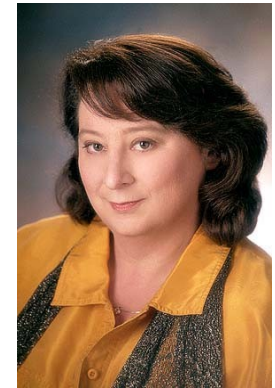
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- Evaluations and Thanks!



Who is Eva Rosenberg MBA, EA

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Eva Rosenberg, EA, Your TaxMama® has been teaching Enrolled Agents Exam review courses off and on since developing the program for UCLA Extension over 15 years ago. These days, she's teaching her own course online at www.irsexams.com

Eva has a BA in Accounting and an MBA in International business. Your TaxMama® is a TaxWatch columnist for Dow Jones' www.MarketWatch.com and author of the ever-popular book, Small Business Taxes Made Easy, published by McGraw-Hill – to be re-released in 2010.

As a speaker, TaxMama® is popular with both tax professionals and taxpayers.

You can find her at www.TaxMama.com and subscribe to her free daily podcast at www.TaxQuips.com



Who is Tom Buck, CPA

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Tom Buck, CPA is a published author, tax coach, teacher And mentor. He has been a licensed CPA since 1971 and has been in private practice since 1982.

Tom was chairman of the Nevada Society of CPAs Taxation Committee. Tom has been representing taxpayers and solving IRS problems ever since the landmark Casino employee cases in 1982.

The approach Tom takes and that he would like to pass on to you is this: the “science” of the work is the law and how it should be applied. The “art” is being able to counter any and all IRS measures which are not supported by law. Does the IRS always follow the rules? Of course not, so part of the “art” is really in forcing the IRS to obey the law. Of course, having the tenacity of a bulldog is often the critical ingredient. In the final analysis, once you determine what the outcome should be, then you must be ready to take any detours necessary to get your client to the finish line.

Tom is a willing and helpful teacher and looks forward to sharing his hard-gained knowledge.



Who is Sonya Wilt, EA

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Sonya Wilt, BS in Management, EA and entrepreneur. A graduate of Upper Iowa University, Fayette, and former student of Eva Rosenberg's *Enrolled Agent Review Course*, Sonya also has an extensive background in management and accounting, small business consulting, and employee training

Sonya's desire to stay on top of the changes in tax law is two-fold:

- 1) **To make sure *her* investments and entities are taking advantage of every legal tax deduction available with adequate documentation, and...**
- 2) **2) To provide our clients with accurate information so they may make solid decisions in both resolving current tax issues and legally protecting their future earnings.**

Sonya and her partner, Tom Buck, CPA aggressively represent clients before state and federal taxing authorities through audits, appeals and collections.



Introduction to Tax Levies and Garnishments

This is how it usually starts:

The panicked phone call!



1. What Causes a Levy?

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- 1) Taxpayer owes money to IRS (*Notice and Demand for Payment*).
- 2) Taxpayer doesn't pay balance due to IRS.
- 3) Taxpayer ignores IRS (*Final Notice of Intent to Levy and Notice of Your Right to A Hearing*)



- The balance due may start with something really simple – like a CP-2000 notice.
- It may be the result of an audit.
- Or it may start with unpaid estimated taxes or payroll taxes.



There are four fundamental ways to deal with the balance due:

- 1) Dispute it (we'll go into that in-depth in our next class - **10 Steps to Resolving Collection Issues**)
- 2) Pay the balance due, if the taxpayer has the funds.
- 3) Set up an installment agreement, when they don't have the money right now.
- 4) Submit an Offer in Compromise – if they will never have enough money to pay the balance.



Don't do this!

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What's the one thing you don't do?

Don't ignore the notices!

That will lead to....



Chuck & Lora T.

Clients: Married Couple

Retained Repr.: July 2009

Employment: Both SE

History: Neither had filed since 2004, SFRs filed for 2005-2007 on Chuck only with tax liability of \$45K+ and Lora had 1099 income of 50-70K per year that the IRS had not yet filed SFRs for



The FINAL NOTICE of Intent to Levy


Aka.:

- ◆ the 1058 letter
- ◆ LT 11

Distinctions:

- ◆ Certified Mail
- ◆ 30 days “from issue date”
- ◆ Appeal rights



 **IRS** Department of the Treasury
Internal Revenue Service
ACS SUPPORT
PO BOX 24017
FRESNO, CA 93779-4017

Date:
JULY 01, 2010

Taxpayer Identification Number:
Z 00

Case Reference Number:

Caller ID:

Contact Telephone Number:
TOLL FREE: 1-800-829-7650
BEST TIME TO CALL:
MON - FRI 8:00 AM TO 8:00 PM
ASISTENCIA EN ESPANOL 1-800-829-7650



JOHN SMITH
PO BOX 9753
SOMEWHERE, IA 50505-08642

11662

**CALL IMMEDIATELY TO PREVENT PROPERTY LOSS
FINAL NOTICE OF INTENT TO LEVY AND NOTICE OF YOUR RIGHT TO A HEARING**

WHY WE ARE SENDING YOU THIS LETTER

We've written to you before asking you to contact us about your overdue taxes. You haven't responded or paid the amounts you owe. We encourage you to call us immediately at the telephone number listed above to discuss your options for paying these amounts. If you act promptly, we can resolve this matter without taking and selling your property to collect what you owe.

We are authorized to collect overdue taxes by taking, which is called levying, property or rights to property and selling them if necessary. Property includes bank accounts, wages, real estate commissions, business assets, cars and other income and assets.

WHAT YOU SHOULD DO

This is your notice, as required under Internal Revenue Code sections 6330 and 6331, that we intend to levy on your property or your rights to property 30 days after the date of this letter unless you take one of these actions:

- Pay the full amount you owe, shown on the back of this letter. When doing so,
 - Please make your check or money order payable to the United States Treasury;
 - Write your social security number and the tax year or employer identification number and the tax period on your payment; and enclose a copy of this letter with your payment.
- Make payment arrangements, such as an installment agreement that allows you to pay off your debt over time.
- Appeal the intended levy on your property by requesting a Collection Due Process hearing within 30 days from the date of this letter.

WHAT TO DO IF YOU DISAGREE



John & Dee H.

Clients: Married Couple

Retained Repr.: January 2005 & April 2009

Employment: John SE, Dee (Homemaker)

History: 1058 Letter in hand, Stopped Levy, got into CNC. Client back in 2009 with collections issues



Similar Final Notice Letters

- ◆ CP 90 / CP 297 & CP297A - Notice of Intent to Levy - against any federal payments
- ◆ CP 91 / CP 298 Notice of Intent to Levy Social Security Benefits
- ◆ CP 523 – Notice of Intent to Levy - You defaulted on Your Installment Agreement

While slightly different in appearance also state you have 30 days and inform you of your appeal rights.

From the IRS website: “the IRS is in the process of redesigning and revising its correspondence with taxpayers for clarity, effectiveness and efficiency.”



...is better than a pound of cure!

Get in the way before the levy is put in place.

- ◆ Collection Due Process Hearing – 30 days
- ◆ Form 9465 - Installment Agreement Request
- ◆ Form 1127 - Application for Extension of Time to Pay
- ◆ Currently Non Collectible
- ◆ Economic Hardship



Collection Due Process Hearing

Halt Levy Action

Toll Statute of Limitations

Common Reasons for requesting hearing to stop a Levy:

- ★ Installment Agreement
- ★ OIC
- ★ Full Payment
- ★ Innocent Spouse
- ★ Can't Pay
- ★ Not Liable
- ★ Penalty Abatement
- ★ Account is wrong

Request for a Collection Due Process or Equivalent Hearing		
<p>Use this form to request a Collection Due Process (CDP) or equivalent hearing with the IRS Office of Appeals if you have been issued one of the following lien or levy notices:</p> <ul style="list-style-type: none"> • <i>Notice of Federal Tax Lien Filing and Your Right to a Hearing under IRC 6320,</i> • <i>Notice of Intent to Levy and Notice of Your Right to a Hearing,</i> • <i>Notice of Jeopardy Levy and Right of Appeal,</i> • <i>Notice of Levy on Your State Tax Refund- Notice of Your Right to a Hearing.</i> <p>Complete this form and send it to the address shown on your lien or levy notice. Include a copy of your lien or levy notice to ensure proper handling of your request.</p> <p>Call the phone number on the notice or 1-800-829-1040 if you are not sure about the correct address or if you want to fax your request.</p>		
<p>You can find a section explaining the deadline for requesting a Collection Due Process hearing in this form's instructions. If you've missed the deadline for requesting a CDP hearing, you must check line 6 (Equivalent Hearing) to request an equivalent hearing.</p>		
<p>1. Print Name: _____</p> <p style="text-align: right;">If a husband and wife owe the tax liability jointly, please print both names if both want a hearing.</p> <p>Address: _____</p> <p>City: _____ State: _____ Zip Code: _____</p>		
2. Social Security Number or Numbers		SSN 1 _____ SSN 2 _____
Employer Identification Number _____		
3. Daytime Telephone Number and Best Time to Call		() _____ - _____ <input type="checkbox"/> am. <input type="checkbox"/> pm.
4. Tax Information		
Type of Tax (Income, Employment, Excise, etc. or Civil Penalty)	Tax Form Number (1040, 941, 720, etc)	Tax Period or Periods
<p>Form 12153 (Rev. 11-2006) Catalog Number 26685D www.irs.gov Department of the Treasury - Internal Revenue Service</p>		



Collection Due Process Hearing 2

Halt Levy Action

Toll Statute of Limitations

Common Reasons for requesting hearing to stop a Levy:

- ★ Installment Agreement
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- ★ Not Liable
- ★ Penalty Abatement
- ★ Account is wrong

Request for a Collection Due Process or Equivalent Hearing													
<p>5. Basis for Hearing Request (Both boxes can be checked if you have received both a lien and levy notice)</p> <p style="text-align: center;"> <input type="checkbox"/> Filed Notice of Federal Tax Lien <input type="checkbox"/> Proposed Levy or Actual Levy </p>													
<p>6. Equivalent Hearing (See the instructions for more information on Equivalent Hearings)</p> <p style="text-align: center;"><input type="checkbox"/> I would like an Equivalent Hearing - I would like a hearing equivalent to a CDP Hearing if my request for a CDP hearing is too late.</p>													
<p>7. Check the most appropriate box for the reason you disagree with the filing of the lien or the levy. See page 4 of this form for examples. You can add more pages if you don't have enough space.</p> <table style="width: 100%; border: none;"> <tr> <td style="border: none; width: 60%;">Collection Alternative</td> <td style="border: none; width: 20%; text-align: center;"><input type="checkbox"/> Installment Agreement</td> <td style="border: none; width: 20%; text-align: center;"><input type="checkbox"/> Offer in Compromise</td> </tr> </table> <table style="width: 100%; border: none;"> <tr> <td style="border: none; width: 60%;">Lien</td> <td style="border: none; width: 15%; text-align: center;"><input type="checkbox"/> Subordination</td> <td style="border: none; width: 15%; text-align: center;"><input type="checkbox"/> Discharge</td> <td style="border: none; width: 10%; text-align: center;"><input type="checkbox"/> Withdrawal</td> </tr> </table> <p style="text-align: center; margin-left: 100px;">Please explain:</p> <table style="width: 100%; border: none;"> <tr> <td style="border: none; width: 60%;">My Spouse Is Responsible</td> <td style="border: none; width: 40%; text-align: center;"><input type="checkbox"/> Innocent Spouse Relief (Please attach Form 8857, Request for Innocent Spouse Relief, to your request.)</td> </tr> </table> <table style="width: 100%; border: none;"> <tr> <td style="border: none; width: 60%;">Other</td> <td style="border: none; width: 40%; text-align: center;"><input type="checkbox"/> Reason:</td> </tr> </table> <p style="font-size: small; margin-left: 20px;">(Use as much space as you need to explain the reason for your request. Attach extra pages if necessary.)</p>			Collection Alternative	<input type="checkbox"/> Installment Agreement	<input type="checkbox"/> Offer in Compromise	Lien	<input type="checkbox"/> Subordination	<input type="checkbox"/> Discharge	<input type="checkbox"/> Withdrawal	My Spouse Is Responsible	<input type="checkbox"/> Innocent Spouse Relief (Please attach Form 8857, Request for Innocent Spouse Relief, to your request.)	Other	<input type="checkbox"/> Reason:
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My Spouse Is Responsible	<input type="checkbox"/> Innocent Spouse Relief (Please attach Form 8857, Request for Innocent Spouse Relief, to your request.)												
Other	<input type="checkbox"/> Reason:												
<p style="text-align: center; font-size: small;">I understand the CDP hearing and any subsequent judicial review will suspend the statutory period of limitations for collection action. I also understand my representative or I must sign and date this request before the IRS Office of Appeals can accept it.</p> <table style="width: 100%; border: none;"> <tr> <td style="border: none; width: 15%; vertical-align: top;">SIGN HERE</td> <td style="border: none; width: 65%;">Your Signature _____</td> <td style="border: none; width: 20%; text-align: center;">Date _____</td> </tr> <tr> <td style="border: none;"></td> <td style="border: none;">Spouse's Signature (if a joint request, both must sign) _____</td> <td style="border: none; text-align: center;">Date _____</td> </tr> </table>			SIGN HERE	Your Signature _____	Date _____		Spouse's Signature (if a joint request, both must sign) _____	Date _____					
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<p style="font-size: x-small; margin: 0;">IRS Use Only</p> <table style="width: 100%; border: none; font-size: x-small;"> <tr> <td style="border: none; width: 60%;">IRS Employee (Print) _____</td> <td style="border: none; width: 20%;">Employee Telephone Number _____</td> <td style="border: none; width: 20%;">IRS Received Date _____</td> </tr> </table>			IRS Employee (Print) _____	Employee Telephone Number _____	IRS Received Date _____								
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<p>Form 12153 (Rev. 11-2006) Catalog Number 26685D www.irs.gov Department of the Treasury - Internal Revenue Service</p>													



3. You Will Comply!

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As the Borg say – You **MUST** Comply!

Before you can get levies permanently released, IRS must see that the taxpayer is making an effort to comply.

Why release the levy based on prior year balances due if new balances are being created?



What Must be Current?

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- 1) Current year tax return filed or on extension.
- 2) Prior year tax returns filed.
- 3) Most recent year taxes paid (or have the money to pay the taxes)
- 4) Current year – proof of adequate withholding, or estimated taxes have been paid.
- 5) Payroll taxes, if taxpayer is an employer – all current year 941s and related withholding must be paid up to date.
- 6) Any other taxes due to IRS for current year must be up-to-date.

Note: When money is limited, it may be more important to use funds for current taxes than to apply them to past years' balances due. Tom and Sonya will discuss some of that strategy.



THE LEVY

The final (and most effective) action taken by the IRS in an attempt to collect...



Bill S.

Clients: Single

Retained Repr.: January 2009

Employment: Previously SE, Currently WE

History: No returns filed since 2003, Audited in 2001, 2002, & 2003, SFRs filed for 2004-2007, IRS had begun levying wages in early 2009



2x4

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In the business we compare a bank levy or wage garnishment to that of hitting the donkey over the head with a 2x4 to get its attention



Let's be honest here, the vast majority of taxpayers who have collection problems have NOT been paying attention to business or opening IRS mail or state mail.



Immediate action is necessary to keep funds from actually being remitted to the IRS

1. Get the facts
2. Analyze the situation
3. Contact the IRS





Getting the facts (*IRS Version*)

Practitioner Hotline:

- ◆ 1-866-860-4259
- ◆ Staffed 8 a.m.-8 p.m.

E-services:

<http://www.irs.gov/taxpros/article/0,,id=109646,00.html>

- ◆ Disclosure Authorization
- ◆ Electronic Account Resolution
- ◆ Transcript Delivery System



E-services:

Disclosure Authorization

- ★ Form 2848 - Power of Attorney and Declaration of Representative
- ★ Form 8821 - Tax Information Authorization



E-Services:

Electronic Account Resolution

- ★ Account Problems Inquiry
- ★ Notice Inquiry
- ★ Installment Agreement Inquiry



E-services:

Transcript Delivery System

- ★ Wage & Income Transcripts
- ★ Account Transcripts
- ★ Return Transcripts
- ★ Verification of Non-filing



Analyze the situation

- Is taxpayer in compliance?
- Who Filed the Return?
- Statute of Limitations
- Can the taxpayer afford it?



7. Getting the Levy Released

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Contact the IRS

- Getting the Levy Released will always require you to contact the IRS
- Convince them that the taxpayer will present an acceptable collection alternative to the levy action



Know your clients situation

Know the rules

- ◆ Does the IRS have to notify my client each time they intend to levy his accounts or wages?



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- ◆ Does the IRS have to notify my client each time they intend to levy his accounts or wages?
 - ★ No, the IRS only has to notify the client the first time they intend to levy for each tax and period.



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 - ★ No, the IRS only has to notify the client the first time they intend to levy for each tax and period.
- ◆ Can I request a CDP Hearing after the 30-day deadline?



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 - ★ No, the IRS only has to notify the client the first time they intend to levy for each tax and period.
- ◆ Can I request a CDP Hearing after the 30-day deadline?
 - ★ You can submit the same form, but you will need to check the Equivalent Hearing box on the Form 12153 if you are filing late. You can request a Equivalent Hearing up to one year and 5 days from the Notice of Intent to Levy.



Wage Garnishment Rules

How much can they legally garnish from your clients wages?



How much can they legally garnish from your clients wages?

- ★ Employer receives Form 668-W(c)(DO) which demands the payment of your clients non-exempt wages. Exempt wages are calculated using IRS Publication 1494.
- ★ Court ordered child support is exempt from garnishment if order is made prior to date of levy
- ★ Client can ask employer to have exempt amount recomputed with new year's exemption tables, though employer is instructed not to do it automatically, only at taxpayer request.
- ★ The IRS can also garnish 1099 income, they have that information and they take 100% of the balance due your client on the date of the levy. Like a bank account levy, it is not an ongoing levy.



Wage Garnishment: Exempt Income

1. Tables for Figuring Amount Exempt from Levy on Wages, Salary, and Other Income (Forms 668-W(ACS), 668-W(c)(DO) and 668-W(ICS))
 The tables below show the amount of an individual's income that is exempt from a notice of levy used to collect delinquent tax in 2010.
 (Amounts are for each pay period.)

2010

Filing Status: Single								Filing Status: Married Filing Joint Return (and Qualifying Widow(er)s)							
Pay Period	Number of Exemptions Claimed on Statement							Pay Period	Number of Exemptions Claimed on Statement						
	1	2	3	4	5	6	More than 6		1	2	3	4	5	6	More than 6
Daily	35.96	50.00	64.04	78.08	92.12	106.15	21.92 plus 14.04 for each exemption	Daily	57.88	71.92	85.96	100.00	114.04	128.08	43.85 plus 14.04 for each exemption
Weekly	179.81	250.00	320.19	390.38	460.58	530.77	109.62 plus 70.19 for each exemption	Weekly	289.42	359.62	429.81	500.00	570.19	640.38	219.23 plus 70.19 for each exemption
Biweekly	359.62	500.00	640.38	780.77	921.15	1061.54	219.23 plus 140.38 for each exemption	Biweekly	578.85	719.23	859.62	1000.00	1140.38	1280.77	438.46 plus 140.38 for each exemption
Semimonthly	389.58	541.67	693.75	845.83	997.92	1150.00	237.50 plus 152.08 for each exemption	Semimonthly	627.08	779.17	931.25	1083.33	1235.42	1387.50	475.00 plus 152.08 for each exemption
Monthly	779.17	1083.33	1387.50	1691.67	1995.83	2300.00	475.00 plus 304.17 for each exemption	Monthly	1254.17	1558.33	1862.50	2166.67	2470.83	2775.00	950.00 plus 304.17 for each exemption

Filing Status: Head of Household								Filing Status: Married Filing Separate Return							
Pay Period	Number of Exemptions Claimed on Statement							Pay Period	Number of Exemptions Claimed on Statement						
	1	2	3	4	5	6	More than 6		1	2	3	4	5	6	More than 6
Daily	46.35	60.38	74.42	88.46	102.50	116.54	32.31 plus 14.04 for each exemption	Daily	35.96	50.00	64.04	78.08	92.12	106.15	21.92 plus 14.04 for each exemption
Weekly	231.73	301.92	372.12	442.31	512.50	582.69	161.54 plus 70.19 for each exemption	Weekly	179.81	250.00	320.19	390.38	460.58	530.77	109.62 plus 70.19 for each exemption
Biweekly	463.46	603.85	744.23	884.62	1025.00	1165.38	323.08 plus 140.38 for each exemption	Biweekly	359.62	500.00	640.38	780.77	921.15	1061.54	219.23 plus 140.38 for each exemption
Semimonthly	502.08	654.17	806.25	958.33	1110.42	1262.50	350.00 plus 152.08 for each exemption	Semimonthly	389.58	541.67	693.75	845.83	997.92	1150.00	237.50 plus 152.08 for each exemption
Monthly	1004.17	1308.33	1612.50	1916.67	2220.83	2525.00	700.00 plus 304.17 for each exemption	Monthly	779.17	1083.33	1387.50	1691.67	1995.83	2300.00	475.00 plus 304.17 for each exemption

2. Table for Figuring Additional Exempt Amount for Taxpayers at Least 65 Years Old and/or Blind

Filing Status	*	Additional Exempt Amount				
		Daily	Weekly	Biweekly	Semimonthly	Monthly
Single or Head of Household	1	5.38	26.92	53.85	58.33	116.67
	2	10.77	53.85	107.69	116.67	233.33
Any other Filing Status	1	4.23	21.15	42.31	45.83	91.67
	2	8.46	42.31	84.62	91.67	183.33
	3	12.69	63.46	126.92	137.50	275.00
	4	16.92	84.62	169.23	183.33	366.67

* ADDITIONAL STANDARD DEDUCTION claimed on Parts 3, 4, and 5 of levy.

Examples

These tables show the amount exempt each pay period from a levy on wages, salary, and other income. For example:

1. A single taxpayer who is paid weekly and claims three exemptions (including one for the taxpayer) has \$320.19 exempt from levy.
2. If the taxpayer in number 1 is over 65 and writes 1 in the ADDITIONAL STANDARD DEDUCTION space on Parts 3, 4, and 5 of the levy, \$347.11 is exempt from this levy (\$320.19 plus \$26.92).
3. A taxpayer who is married, files jointly, is paid biweekly, and claims two exemptions (including one for the taxpayer) has \$719.23 exempt from levy.
4. If the taxpayer in number 3 is over 65 and has a spouse who is blind, this taxpayer should write 2 in the ADDITIONAL STANDARD DEDUCTION space on Parts 3, 4, and 5 of the levy. Then, \$803.85 is exempt from this levy (\$719.23 plus \$84.62).





How much can they legally take from my clients bank account(s)?



How much can they legally take from my clients bank account(s)?

- ★ 100% of the balance on the day the levy is issued



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How many days before the bank releases the funds?



How much can they legally take from my clients bank account(s)?

- ★ 100% of the balance on the day the levy is issued

How many days before the bank releases the funds?

- ★ The bank will release the funds to the IRS in 21 days if they do not receive notice of the levy release.



How much can they legally take from my clients bank account(s)?

- ★ 100% of the balance on the day the levy is issued

How many days before the bank releases the funds?

- ★ The bank will release the funds to the IRS in 21 days if they do not receive notice of the levy release.

What if the IRS issues a levy on Friday and your client deposits his paycheck on Monday?



How much can they legally take from my clients bank account(s)?

- ★ 100% of the balance available when the levy is placed on the account

How many days before the bank releases the funds?

- ★ The bank will release the funds to the IRS in 21 days if they do not receive notice of the levy release.

What if the IRS issues a levy on Friday and your client deposits his paycheck on Monday?

- ★ The IRS will receive payment for the balance as of Friday, however, the IRS can continue to issue bank levies on the account without additional notification to the taxpayer.



Call-In Roulette – Not every agent is helpful, sometimes you are better off calling back

Create a feeling of cooperation – you are the intermediary; the agent's job is to collect the debt, your job is to protect the client and find an acceptable solution

Know your opponents rules – you may need to “tactfully” remind them

Know more than the IRS about your client's situation – You don't want to go through the effort of negotiation/representation and have some detail sprung on you by the IRS



Success!

You followed Tom and Sonya's guidance and got that darn levy or garnishment lifted.

Hallelujah!



Don't get off that phone call just yet!

Or – if you handled it all by fax, follow up with a call or fax. Stay on the line with the IRS employee (or keep pestering them every day or two).

You need two things from them:

- 1) A list of all the companies or people who received the levy notice.
- 2) A copy of the levy release.
 - ★ Wait until you see it appear on your fax machine – not just until you hear it coming in.



Even before you finalize the levy release with IRS
– get a list of all the people who should be
getting a release of the garnishment or levy.

Don't just get names.

Get names, company names and positions,
telephone numbers – and most important of all
– get their FAX NUMBERS!



9. Who Typically Gets Copies?

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IRS may have sent that levy or garnishment notice to:

- All employers who filed a W-2 last year
- Clients who filed 1099s last year
- Pension Plans who filed 1099-R
- Bank accounts who filed 1099-INT
- Brokerages who filed 1099-DIV
- Anyone else who filed a third-party notice with IRS alerting IRS there may be assets or income.



Do NOT assume IRS sent the levy releases.

- Your client is paying you to protect them and look out for them.
- Even though you told IRS where to fax all the releases, be sure to follow up with each person yourself.
- If the financial institutions or employers have not received the release, fax them a copy AND give them the contact information and file information (if necessary) for the IRS Lien desk to confirm the levy release.
- Be sure to give your client a copy of all releases, for his/her file, too.



Follow up with the bank and payroll etc. until you know they have received the releases and have not sent IRS the monies they had originally frozen.

Remember, speed is essential. The banks and payroll departments are required to make their remittances within 21 days if they don't get a release.



You've done every Tom and Sonya have outlined.
IRS is still balking at releasing the levy?

You have two more avenues within the U.S. Treasury:

- 1) TAS – The Taxpayers Advocate Service
- 2) TIGTA – The Treasure Inspector General for Tax Administration

And one more avenue as a final resort:

Contact your client's (or yours) Senator or Congress folk



You can reach The Taxpayers Advocate Service one of three ways:

- Call them - 1-877-777-4778 or TTY/TTD: 1-800-829-4059.
- Visit the website - <http://www.taxtoolkit.irs.gov/>
- Call the Practitioner Priority Service (the tax preparer's Hotline) 866-860-4259 and ask them to get you someone at TAS



- Form 911 <http://www.irs.gov/pub/irs-pdf/f911.pdf>
 - ◆ This is an Emergency Assistance Order to stop attachments that might cause taxpayer an undue hardship (like eviction).
 - ◆ No, it does not cause audits, contrary to what you might have heard.
- Intervene with IRS to get levy or garnishment lifted, at least temporarily, to enable taxpayer to continue to work, pay bills – and pay IRS.



1. You are experiencing economic harm or are about to suffer economic harm.
2. You are facing an immediate threat of adverse action.
3. You will incur significant costs if relief is not granted (including fees for professional representation).
4. You will suffer irreparable injury or long-term adverse impact if relief is not granted.
5. You have experienced a delay of more than 30 days to resolve a tax account problem.
6. You have not received a response or resolution to your problem or inquiry by the date promised.
7. A system or procedure has either failed to operate as intended, or failed to resolve your problem or dispute within the IRS.
8. The manner in which the tax laws are being administered raise considerations of equity, or have impaired or will impair your rights.
9. The NTA determines compelling public policy warrants assistance to an individual or group of taxpayers.



OMB No. 1545-1504

Department of the Treasury - Internal Revenue Service Request for Taxpayer Advocate Service Assistance (And Application for Taxpayer Assistance Order)	Form 911 (Rev. 6-2007)
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Section I – Taxpayer Information *(See Pages 3 and 4 for Form 911 Filing Requirements and Instructions for Completing this Form.)*

1a. Your name as shown on tax return		2a. Your Social Security Number	
1b. Spouse's name as shown on tax return		2b. Spouse's Social Security Number	
3a. Your current street address <i>(Number, Street, & Apt. Number)</i>			
3b. City		3c. State <i>(or Foreign Country)</i>	3d. ZIP code
4. Fax number <i>(if applicable)</i>	5. E-mail address		
6. Employer Identification Number <i>(EIN)</i> <i>(if applicable)</i>		7. Tax form(s)	8. Tax period(s)
9. Person to contact		10. Daytime phone number <input type="checkbox"/> Check if Cell Phone	11. Best time to call
12. Indicate the special communication needs you require <i>(if applicable)</i>			
<input type="checkbox"/> TTY/TDD Line <input type="checkbox"/> Interpreter - Specify language other than English <i>(including sign language)</i> _____ <input type="checkbox"/> Other <i>(please specify)</i> _____			
13a. Please describe the tax problem you are experiencing <i>(If more space is needed, attach additional sheets.)</i>			
13b. Please describe the relief/assistance you are requesting <i>(If more space is needed, attach additional sheets.)</i>			



When do you call TIGTA?

- When an IRS employee is extorting you or soliciting a bribe.
- When an IRS employee is abusing their position, or threatening your client.
- When there is misconduct that goes beyond the kind of thing you could report to IRS supervisors or management.

What can TIGTA do?

They can launch an investigation and, perhaps, help prevent harm to your client. Perhaps...



Remember, you never need to give up.

There's always something else that can be done –

When you know your client is entitled to get a levy or garnishment released.

- You can always contact us – **1-888-364-4496**
- Don't hesitate to call upon the higher powers. Sometimes, political pressure, liberally applied, can work.
- You will find links to reach the President, Vice President and the entire Legislature here:

<http://taxmama.com/special-reports/call-to-action/>



You've resolved the problem.

Your client loves you!

Don't rest on your laurels.

Stay on top of this case.

This was probably a temporary fix to buy them time to set up the installment agreement, OIC, or to get an audit reconsideration.

Stay with the client until the problem is resolved.
If you need more guidance, join us for Session 2.



IRS Practice Series: 10 Steps to Release IRS Levies on Paychecks or Bank Accounts
September 13, 2010

IRS Practice Series: 10 Steps to Resolving Collection Issues
October 8, 2011

IRS Practice Series: Hands-on Collections Workshop
November 1, 2010

IRS Practice Series: 6 Simple Steps to an Offer-in-Compromise: Completing (form 656)
December 7, 2010

IRS Practice Series: The Un-agreed Collection Alternatives and Appeals
December 10, 2010



Garnishments: <http://www.irs.gov/pub/irs-pdf/p1494.pdf>

E-Services:

<http://www.irs.gov/taxpros/article/0,,id=109646,00.html>

Collection Due Process:

<http://www.irs.gov/pub/irs-pdf/f12153.pdf>

Installment Agreement Request

<http://www.irs.gov/pub/irs-pdf/f9465.pdf>

Application for Extension of Time to Pay

<http://www.irs.gov/pub/irs-pdf/f1127.pdf>

TAS Assistance: <http://www.irs.gov/pub/irs-pdf/f911.pdf>



Thanks for coming.

Remember to give CPE Link your evaluations.

Drop by to sign up for other TaxMama classes –
<http://www.cpelink.com/teamtaxmama>

Return often for two new series, coming soon:

International Taxpayer issues – dealing with resident aliens
and Americans overseas.

The Tax Practice Series - Taxpayer representation –
Collections, Offers In Compromise, other payment
alternatives