Best Practices for Responding to IRS Collection Notices

Learning Objectives

- How to Respond to:
  - Notice and Demand for Tax (CP14 or CP161)
  - Reminder Balance Due (CP501)
  - Important 2nd Notice Balance Due (Notice CP503)
  - Urgent! Final Notice Balance Due (Notice CP504)
  - Notice of Intent to Levy and Notice Rights to a Hearing (Notice LT11 or Letter 1058)
  - Notice of Federal Tax Lien Filing and Your Rights to a Hearing under IRC 6320 (Notice 668 Y (c) / Letter 3172)
- Collection Alternatives

Due Diligence for Collection Cases

Due Diligence

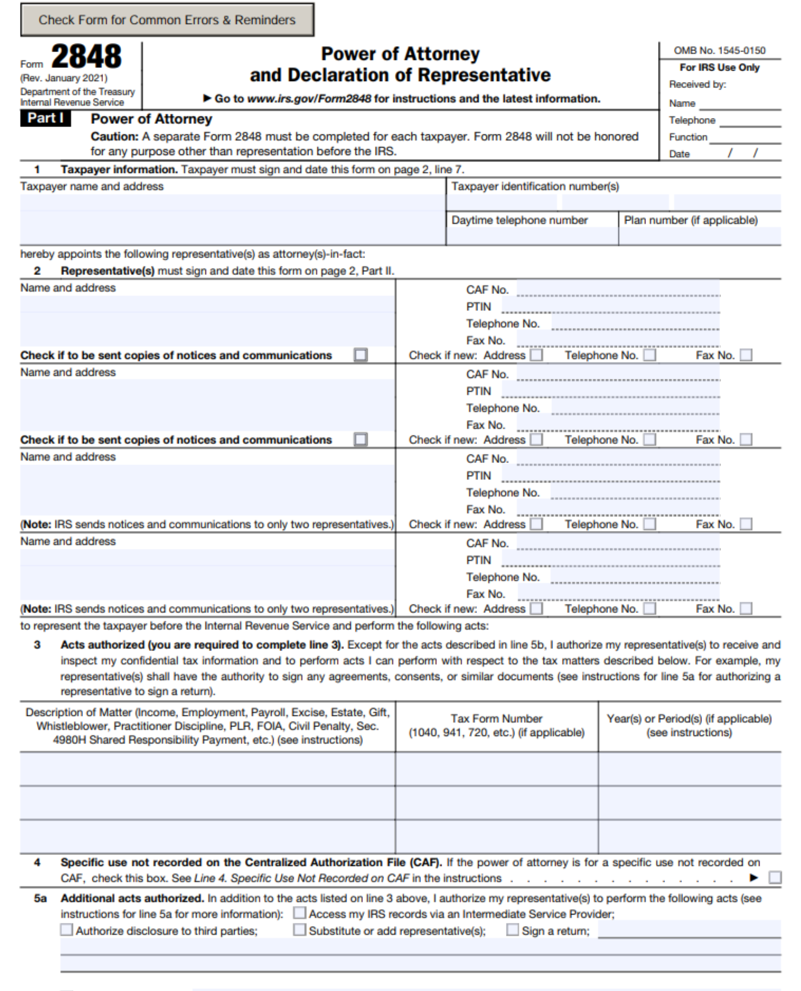
- Prior to receiving the first letter obtain:
    - ✓ Power of Attorney (2848)
    - ✓ IRS Transcripts
    - ✓ FOIA Request

Power of Attorney (2848)

- Prepare and file a Form 2848
  - https://www.irs.gov/pub/irs-pdf/f2848.pdf
- Either Fax to the CAF Unit or Submit Online
- Fax Info:
  - https://www.irs.gov/pub/irs-pdf/i2848.pdf
- Online:
  - https://www.irs.gov/tax-professionals/submit-forms-2848-and-8821-online

IRS

IRS Nationwide Tax Forum 2024



Check Form for Common Errors & Reminders

Form **2848**
(Rev. January 2021)
Department of the Treasury
Internal Revenue Service

Power of Attorney and Declaration of Representative

▶ Go to *www.irs.gov/Form2848* for instructions and the latest information.

OMB No. 1545-0150

For IRS Use Only
Received by:
Name
Telephone
Function
Date / /

Part I **Power of Attorney**

Caution: A separate Form 2848 must be completed for each taxpayer. Form 2848 will not be honored for any purpose other than representation before the IRS.

1 **Taxpayer information.** Taxpayer must sign and date this form on page 2, line 7.

Taxpayer name and address
Taxpayer identification number(s)
Daytime telephone number
Plan number (if applicable)

hereby appoints the following representative(s) as attorney(s)-in-fact:

2 **Representative(s)** must sign and date this form on page 2, Part II.

Name and address
CAF No.
PTIN
Telephone No.
Fax No.
Check if to be sent copies of notices and communications ☐
Check if new: Address ☐ Telephone No. ☐ Fax No. ☐

Name and address
CAF No.
PTIN
Telephone No.
Fax No.
Check if to be sent copies of notices and communications ☐
Check if new: Address ☐ Telephone No. ☐ Fax No. ☐

Name and address
CAF No.
PTIN
Telephone No.
Fax No.
(**Note:** IRS sends notices and communications to only two representatives.)
Check if new: Address ☐ Telephone No. ☐ Fax No. ☐

Name and address
CAF No.
PTIN
Telephone No.
Fax No.
(**Note:** IRS sends notices and communications to only two representatives.)
Check if new: Address ☐ Telephone No. ☐ Fax No. ☐

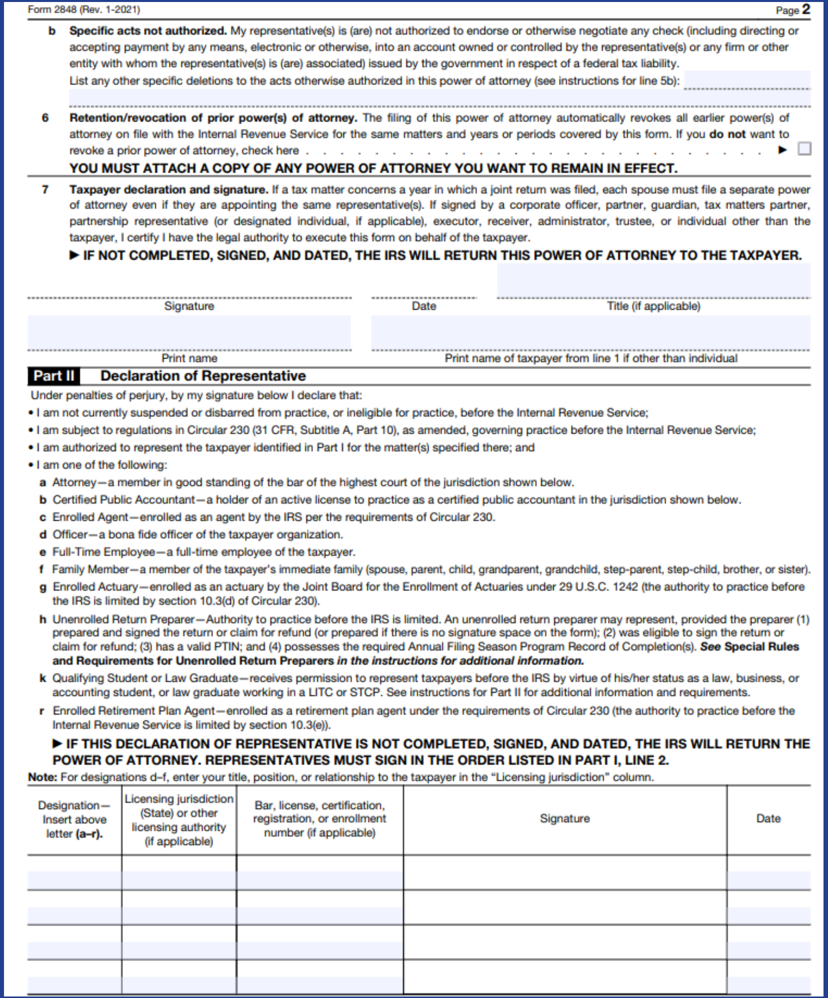
to represent the taxpayer before the Internal Revenue Service and perform the following acts:

3 **Acts authorized (you are required to complete line 3).** Except for the acts described in line 5b, I authorize my representative(s) to receive and inspect my confidential tax information and to perform acts I can perform with respect to the tax matters described below. For example, my representative(s) shall have the authority to sign any agreements, consents, or similar documents (see instructions for line 5a for authorizing a representative to sign a return).

Description of Matter (Income, Employment, Payroll, Excise, Estate, Gift, Whistleblower, Practitioner Discipline, PLR, FOIA, Civil Penalty, Sec. 4980H Shared Responsibility Payment, etc.) (see instructions)	Tax Form Number (1040, 941, 720, etc.) (if applicable)	Year(s) or Period(s) (if applicable) (see instructions)

4 **Specific use not recorded on the Centralized Authorization File (CAF).** If the power of attorney is for a specific use not recorded on CAF, check this box. See *Line 4. Specific Use Not Recorded on CAF* in the instructions . . . . ▶ ☐

5a **Additional acts authorized.** In addition to the acts listed on line 3 above, I authorize my representative(s) to perform the following acts (see instructions for line 5a for more information): ☐ Access my IRS records via an Intermediate Service Provider;
☐ Authorize disclosure to third parties; ☐ Substitute or add representative(s); ☐ Sign a return;



Form 2848 (Rev. 1-2021) Page **2**

b **Specific acts not authorized.** My representative(s) is (are) not authorized to endorse or otherwise negotiate any check (including directing or accepting payment by any means, electronic or otherwise, into an account owned or controlled by the representative(s) or any firm or other entity with whom the representative(s) is (are) associated) issued by the government in respect of a federal tax liability.

List any other specific deletions to the acts otherwise authorized in this power of attorney (see instructions for line 5b):

6 **Retention/revocation of prior power(s) of attorney.** The filing of this power of attorney automatically revokes all earlier power(s) of attorney on file with the Internal Revenue Service for the same matters and years or periods covered by this form. If you **do not** want to revoke a prior power of attorney, check here . . . . ▶ ☐

YOU MUST ATTACH A COPY OF ANY POWER OF ATTORNEY YOU WANT TO REMAIN IN EFFECT.

7 **Taxpayer declaration and signature.** If a tax matter concerns a year in which a joint return was filed, each spouse must file a separate power of attorney even if they are appointing the same representative(s). If signed by a corporate officer, partner, guardian, tax matters partner, partnership representative (or designated individual, if applicable), executor, receiver, administrator, trustee, or individual other than the taxpayer, I certify I have the legal authority to execute this form on behalf of the taxpayer.

▶ IF NOT COMPLETED, SIGNED, AND DATED, THE IRS WILL RETURN THIS POWER OF ATTORNEY TO THE TAXPAYER.

Signature Date Title (if applicable)

Print name Print name of taxpayer from line 1 if other than individual

Part II **Declaration of Representative**

Under penalties of perjury, by my signature below I declare that:

- I am not currently suspended or disbarred from practice, or ineligible for practice, before the Internal Revenue Service;
- I am subject to regulations in Circular 230 (31 CFR, Subtitle A, Part 10), as amended, governing practice before the Internal Revenue Service;
- I am authorized to represent the taxpayer identified in Part I for the matter(s) specified there; and
- I am one of the following:

a Attorney—a member in good standing of the bar of the highest court of the jurisdiction shown below.
b Certified Public Accountant—a holder of an active license to practice as a certified public accountant in the jurisdiction shown below.
c Enrolled Agent—enrolled as an agent by the IRS per the requirements of Circular 230.
d Officer—a bona fide officer of the taxpayer organization.
e Full-Time Employee—a full-time employee of the taxpayer.
f Family Member—a member of the taxpayer's immediate family (spouse, parent, child, grandparent, grandchild, step-parent, step-child, brother, or sister).
g Enrolled Actuary—enrolled as an actuary by the Joint Board for the Enrollment of Actuaries under 29 U.S.C. 1242 (the authority to practice before the IRS is limited by section 10.3(d) of Circular 230).
h Unenrolled Return Preparer—Authority to practice before the IRS is limited. An unenrolled return preparer may represent, provided the preparer (1) prepared and signed the return or claim for refund (or prepared if there is no signature space on the form); (2) was eligible to sign the return or claim for refund; (3) has a valid PTIN; and (4) possesses the required Annual Filing Season Program Record of Completion(s). ***See Special Rules and Requirements for Unenrolled Return Preparers** in the instructions for additional information.*
k Qualifying Student or Law Graduate—receives permission to represent taxpayers before the IRS by virtue of his/her status as a law, business, or accounting student, or law graduate working in a LITC or STCP. See instructions for Part II for additional information and requirements.
r Enrolled Retirement Plan Agent—enrolled as a retirement plan agent under the requirements of Circular 230 (the authority to practice before the Internal Revenue Service is limited by section 10.3(e)).

▶ IF THIS DECLARATION OF REPRESENTATIVE IS NOT COMPLETED, SIGNED, AND DATED, THE IRS WILL RETURN THE POWER OF ATTORNEY. REPRESENTATIVES MUST SIGN IN THE ORDER LISTED IN PART I, LINE 2.

Note: For designations d–f, enter your title, position, or relationship to the taxpayer in the "Licensing jurisdiction" column.

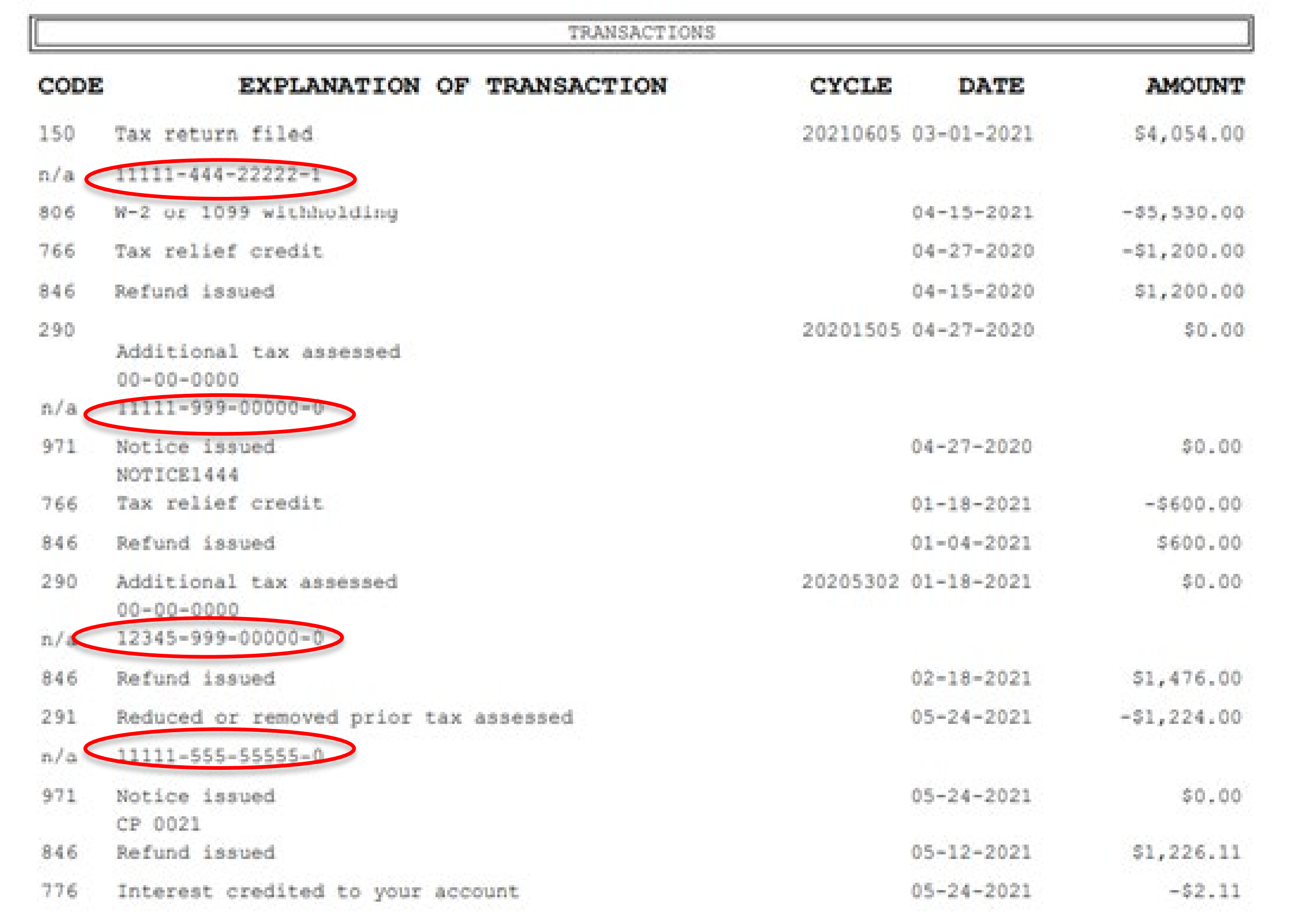
Designation—Insert above letter **(a–r).**	Licensing jurisdiction (State) or other licensing authority (if applicable)	Bar, license, certification, registration, or enrollment number (if applicable)	Signature	Date

IRS Transcripts

- Wage & Income: shows data from information returns such as Forms W-2, 1098, 1099, and 5498
- Account: shows basic data such as filing status, taxable income, and payment types
- Tax Return: shows most line items from your original Form 1040-series tax return as filed, along with any forms and schedules

IRS Transcripts

- Request IRS Transcripts
  - https://www.irs.gov/individuals/get-transcript
- TaxHelpSoftware
- PitBullTax
- TAS: Decoding IRS Transcripts
  - https://www.taxpayeradvocate.irs.gov/news/nta-blog/nta-blog-transcripts-pt2/2021/10/



TRANSACTIONS

CODE	EXPLANATION OF TRANSACTION	CYCLE	DATE	AMOUNT
150	Tax return filed	20210605	03-01-2021	$4,054.00
n/a	11111-444-22222-1			
806	W-2 or 1099 withholding		04-15-2021	-$5,530.00
766	Tax relief credit		04-27-2020	-$1,200.00
846	Refund issued		04-15-2020	$1,200.00
290	Additional tax assessed 00-00-0000	20201505	04-27-2020	$0.00
n/a	11111-999-00000-0			
971	Notice issued NOTICE1444		04-27-2020	$0.00
766	Tax relief credit		01-18-2021	-$600.00
846	Refund issued		01-04-2021	$600.00
290	Additional tax assessed 00-00-0000	20205302	01-18-2021	$0.00
n/a	12345-999-00000-0			
846	Refund issued		02-18-2021	$1,476.00
291	Reduced or removed prior tax assessed		05-24-2021	-$1,224.00
n/a	11111-555-55555-0			
971	Notice issued CP 0021		05-24-2021	$0.00
846	Refund issued		05-12-2021	$1,226.11
776	Interest credited to your account		05-24-2021	-$2.11

The Freedom of Information Act (FOIA)
5 U.S.C. § 552

- FOIA is a federal law that gives the public the right to request access to records from any federal government agency.
- Taxpayers have the right to request records related to the IRS's collection efforts against them, such as revenue officer case files, collection notices, or documentation of collection activities.

Freedom of Information Act Guidelines

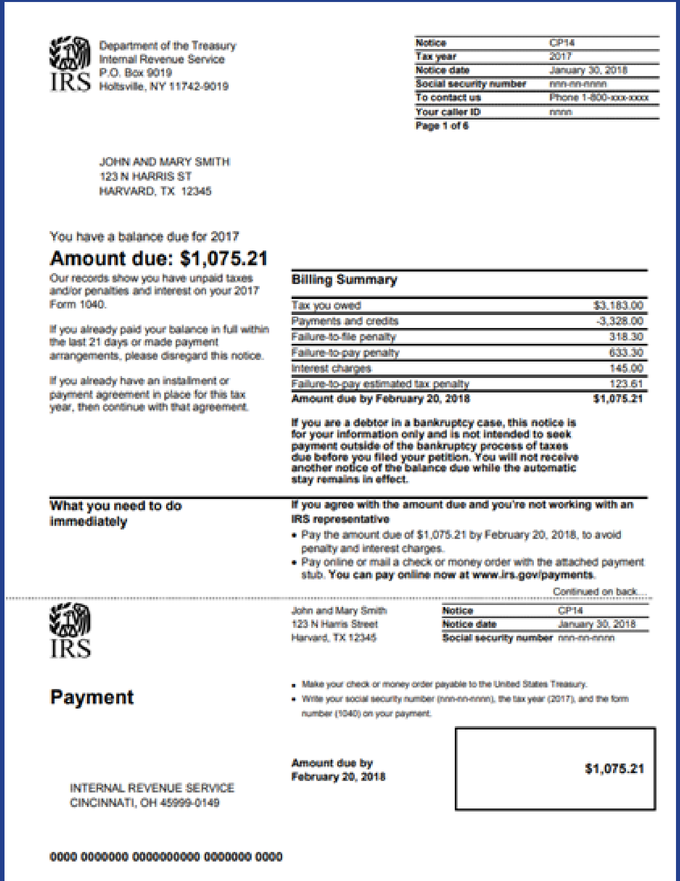
- Submit FOIA Requests Online or by Fax:
  - https://www.irs.gov/privacy-disclosure/freedom-of-information-act-foia-guidelines

The First Notice: "Tax Balance Due"

Tax Balance Due

- Required by I.R.C. §6303
- Must be issued within 60 days after an assessment
- Prerequisite to filing a lien under I.R.C. §6321
- Prerequisite to issuing a levy under I.R.C. §6331
- CP14 and CP161
- The notice advises the taxpayer there is tax due, and it states the amount of tax, interest, and penalties
- The notice demands payment within 10 days

Sample CP14 and CP 161 Notices



Department of the Treasury
Internal Revenue Service
P.O. Box 9019
Holtsville, NY 11742-9019

Notice	CP14
Tax year	2017
Notice date	January 30, 2018
Social security number	nnn-nn-nnnn
To contact us	Phone 1-800-xxx-xxxx
Your caller ID	nnnn

Page 1 of 6

JOHN AND MARY SMITH
123 N HARRIS ST
HARVARD, TX 12345

You have a balance due for 2017

Amount due: $1,075.21

Our records show you have unpaid taxes and/or penalties and interest on your 2017 Form 1040.

If you already paid your balance in full within the last 21 days or made payment arrangements, please disregard this notice.

If you already have an installment or payment agreement in place for this tax year, then continue with that agreement.

Billing Summary

Tax you owed	$3,183.00
Payments and credits	-3,328.00
Failure-to-file penalty	318.30
Failure-to-pay penalty	633.30
Interest charges	145.00
Failure-to-pay estimated tax penalty	123.61
Amount due by February 20, 2018	**$1,075.21**

If you are a debtor in a bankruptcy case, this notice is for your information only and is not intended to seek payment outside of the bankruptcy process of taxes due before you filed your petition. You will not receive another notice of the balance due while the automatic stay remains in effect.

What you need to do immediately

If you agree with the amount due and you're not working with an IRS representative

- Pay the amount due of $1,075.21 by February 20, 2018, to avoid penalty and interest charges.
- Pay online or mail a check or money order with the attached payment stub. **You can pay online now at www.irs.gov/payments.**

Continued on back...

IRS

John and Mary Smith
123 N Harris Street
Harvard, TX 12345

Notice	CP14
Notice date	January 30, 2018
Social security number	nnn-nn-nnnn

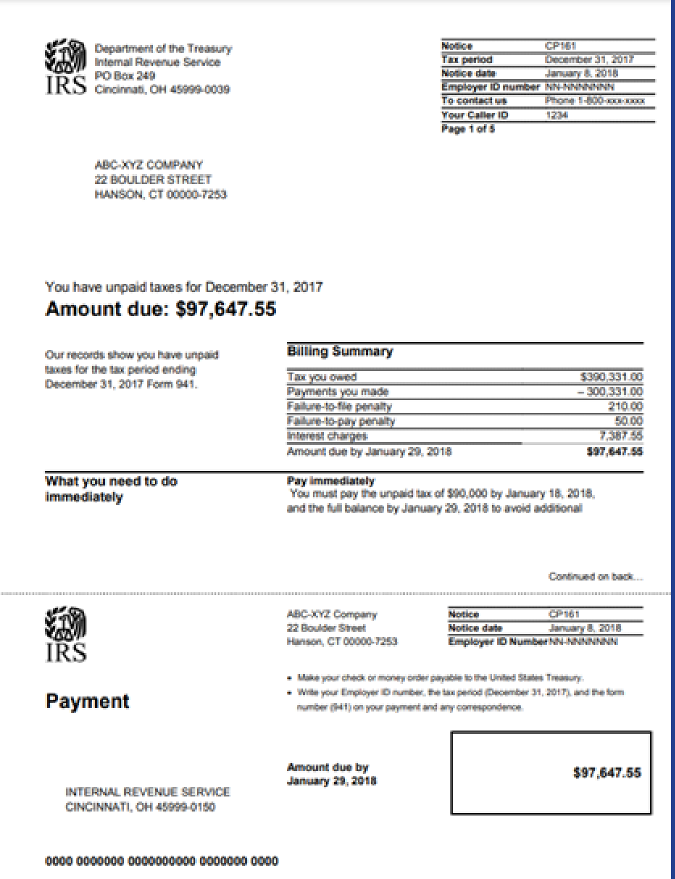
Payment

- Make your check or money order payable to the United States Treasury.
- Write your social security number (nnn-nn-nnnn), the tax year (2017), and the form number (1040) on your payment.

Amount due by February 20, 2018 **$1,075.21**

INTERNAL REVENUE SERVICE
CINCINNATI, OH 45999-0149

0000 0000000 0000000000 0000000 0000



Department of the Treasury
Internal Revenue Service
PO Box 249
Cincinnati, OH 45999-0039

Notice	CP161
Tax period	December 31, 2017
Notice date	January 8, 2018
Employer ID number	NN-NNNNNNN
To contact us	Phone 1-800-xxx-xxxx
Your Caller ID	1234

Page 1 of 5

ABC-XYZ COMPANY
22 BOULDER STREET
HANSON, CT 00000-7253

You have unpaid taxes for December 31, 2017

Amount due: $97,647.55

Our records show you have unpaid taxes for the tax period ending December 31, 2017 Form 941.

Billing Summary

Tax you owed	$390,331.00
Payments you made	– 300,331.00
Failure-to-file penalty	210.00
Failure-to-pay penalty	50.00
Interest charges	7,387.55
Amount due by January 29, 2018	**$97,647.55**

What you need to do immediately

Pay immediately

You must pay the unpaid tax of $90,000 by January 18, 2018, and the full balance by January 29, 2018 to avoid additional

Continued on back...

IRS

ABC-XYZ Company
22 Boulder Street
Hanson, CT 00000-7253

Notice	CP161
Notice date	January 8, 2018
Employer ID Number	NN-NNNNNNN

Payment

- Make your check or money order payable to the United States Treasury.
- Write your Employer ID number, the tax period (December 31, 2017), and the form number (941) on your payment and any correspondence.

Amount due by January 29, 2018 **$97,647.55**

INTERNAL REVENUE SERVICE
CINCINNATI, OH 45999-0150

0000 0000000 0000000000 0000000 0000

Verify Assessment

- Review tax return or notice of deficiency if assessment is more than tax shown on return (see I.R.C. §6212)

Verify Assessment

- Review the IRS Transcript
  - ✓ Confirm the period of limitations on assessment has not expired (see I.R.C. §6501)
    - ❖ Within 3 years after the return was filed
  - ✓ Confirm the period of limitations on collection has not expired (see I.R.C. §6502)
    - ❖ Within 10 years after the assessment of the tax

Verify Assessment

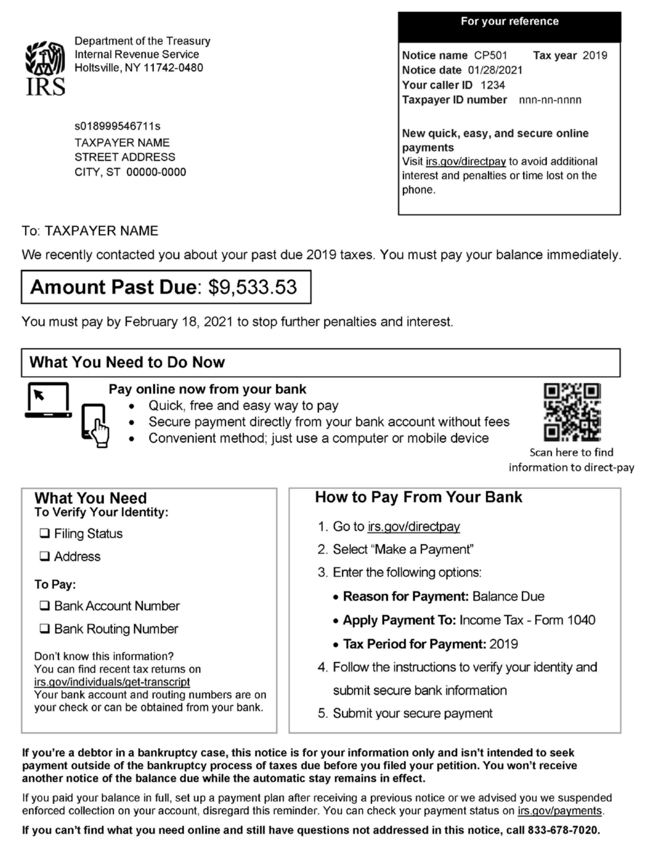
- Collection Statute Expiration Date (CSED)
  - Can be suspended or extend in the following situations:
    - ✓Bankruptcy
    - ✓Innocent Spouse Claim
    - ✓Requesting a CDP hearing
    - ✓Offer In Compromise (OIC)
    - ✓Combat Zone

Payment Options

- If assessment is valid pay the tax via:
  - IRS Direct Pay : https://www.irs.gov/payments/direct-pay
  - Debit or credit card: https://www.irs.gov/payments/pay-your-taxes-by-debit-or-credit-card
  - Online Account: https://www.irs.gov/payments/online-account-for-individuals
  - Online Payment Plan: https://www.irs.gov/payments/online-payment-agreement-application

The Second Notice: “Reminder Balance Due"

The Second Notice - CP501 Notice



Department of the Treasury
Internal Revenue Service
Holtsville, NY 11742-0480

s018999546711s
TAXPAYER NAME
STREET ADDRESS
CITY, ST 00000-0000

For your reference

Notice name CP501 **Tax year** 2019
Notice date 01/28/2021
Your caller ID 1234
Taxpayer ID number nnn-nn-nnnn

New quick, easy, and secure online payments
Visit irs.gov/directpay to avoid additional interest and penalties or time lost on the phone.

To: TAXPAYER NAME

We recently contacted you about your past due 2019 taxes. You must pay your balance immediately.

Amount Past Due: $9,533.53

You must pay by February 18, 2021 to stop further penalties and interest.

What You Need to Do Now

Pay online now from your bank
- Quick, free and easy way to pay
- Secure payment directly from your bank account without fees
- Convenient method; just use a computer or mobile device

Scan here to find information to direct-pay

What You Need
To Verify Your Identity:
- ☐ Filing Status
- ☐ Address

To Pay:
- ☐ Bank Account Number
- ☐ Bank Routing Number

Don't know this information?
You can find recent tax returns on irs.gov/individuals/get-transcript
Your bank account and routing numbers are on your check or can be obtained from your bank.

How to Pay From Your Bank
1. Go to irs.gov/directpay
2. Select "Make a Payment"
3. Enter the following options:
   - **Reason for Payment:** Balance Due
   - **Apply Payment To:** Income Tax - Form 1040
   - **Tax Period for Payment:** 2019
4. Follow the instructions to verify your identity and submit secure bank information
5. Submit your secure payment

If you're a debtor in a bankruptcy case, this notice is for your information only and isn't intended to seek payment outside of the bankruptcy process of taxes due before you filed your petition. You won't receive another notice of the balance due while the automatic stay remains in effect.

If you paid your balance in full, set up a payment plan after receiving a previous notice or we advised you we suspended enforced collection on your account, disregard this reminder. You can check your payment status on irs.gov/payments.

If you can't find what you need online and still have questions not addressed in this notice, call 833-678-7020.

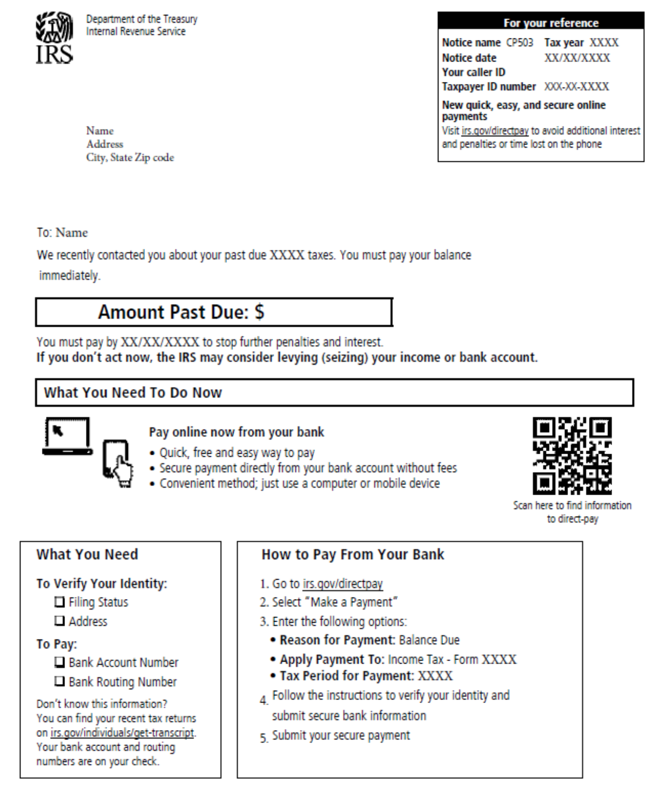
- The CP501 is sent approximately 8 weeks for IMF and 8-10 weeks for BMF after the initial CP14 notice.
- The notice demands payment within 10 days

Responding to the CP501 Notice

- Perform all steps in response to the notice and demand for payment if you have not done so already.

The Third Notice:
“Second Notice Balance Due"

The Third Notice- CP503 Notice



IRS
Department of the Treasury
Internal Revenue Service

For your reference

Notice name CP503 **Tax year** XXXX
Notice date XX/XX/XXXX
Your caller ID
Taxpayer ID number XXX-XX-XXXX

New quick, easy, and secure online payments
Visit irs.gov/directpay to avoid additional interest and penalties or time lost on the phone

Name
Address
City, State Zip code

To: Name

We recently contacted you about your past due XXXX taxes. You must pay your balance immediately.

Amount Past Due: $

You must pay by XX/XX/XXXX to stop further penalties and interest.
If you don't act now, the IRS may consider levying (seizing) your income or bank account.

What You Need To Do Now

Pay online now from your bank
- Quick, free and easy way to pay
- Secure payment directly from your bank account without fees
- Convenient method; just use a computer or mobile device

Scan here to find information to direct-pay

What You Need

To Verify Your Identity:
- ☐ Filing Status
- ☐ Address

To Pay:
- ☐ Bank Account Number
- ☐ Bank Routing Number

Don't know this information?
You can find your recent tax returns on irs.gov/individuals/get-transcript.
Your bank account and routing numbers are on your check.

How to Pay From Your Bank

1. Go to irs.gov/directpay
2. Select "Make a Payment"
3. Enter the following options:
   - **Reason for Payment:** Balance Due
   - **Apply Payment To:** Income Tax - Form XXXX
   - **Tax Period for Payment:** XXXX
4. Follow the instructions to verify your identity and submit secure bank information
5. Submit your secure payment

- The Third Notice- "Immediate Action is Required"
- The Notice CP503 is sent around 8 weeks for IMF and 8-10 weeks for BMF after the second notice
- The notice demands payment within 10 days

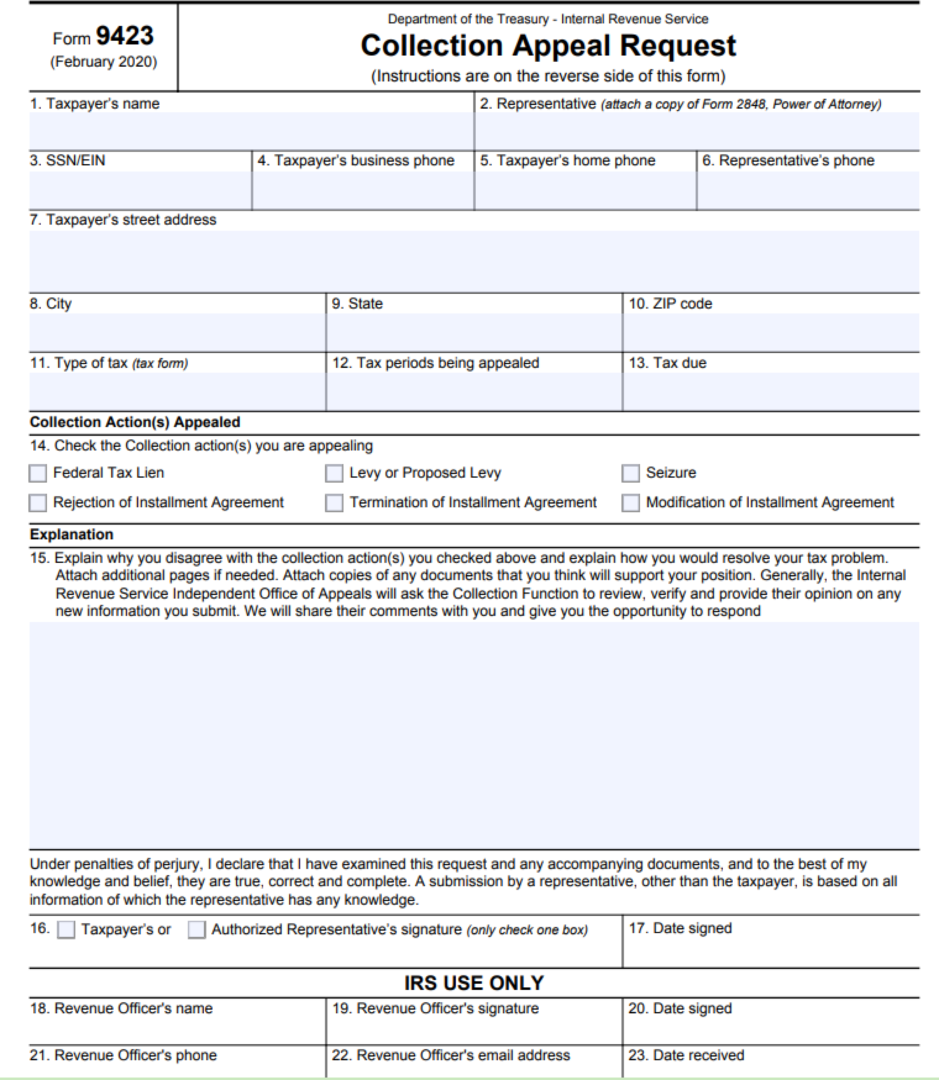
Responding to The CP503 Notice

- Perform all steps in response to the notice and demand for payment and Notice CP501

Collection Appeals Program

- Request an appeal under the Collection Appeals Program
  - https://www.irs.gov/pub/irs-pdf/f9423.pdf

- IRS Publication 1660
  - https://www.irs.gov/pub/irs-pdf/p1660.pdf



Form **9423**
(February 2020)

Department of the Treasury - Internal Revenue Service

Collection Appeal Request

(Instructions are on the reverse side of this form)

1. Taxpayer's name
2. Representative *(attach a copy of Form 2848, Power of Attorney)*
3. SSN/EIN
4. Taxpayer's business phone
5. Taxpayer's home phone
6. Representative's phone
7. Taxpayer's street address
8. City
9. State
10. ZIP code
11. Type of tax *(tax form)*
12. Tax periods being appealed
13. Tax due

Collection Action(s) Appealed

14. Check the Collection action(s) you are appealing

☐ Federal Tax Lien
☐ Levy or Proposed Levy
☐ Seizure
☐ Rejection of Installment Agreement
☐ Termination of Installment Agreement
☐ Modification of Installment Agreement

Explanation

15. Explain why you disagree with the collection action(s) you checked above and explain how you would resolve your tax problem. Attach additional pages if needed. Attach copies of any documents that you think will support your position. Generally, the Internal Revenue Service Independent Office of Appeals will ask the Collection Function to review, verify and provide their opinion on any new information you submit. We will share their comments with you and give you the opportunity to respond

Under penalties of perjury, I declare that I have examined this request and any accompanying documents, and to the best of my knowledge and belief, they are true, correct and complete. A submission by a representative, other than the taxpayer, is based on all information of which the representative has any knowledge.

16. ☐ Taxpayer's or ☐ Authorized Representative's signature *(only check one box)*
17. Date signed

IRS USE ONLY

18. Revenue Officer's name
19. Revenue Officer's signature
20. Date signed
21. Revenue Officer's phone
22. Revenue Officer's email address
23. Date received

The Fourth Notice:
“Urgent! Final Notice Balance Due"

The CP504 Notice

- The Notice CP504 is required by IRC §6331(d)
- Perform all steps in response to the earlier notices if you have not done so already
- If you have not done so for CP503, consider requesting a CAP

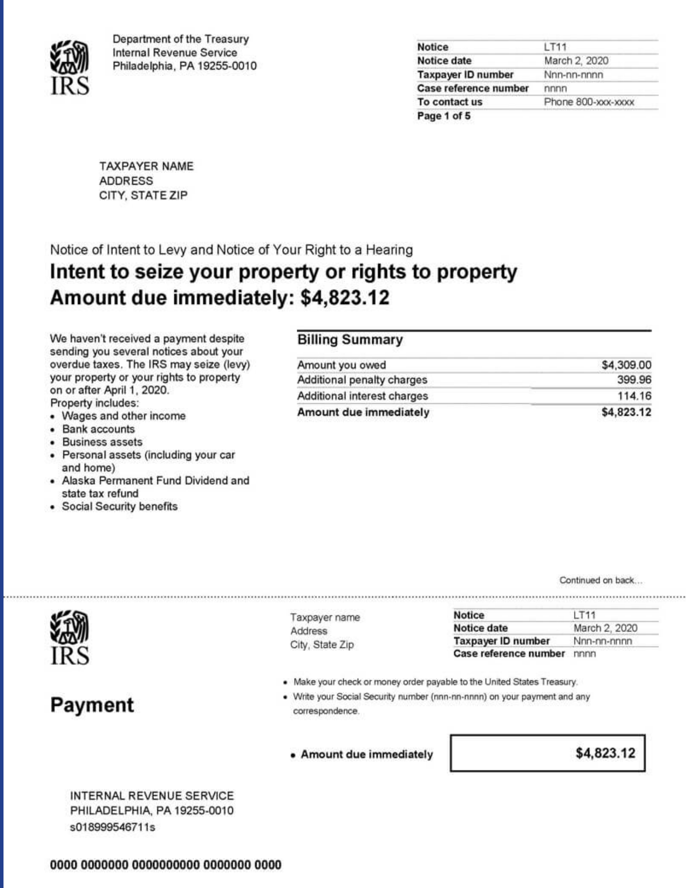
The Final Notice:
“Notice of Intent to Levy and Notice Rights to a Hearing"

The Final Notice: Notice LT11 and Letters 1058 and 3172

After about five weeks from the issuance of the Notice CP504, the ACS office or the revenue officer will issue either:

- Letter 1058 (Final Notice – Notice of Intent to Levy and Notice of your Right to a Hearing);
- Notice LT11 (Notice of Intent to Levy); or
- Letter 3172 (Notice of Federal Tax Lien Filing and your Right to a Hearing under IRC §6320).

LT11 and Letter 1058



IRS

Department of the Treasury
Internal Revenue Service
Philadelphia, PA 19255-0010

Notice	LT11
Notice date	March 2, 2020
Taxpayer ID number	Nnn-nn-nnnn
Case reference number	nnnn
To contact us	Phone 800-xxx-xxxx

Page 1 of 5

TAXPAYER NAME
ADDRESS
CITY, STATE ZIP

Notice of Intent to Levy and Notice of Your Right to a Hearing

Intent to seize your property or rights to property

Amount due immediately: $4,823.12

We haven't received a payment despite sending you several notices about your overdue taxes. The IRS may seize (levy) your property or your rights to property on or after April 1, 2020.

Property includes:

- Wages and other income
- Bank accounts
- Business assets
- Personal assets (including your car and home)
- Alaska Permanent Fund Dividend and state tax refund
- Social Security benefits

Billing Summary	
Amount you owed	$4,309.00
Additional penalty charges	399.96
Additional interest charges	114.16
Amount due immediately	**$4,823.12**

Continued on back…

IRS

Taxpayer name
Address
City, State Zip

Notice	LT11
Notice date	March 2, 2020
Taxpayer ID number	Nnn-nn-nnnn
Case reference number	nnnn

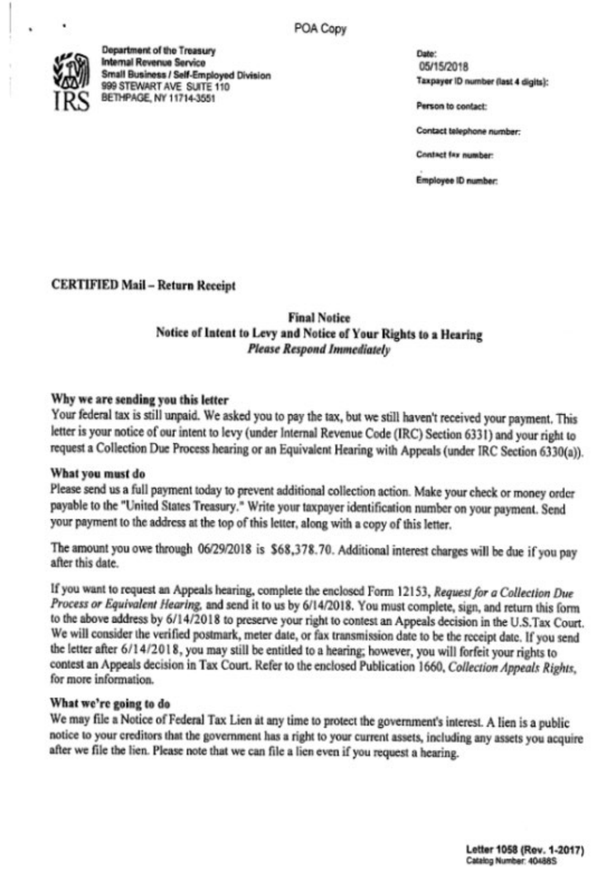
Payment

- Make your check or money order payable to the United States Treasury.
- Write your Social Security number (nnn-nn-nnnn) on your payment and any correspondence.

- **Amount due immediately** **$4,823.12**

INTERNAL REVENUE SERVICE
PHILADELPHIA, PA 19255-0010
s018999546711s

0000 0000000 0000000000 0000000 0000



POA Copy

IRS

Department of the Treasury
Internal Revenue Service
Small Business / Self-Employed Division
999 STEWART AVE SUITE 110
BETHPAGE, NY 11714-3551

Date:
05/15/2018
Taxpayer ID number (last 4 digits):

Person to contact:

Contact telephone number:

Contact fax number:

Employee ID number:

CERTIFIED Mail – Return Receipt

Final Notice
Notice of Intent to Levy and Notice of Your Rights to a Hearing
Please Respond Immediately

Why we are sending you this letter
Your federal tax is still unpaid. We asked you to pay the tax, but we still haven't received your payment. This letter is your notice of our intent to levy (under Internal Revenue Code (IRC) Section 6331) and your right to request a Collection Due Process hearing or an Equivalent Hearing with Appeals (under IRC Section 6330(a)).

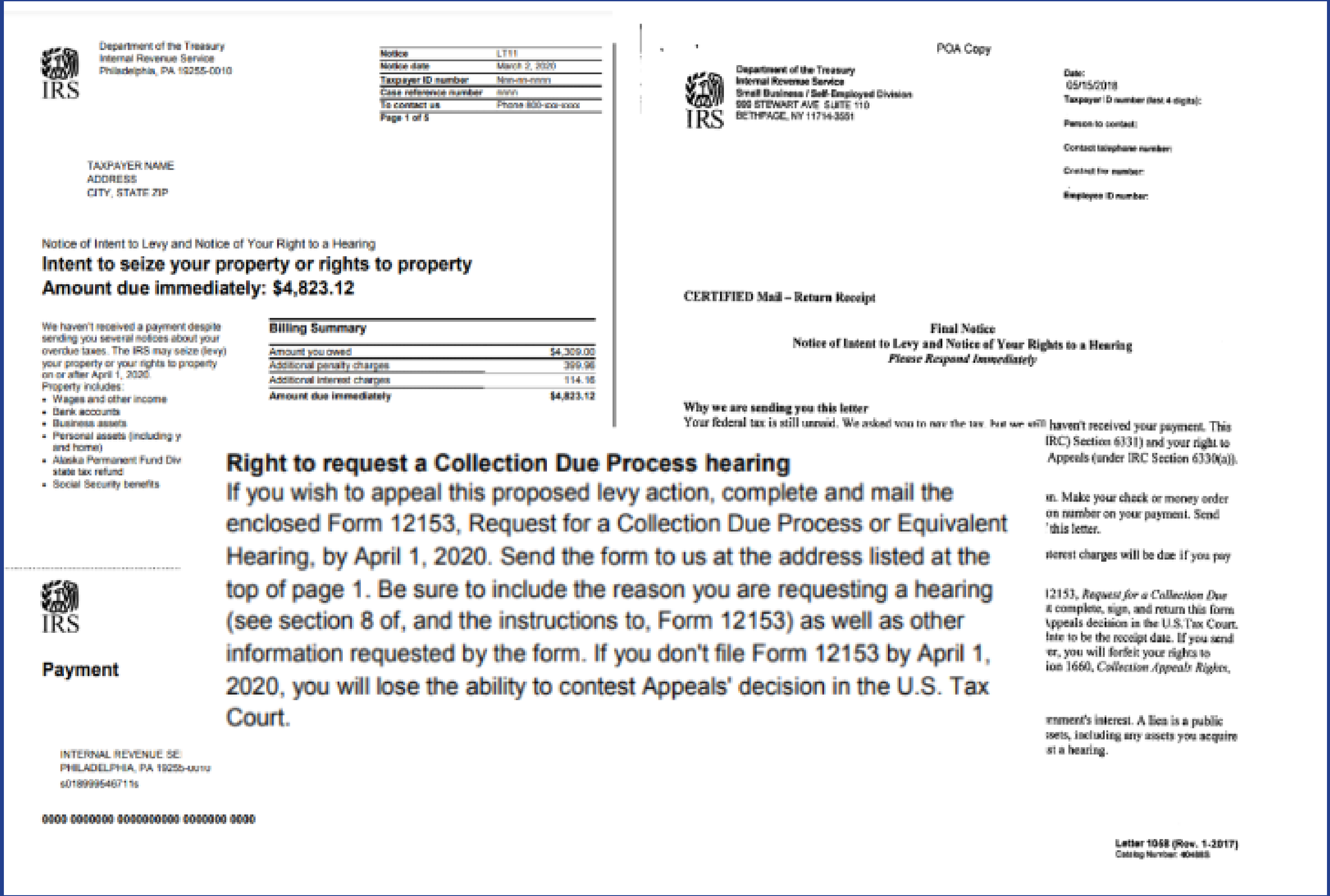
What you must do
Please send us a full payment today to prevent additional collection action. Make your check or money order payable to the "United States Treasury." Write your taxpayer identification number on your payment. Send your payment to the address at the top of this letter, along with a copy of this letter.

The amount you owe through 06/29/2018 is $68,378.70. Additional interest charges will be due if you pay after this date.

If you want to request an Appeals hearing, complete the enclosed Form 12153, *Request for a Collection Due Process or Equivalent Hearing*, and send it to us by 6/14/2018. You must complete, sign, and return this form to the above address by 6/14/2018 to preserve your right to contest an Appeals decision in the U.S.Tax Court. We will consider the verified postmark, meter date, or fax transmission date to be the receipt date. If you send the letter after 6/14/2018, you may still be entitled to a hearing; however, you will forfeit your rights to contest an Appeals decision in Tax Court. Refer to the enclosed Publication 1660, *Collection Appeals Rights*, for more information.

What we're going to do
We may file a Notice of Federal Tax Lien at any time to protect the government's interest. A lien is a public notice to your creditors that the government has a right to your current assets, including any assets you acquire after we file the lien. Please note that we can file a lien even if you request a hearing.

Letter 1058 (Rev. 1-2017)
Catalog Number: 40488S



IRS
Department of the Treasury
Internal Revenue Service
Philadelphia, PA 19255-0010

Notice	LT11
Notice date	March 2, 2020
Taxpayer ID number	Nnn-nn-nnnn
Case reference number	nnnn
To contact us	Phone 800-xxx-xxxx
Page 1 of 5	

TAXPAYER NAME
ADDRESS
CITY, STATE ZIP

Notice of Intent to Levy and Notice of Your Right to a Hearing

Intent to seize your property or rights to property
Amount due immediately: $4,823.12

We haven't received a payment despite sending you several notices about your overdue taxes. The IRS may seize (levy) your property or your rights to property on or after April 1, 2020.
Property includes:

- Wages and other income
- Bank accounts
- Business assets
- Personal assets (including y and home)
- Alaska Permanent Fund Div state tax refund
- Social Security benefits

Billing Summary

Amount you owed	$4,309.00
Additional penalty charges	399.96
Additional interest charges	114.16
Amount due immediately	**$4,823.12**

IRS

Payment

INTERNAL REVENUE SE
PHILADELPHIA, PA 19255-0010
s01899954671 1s

0000 0000000 000000000 0000000 0000

POA Copy

IRS
Department of the Treasury
Internal Revenue Service
Small Business / Self-Employed Division
999 STEWART AVE SUITE 110
BETHPAGE, NY 11714-3581

Date:
05/15/2018
Taxpayer ID number (last 4 digits):

Person to contact:

Contact telephone number:

Contact fax number:

Employee ID number:

CERTIFIED Mail – Return Receipt

Final Notice
Notice of Intent to Levy and Notice of Your Rights to a Hearing
Please Respond Immediately

Why we are sending you this letter
Your federal tax is still unpaid. We asked you to pay the tax, but we still haven't received your payment. This
IRC) Section 6331) and your right to
Appeals (under IRC Section 6330(a)).

n. Make your check or money order
on number on your payment. Send
this letter.

terest charges will be due if you pay

12153, *Request for a Collection Due*
t complete, sign, and return this form
Appeals decision in the U.S. Tax Court.
date to be the receipt date. If you send
er, you will forfeit your rights to
ion 1660, *Collection Appeals Rights,*

rnment's interest. A lien is a public
ssets, including any assets you acquire
st a hearing.

Letter 1058 (Rev. 1-2017)
Catalog Number: 40488S

Right to request a Collection Due Process hearing

If you wish to appeal this proposed levy action, complete and mail the enclosed Form 12153, Request for a Collection Due Process or Equivalent Hearing, by April 1, 2020. Send the form to us at the address listed at the top of page 1. Be sure to include the reason you are requesting a hearing (see section 8 of, and the instructions to, Form 12153) as well as other information requested by the form. If you don't file Form 12153 by April 1, 2020, you will lose the ability to contest Appeals' decision in the U.S. Tax Court.

Responding to The Final Notice- The Notice LT11 and Letters 1058 and 3172

In response to the Notice LT11 and the Letters 1058 and 3172:

- Perform all steps in response to the earlier notices if you have not done so already
- File Form 12153, requesting a CDP Hearing, within 30 days of the date on the Notice LT11 or Letters 1058 or 3172

Notice and Opportunity for Hearing upon Filing of Notice of Lien (§6320)

- The IRS must provide written notice to the taxpayer within five business days after filing a notice of federal tax lien.
- The notice includes the amount of the unpaid tax liability, the right to request a hearing, and an explanation of the collection due process (CDP) procedures.
- Taxpayers have 30 days from the date of the notice to request a hearing with the IRS Office of Appeals.

Collection Due Process Procedure

- Conducted at the IRS Office of Appeals by an Appeals Officer who has no prior involvement in the issue that led to the collection of the unpaid liability.
- The Appeals Office will issue its findings in a dated Notice of Determination sent by certified mail or registered mail to the taxpayer. While there is no time limit on when the IRS must issue its findings, the regulations require the Appeals Officer to conduct the hearing "as expeditiously as possible."

Form 12153 Request for a CDP or Equivalent Hearing

- Form 12153 - https://www.irs.gov/pub/irs-pdf/f12153.pdf

- If the request for a CDP is not timely filed, IRS will pursue enforcement actions:
  - – Seizure and Sale of Property
  - – Backup Withholding
  - – Garnishment of wages and other payments

Equivalent Hearing (“EH”)

A taxpayer who fails to make a timely request for a CDP hearing is not entitled to a CDP hearing, but may request an administrative Appeals hearing, which is referred to as an EH. The EH is held by Appeals and generally will follow Appeals procedures for a CDP hearing.

Equivalent Hearing ("EH")

- A taxpayer must submit a written request for an EH within the one-year period beginning the day after the date of the CDP levy notice.
- In an EH case, Appeals will consider the same issues that it would otherwise have considered at a CDP hearing on the same matter.

Contents of a Form 12153

- Items to address when filing Form 12153:
  - ✓Verification that the requirements of any applicable law or administrative procedure have been met;
  - ✓Any relevant issue relating to the unpaid tax, the lien, or the proposed levy

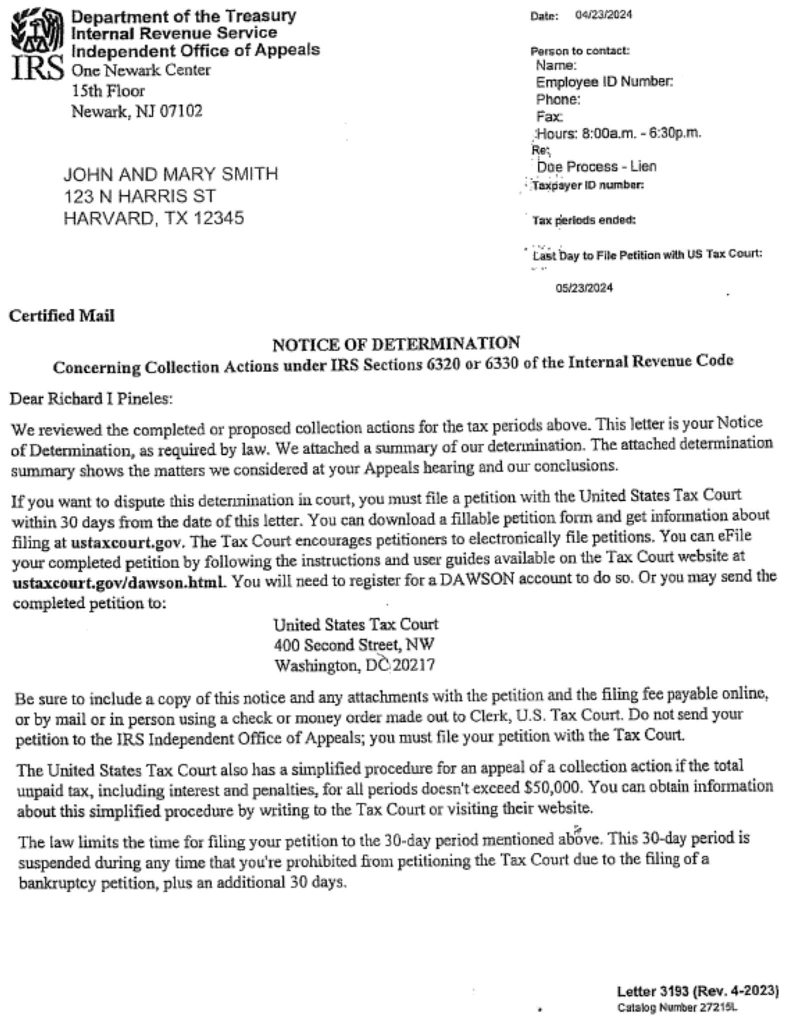
Verification

Potential Verification Requests	Internal Revenue Code Section
The Record of Assessment	**IRC § 6203** provides that: Upon request of the taxpayer, the Secretary shall furnish the taxpayer a copy of the record of the assessment.
If the assessment is for more than the tax shown on the return, the notice of deficiency	**IRC § 6212**
The Notice and Demand referred to in **IRC §§ 6303(a) and 6601(e)**	Collectively, IRC § s 6303(a), 6321, and 6331(a) provides that: Notice and demand must be provided to a taxpayer before the IRS can collect through the tax lien or by levy.
Statute of Limitations on Assessment If the assessment at issue was made more than three years after the filing of the returns at issue, please verify that the statute of limitations prescribed by **IRC § 6501** does not invalidate the assessment.	**IRC § 6501**
Statute of Limitation on Collection of the Assessment. If the assessment at issue was made more than ten years ago, please verify that the statute of limitations prescribed by **IRC § 6502** does not invalidate the assessment.	**IRC § 6502**
The documents demonstrating compliance with **IRC §§ 7524, 6751(a) and (b)**	**IRC § 6751(b)** provides that: No penalty under this title shall be assessed unless the initial determination of such assessment is personally approved (in writing) by the immediate supervisor of the individual making such determination or such higher level official as the Secretary may designate.
Verification Required by **IRC §§ 7524, 6404(f) 6404(g)**	**IRC § 6404((f) and (g)** provides for the suspension of interest and certain penalties.
If the IRS intends to proceed against third parties, the approval required by Area Counsel.	**IRM 5.12.7 *et seq.***

Challenge to the Liability

- A challenge to the underlying liability can include a challenge to tax, interest and penalties assessed for the relevant tax period, including: (a) tax assessed under the deficiency procedures, (b) tax reported on the taxpayer's tax return, interest and penalties assessed (i.e., IRC § § 6404, 7508, 7508A).
- Review IRS Transcript again for ASED and CSED.
- *Montgomery v. CIR*, 122 T.C. 1 (2004)

Notice of Determination



Department of the Treasury
Internal Revenue Service
Independent Office of Appeals
One Newark Center
15th Floor
Newark, NJ 07102

Date: 04/23/2024

Person to contact:
Name:
Employee ID Number:
Phone:
Fax:
Hours: 8:00a.m. - 6:30p.m.
Re:
Due Process - Lien
Taxpayer ID number:

Tax periods ended:

Last Day to File Petition with US Tax Court:

05/23/2024

JOHN AND MARY SMITH
123 N HARRIS ST
HARVARD, TX 12345

Certified Mail

NOTICE OF DETERMINATION
Concerning Collection Actions under IRS Sections 6320 or 6330 of the Internal Revenue Code

Dear Richard I Pineles:

We reviewed the completed or proposed collection actions for the tax periods above. This letter is your Notice of Determination, as required by law. We attached a summary of our determination. The attached determination summary shows the matters we considered at your Appeals hearing and our conclusions.

If you want to dispute this determination in court, you must file a petition with the United States Tax Court within 30 days from the date of this letter. You can download a fillable petition form and get information about filing at **ustaxcourt.gov**. The Tax Court encourages petitioners to electronically file petitions. You can eFile your completed petition by following the instructions and user guides available on the Tax Court website at **ustaxcourt.gov/dawson.html**. You will need to register for a DAWSON account to do so. Or you may send the completed petition to:

United States Tax Court
400 Second Street, NW
Washington, DC 20217

Be sure to include a copy of this notice and any attachments with the petition and the filing fee payable online, or by mail or in person using a check or money order made out to Clerk, U.S. Tax Court. Do not send your petition to the IRS Independent Office of Appeals; you must file your petition with the Tax Court.

The United States Tax Court also has a simplified procedure for an appeal of a collection action if the total unpaid tax, including interest and penalties, for all periods doesn't exceed $50,000. You can obtain information about this simplified procedure by writing to the Tax Court or visiting their website.

The law limits the time for filing your petition to the 30-day period mentioned above. This 30-day period is suspended during any time that you're prohibited from petitioning the Tax Court due to the filing of a bankruptcy petition, plus an additional 30 days.

Letter 3193 (Rev. 4-2023)
Catalog Number 27215L

- ✓ Issued in timely CDP
- ✓ Advises taxpayer of final determination of CDP hearing
- ✓ Gives taxpayer the right to petition Tax Court for review of Appeals' determination.
- ✓ Sent separately to each joint filer with a copy to Power of Attorney (POA), if applicable.

Notice of Determination Must:

1. State any applicable law or administrative procedure;
2. Decide any allowable issue raised by the taxpayer at the hearing;
3. Decide whether the levy is required for the efficient collection of taxes;

Notice of Determination Must:

4. Set forth any agreements reached with the taxpayer, any relief given to the taxpayer, and any actions that the taxpayer or IRS are required to take; and

5. Advise the taxpayer that the judicial review to the Tax Court must be sought within 30 days of the date of the Notice of Determination.

Balancing

- IRC § 6330(c)(3)(C) requires the Appeals office to balance the need for efficient collection of the tax with legitimate concerns of the taxpayer that actions be *no more intrusive than necessary.*

Balancing

The Balancing Analysis should review and discuss:

- ✓ The taxpayer's actions or inaction;
- ✓ The taxpayer's compliance history;
- ✓ The taxpayer's financial circumstance; and
- ✓ The tax consequences of a proposed seizure and sale.

Request for Judicial Review of IRS Determination

Request for Judicial Review of IRS Determination

- This is a petition to the Tax Court and it must be filed within 30 days of the date appearing on the Notice of Determination. http://www.ustaxcourt.gov/forms/Petition_Kit.pdf

- The court will apply a de novo review standard if the amount of the liability is at issue. All other issues are reviewed under an abuse of discretion standard.

IRS

IRS Nationwide
Tax Forum
2024

Collection Alternatives

Collection Alternatives

- Installment Agreements:
  - ➢ Request online:
    - ✓https://www.irs.gov/payments/online-payment-agreement-application
  - ➢ File Form 9465 *Installment Agreement Request*
    - ✓https://www.irs.gov/forms-pubs/about-form-9465
  - ➢ Contact Practitioner Priority Service or Toll-Free Number
    - ✓866-860-4259
    - ✓800-829-1040

Collection Alternatives

- Offer in Compromise
  - ➢ Pre-Qualifier Tool:
    - ✓https://irs.treasury.gov/oic_pre_qualifier/
    - ✓https://www.irs.gov/pub/irs-pdf/f656b.pdf
    - ✓https://www.irs.gov/irm/part5/irm_05-008-001
- Currently Not Collectible
    - ✓https://www.irs.gov/irm/part5/irm_05-016-001r

Collection Alternatives

- Relief from Joint and Several Liability
  - ✓ https://www.irs.gov/irm/part25/irm_25-015-019r
- IRS Publication 971:
  - ✓ https://www.irs.gov/pub/irs-pdf/p971.pdf

Taxpayer Advocate Assistance

Need Help? Contact TAS

Grounds for Taxpayer Advocate Service Assistance

- Economic harm
- Immediate threat of adverse action
- Threat of significant costs
- Threat irreparable injury or long-term harm
- Delay of more than 30 days
- No response or resolution on promised date

Taxpayer Advocate Service

- Taxpayer Advocate: https://www.taxpayeradvocate.irs.gov/
- System failed to operate as intended or failed to resolve problem
- Administration of tax law raises question of equity and fairness
- Public policy warrants taxpayer assistance.

Questions?

Additional Resource Material

Click here to access the following outline:
https://drive.google.com/file/d/1zRCeiI3T-cw9b3FakY2PoKYQHFCm5fb6/view?usp=sharing

IRS COLLECTIONS, IRS COLLECTION ALTERNATIVES,
COLLECTION DUE PROCESS, AND UNDERSTANDING IRS NOTICES – PART I