

Eric L. Green

**THE
ACCOUNTANT'S
GUIDE TO**

IRS COLLECTIONS

◆ **2nd EDITION** ◆

**A Step-by-Step Guide to
Resolving Your
Client's Tax Debt**

TG Publishing
New Haven, CT

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About the Author

Eric L. Green is a partner with the law firm of Green & Sklarz in Connecticut and New York. The focus of Green's practice is taxpayer representation before the Internal Revenue Service (IRS), the U.S. Department of Justice Tax Division, and the Connecticut Department of Revenue Services, as well as the handling of tax and estate planning for individuals and closely held businesses.

Green is a frequent lecturer on tax topics, including civil and criminal tax controversies. He was the creator, author, and lecturer for *CCH's Certificate Program in IRS Representation*, and he is the creator of Tax Rep LLC (TaxRepLLC.com) which is an online community of tax practitioners that provides training and marketing support for professionals building their IRS Representation practices. Eric is frequently quoted in *The Wall Street Journal*, *USA Today*, *CreditCard.com*, *Tax Notes Today*, *Bloomberg* and *Consumer Reports Financial News*, and he has served as an advisor and columnist for *CCH's Journal of Tax Practice & Procedure*. Eric can be heard on the weekly *Tax Rep Network Podcast*, available across all podcast platforms.

Green also is a past chair of the American Bar Association's Closely Held Businesses Committee, and he has served as the chair of the subcommittees on Business Succession Planning and Estate Planning. Green is a past-chair of the Connecticut Bar Association's Tax Section Executive Committee. He is also a Fellow of the American College of Tax Counsel. The College's members, called "Fellows," are recognized for their extraordinary accomplishments and professional achievements and for their dedication to improving the practice of tax law.

Green has served as adjunct faculty at the *University of Connecticut School of Law*, where he taught law students to handle taxpayer representation matters in the low-income taxpayer clinic. He also is the founder of the New England IRS Representation Conference, an annual conference that brings practitioners and IRS personnel together from all 50 states and several countries for a full day in IRS training and updates.

Green is admitted to practice in Connecticut, Massachusetts, and New York, and admitted to practice at the U.S. Tax Court, the U.S. Court of Federal Claims and the

U.S. Court for the District of Connecticut. He is also a member of the Connecticut, New York and Massachusetts Bar Associations, as well as the American Bar Association. He holds a Bachelor of Business Administration degree in Accounting with a minor in International Business from Hofstra University and is an honors graduate of New England School of Law. He earned a Masters of Laws in Taxation from Boston University School of Law.

Why This Book?

I spend virtually every day of my life assisting taxpayers to resolve issues with the IRS: civil exam, criminal tax fraud issues, and outstanding tax liabilities. I have created an entire program for [CCH, a Wolters Kluwer Company](#) to teach tax professionals how to represent taxpayers before the IRS. I launched [Tax Rep LLC](#) to provide support to accountants launching their own IRS collection practices. I am also an advisor and columnist for [The Journal of Tax Practice & Procedure](#), a national publication focused on taxpayer representation. My law partner and I created the [New England IRS Representation Conference](#) which brings together IRS personnel and tax practitioners from all over the world to review representation hot topics and share ideas. In addition, I speak for national organizations on civil and criminal taxpayer representation issues, including the [National Association of Tax Professionals](#), the [AICPA](#), the [American Bar Association](#), the [New York State Society of CPAs](#) and CCH, A Wolters Kluwer Company. I therefore believe that I am well situated to comment on what I see taxpayers and their representatives doing every day that make their already difficult financial situation even worse.

Recently, I was sitting in a hotel in Las Vegas talking to my very learned colleagues who were also invited to the conference to speak. As we enjoyed our after-dinner drinks I looked out the restaurant window and watched a young woman vomit all over the sidewalk outside the hotel while her equally drunk friends tried to hold her hair out of the way. As I sat there thinking about how wonderful it is to be young and stupid, it hit me: She is nothing more than a living, breathing metaphor for taxpayers in collection! She could easily have avoided this “fun” evening of splattering the sidewalk with her dinner and the next morning of horrible pain but chose instead to ruin everyone’s evening and hope that what happens in Vegas really does stay in Vegas.

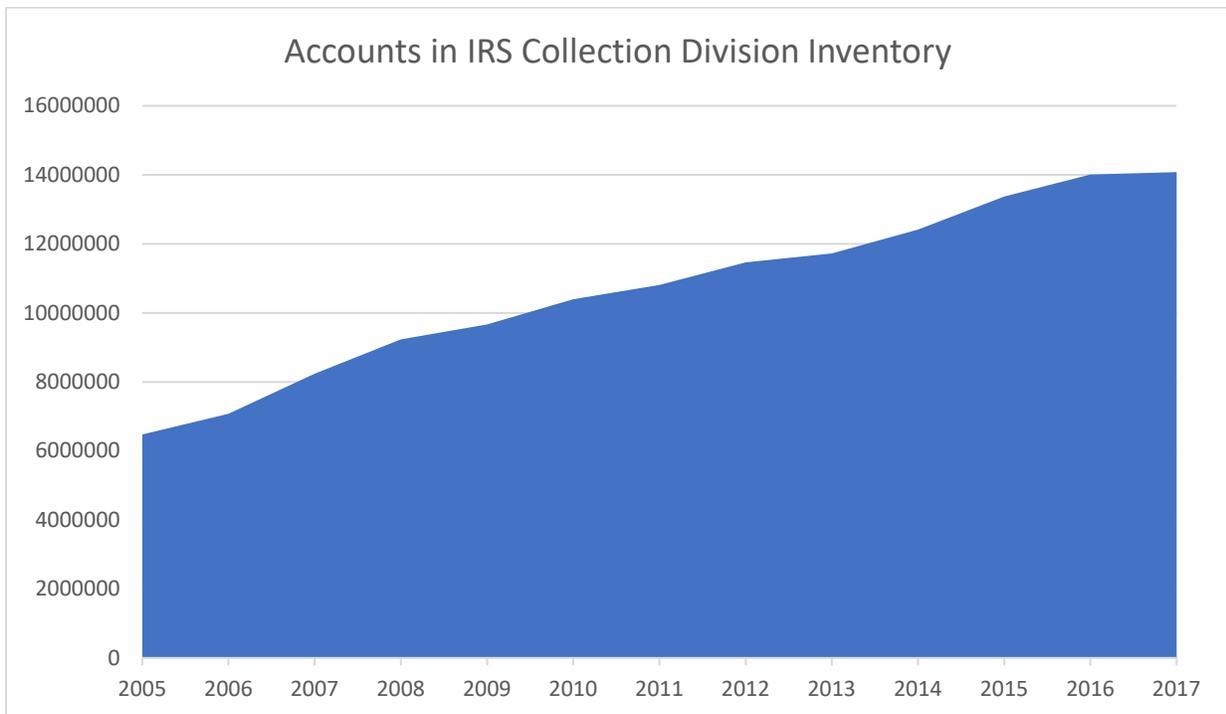
So many taxpayers who are in trouble could easily fix their situation by taking a few simple steps, but because they appear to enjoy being levied, liened, threatened, and beaten up by the IRS, they continue to pursue the same self-destructive behavior

pattern. That means that it is up to us to knock some sense into them, and get them past their tax issue and on with their lives.

As practitioners, this area is a tremendous opportunity to expand your practice, make money at a much higher rate than you can charge for mere tax return preparation or bookkeeping, and help taxpayers who desperately need representation.

Want Proof?

The IRS tracks the taxpayer accounts in its Collection Division inventory and publishes them each year in its [Data Book](#). The number of accounts in its Collection Division inventory, as reported by the IRS, are as follows:



Source: IRS

The need for good representation is exploding, and there are few practitioners who know how to handle these cases. At the end of 2018, there were more than 13.8 million taxpayer accounts in the IRS Collection Division inventory!

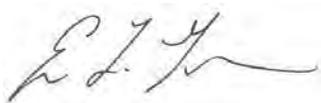
Why the Ever-Expanding Number of Cases?

The IRS has become much better at identifying non-filers, those who have neglected to file their tax returns. Between information matching and exchanging information with the various state departments of revenue, the IRS can now locate people who have not filed a return much more easily than ever before.

Once identified and pursued, most non-filers end up filing multiple returns at once. The liability, exacerbated by 25% failure-to-file penalties and 25% failure-to-pay penalties, generally make it inevitable that the taxpayers will end-up in collection.

This guide will walk you through the IRS collection process from start to finish so you can handle your individual tax cases like a pro. Included with each chapter are sample forms and letters, as well as a Collection Checklist for you to use with potential clients at the end of the book.

So, read on and begin your journey into the burgeoning and profitable world of taxpayer representation!



The author (right) and Caroline Ciraolo, Principal Assistant Attorney General, U.S. Department of Justice, Tax Division, speaking about criminal payroll tax issues at the New England IRS Representation Conference, 2015



The author (left) with Mary Beth Murphy, IRS Commissioner, Small Business / Self-Employed Division.

Acknowledgments

There are many people who have helped me along the way on an unbelievable journey – too many to thank here. However, I do want to acknowledge and thank my wonderful wife Dena and our great kids who provide love, support and understanding while Daddy works on his various projects and talks. My partners and associates at Green & Sklarz LLC, without whose support nothing would happen, and in particular my partner and best friend, Jeff Sklarz, and our manager Amanda Evans, who helped in so many ways with this book (and everything else). Your help and support are greatly appreciated. Rosalie Donlon, my editor, who helped to pull together my intellectual vomit into a readable book, and of course Sidney Kess, who has been a terrific mentor and friend and has pushed me to go further than I ever thought. Without Sid's prodding me, this book would never have happened.

Eric L. Green

March 2017

The IRS Collection Process

1

The Internal Revenue Service (IRS) is charged with collecting taxes owed to the U.S. government. The mission of the IRS Collection Division is to collect delinquent taxes and secure delinquent returns.

Though most taxpayers who deal with the Collection Division view it and its employees as little more than ruthless collection agents, the IRS does have guiding principles that its employees who are involved with collection are expected to follow. These are embodied in Policy Statement 5-2.

Policy Statement 5-2: Collecting Principles

1. *SERVICE AND ASSISTANCE* — All taxpayers are entitled to courteous, responsive, and effective service and assistance in all their dealings with the Service.
2. *TAXPAYER RIGHTS* — We will observe taxpayers' rights, including their rights to privacy and to fair and courteous treatment.
3. *COMPLIANCE* — The public trust requires us to ensure that all taxpayers promptly file their returns and pay the proper amount of tax, regardless of the amount owed.
4. *CASE RESOLUTION* — While we will actively assist taxpayers to comply, we will also take appropriate enforcement actions when warranted to resolve the delinquency. To resolve a case, good judgment is needed to make sound decisions on the appropriate action needed.

How did the taxpayer get here?

The way that taxpayers fall into the Collection Division inventory is by either filing a tax return with a balance due, or by failing to file a return at all, thereby forcing the IRS Collection Division to either secure the missing return or create a return for the taxpayer, referred to as a "substitute for return" (SFR).

This chapter lays out for you how the IRS Collection Division operates and what you can do to avoid having it take enforced collection action against your clients (that is, tax liens and tax levies).

The collection process, step-by-step, is as follows:

1. The tax is assessed.
2. The billing notice is sent, and it goes unpaid.
3. A silent lien arises by statute, attaching to all the taxpayer's assets owned and later acquired.
4. Final notice of the IRS's intent to levy on the taxpayer's income and assets is sent, beginning the statutory 30-day window for the taxpayer to request a collection due process hearing.
5. IRS files a Notice of Federal Tax Lien in the public records if the taxpayer owes more than \$10,000, thus triggering an avalanche of marketing mail from national IRS help companies and destroying what was left of the taxpayer's credit score.
6. Assuming an appeal is not filed (roughly less than 3% of taxpayers take their appeal) the IRS begins seizing the taxpayer's assets, including garnishing wages, cleaning out their bank accounts, and going after clients who may owe the taxpayer money. If the taxpayers were not embarrassed before when the Notice of Federal Tax Lien was filed, they certainly will be now.
7. This process of enforced collection action continues until the taxpayers decide to abandon the "ostrich approach" to tax-debt resolution of sticking their heads in the sand and call a competent professional to sort out the issue and get it resolved.

Let's now go through each of these steps in detail so you can follow what the process is and what you can do to help the taxpayer avoid the unpleasantness of IRS collection and bring it to an end.

File The Damn Returns!

We understand the thought process: *“If I don’t file, the IRS won’t know.”*

I can assure you this is baloney. Not true. A vicious lie.

What failing to file a return does is set off a host of terrible things, including penalties, notices, and worse — the stress with which the taxpayer now lives, knowing that the IRS will find out one day.

And the IRS *will* find them.

It is these instances in which my mother’s advice still rings true: *“You’re better off dealing with your problems directly than ignoring them and allowing them to grow and get worse.”*

What happens if your clients don’t file their tax returns?

Delinquent Returns

The IRS Collection Division first makes efforts to obtain the missing tax returns. A Letter CP-516 (see Exhibit 1) is mailed to the taxpayer requesting the missing tax returns.

Once the returns are filed, the IRS assesses the tax liability. If the taxpayer owes money, a bill is sent, and if the bill is paid in short order, that is the end of the matter.

Often, however, the tax returns are not forthcoming. Many times, taxpayers tell us that they thought that as long as the IRS doesn’t have the tax return, it can’t come after them. The problems with this approach include the following:

1. It’s not true; the IRS can and will pursue the issue with vigor, and
2. By not filing the missing returns the taxpayers have just increased their bill by 25% with a Failure-to-File penalty. The penalty begins running at 5% on the due date and continues for five months or until the return is actually filed, whichever is sooner.

Hence, the taxpayers are actually not achieving anything by waiting and in fact are increasing their tax bill. The best solution is to file the return and deal with the collection issue quickly.

If the taxpayer fails to file the return, the IRS eventually puts a return together for them, called a substitute for return (SFR). This is almost never good for the taxpayer.¹

If the taxpayer receives a W-2 or 1099, the IRS creates a return with the income information it has on record. The IRS allows the taxpayer a standard deduction and a personal exemption, calculates the tax liability with penalty and interest, and sends the taxpayer a bill. Without any expense or itemized deduction information, almost inevitably the liability on the tax return created by the IRS is substantially greater than the correct one, had the return been filed. Taxpayers who find themselves in this position should immediately take the steps necessary to prepare and file the actual return.

Client: *Mr. Green, the IRS wants \$150,000 from me! I only make \$40,000 a year. How can they say this?*

Green: *I bet you didn't file your tax returns.*

Client: *Actually, I haven't. I have not filed the last three years. Why?*

Green: *Get your tax returns completed and filed. The IRS picked up on income reported without cost basis or deductions. Once your*

HOT TIP

Your clients can save 25% from their tax bill by filing the tax return on time! Filing the return "on time" means by the due date, including valid extensions. The failure to file penalty is 5% a month for each month the return is not on file, capped at 25%. If the taxpayers can't pay the balance, they should file the return anyway, save themselves 25%, and deal with collection.

¹ A Substitute for return, or SFR, is always prepared as single or Married Filing Separately, never Married Filing Joint. This allows the taxpayer to later file an actual joint return if they want to, but it avoids the IRS creating joint liability for spouses that may not have agreed to accept joint liability.

returns are completed and filed that should bring the issue to a close.

The other issue with an SFR created by the IRS is that once it is filed on behalf of the taxpayer by the IRS that tax year is *never* dischargeable in bankruptcy. The taxpayer can still file the actual return and correct the liability, but as far as filing bankruptcy as a possible solution, that tax year is never dischargeable. Years ago, the taxpayer could file the actual return later, wait two years, and then discharge the tax liability in bankruptcy. The bankruptcy law changes adopted by Congress a few years ago, however, changed the rule so that an SFR is never dischargeable, because the taxpayer failed to follow the tax laws. See Chapter 5 on Collection Alternatives.

True Client Story

The client and her husband would like to come in because the IRS is claiming they owe money when they know they have refunds due to them. Believing they had sufficient withholding, they chose not to file their tax returns. Eventually, the IRS pursued the matter, and in 2010 the taxpayers filed eight back tax returns for the tax years 2002 to 2009. For tax years 2002 through 2006, the taxpayers had refunds worth a total of \$70,000. The taxpayers would have owed \$50,000 total for the three years 2007 through 2009, but because they carried their refunds forward, they still had a \$20,000 refund due them.

Or so they thought.

The IRS denied the carry-forwards and claimed the taxpayers owed \$50,000 for tax years 2007 through 2009, plus penalties and interest.

Sadly, we had to explain to the taxpayers that the IRS was correct: You can only file your return and claim a refund (either a refund of the balance or a carry-forward to future tax years) for three years, after which time it is lost. By delaying the filing of their tax returns, they had lost \$70,000 of refunds and now owed the IRS more than \$50,000. Ouch!

If the IRS doesn't have third-party information available to create an SFR (such as a W-2 or 1099), then the case is sent to the field to a Revenue Officer (RO), who is an IRS employee responsible for collecting back taxes and collecting unfiled tax returns. The RO contacts the taxpayer and request the missing tax returns. Failure to produce the returns in a timely fashion will result in the RO issuing a summons (see Exhibit 2) to the taxpayers to appear with their books and records. The reason the RO wants the books and records is that the RO is going to create the tax return for the taxpayer. The IRS can only issue a summons for what already exists and cannot use a summons to compel the taxpayer to create something. In other words, the IRS can summons the books and records that exist but cannot compel a taxpayer to create a return if that return doesn't exist at the time of the summons.

If the taxpayer receives a summons, the best option is to get the tax return completed and file it with the RO. This avoids the headache of having to sit in a government office while the IRS employee flips through the client's tax receipts. Worse, the taxpayers are paying me a lot of money per hour to sit and watch this process. It's sort of like having a root canal, only worse because the client gets no relief when it's done.

Tell the client to get their returns completed and filed. Trust me, it's not hard. They'll save themselves time, money, and heartache.

HOT TIP

If your clients are owed a refund, they have only three years to file their return and claim it. After three years the refund is gone. If they file more than three years late, they can file the return and claim the credit against that year's tax, but they can neither carry any refund forward, nor seek to have it sent back to them. They effectively just made a donation to the government — another good reason for clients to always file their tax returns on time!

The IRS Collection Division

This is the official mission statement of the IRS Collection Division:

The mission of Field Collection is to provide SB/SE [Small Business/Self-Employed] taxpayers with top quality post-filing services by helping them understand and comply with all applicable tax laws and by applying the tax laws with integrity and fairness.

Our experience is that most clients don't find the IRS "post-filing services" to be either top quality or educational. They find them to be abusive, scary, and financially devastating. Clients often don't understand what is expected of them and how to work with collection division personnel, and the government employees of the Collection Division don't bother to explain the process to the taxpayer.

Once the tax is assessed, a billing notice is mailed to the taxpayer requesting payment (see Exhibit 3). If the tax is paid in full, including interest and penalties, then the issue for that year is closed.

If the tax continues to go unpaid, then additional notices are sent to the taxpayer. These include:

Types of Additional Notices	
CP-501	You have a balance due (money you owe the IRS) on one of your tax accounts.
CP-503	We have not heard from you, and you still have an unpaid balance on one of your tax accounts. (see Exhibit 4)
CP-504	Intent to Levy. You have an unpaid amount due on your account. If you do not pay the amount due immediately, the IRS will seize your assets in an attempt to pay the balance due. (see Exhibit 5)

After these notices have been sent, another notice will arrive: “Notice of Intent to Levy,” Letter 11² (see Exhibit 6). With the Letter 11 also comes a blank Form 12153, “Request for a Collection Due Process or Equivalent Hearing,” also referred to as “CDP.” (see Exhibit 7). Letter 11 is a critical notice, because 30 days after the date of this notice, levy action may commence against the taxpayer. The way you stop the levy action is by requesting the hearing with the Form 12153. (See Chapter 4, The Federal Tax Levy.)

It is critical for the taxpayers to understand where they are in the process, because at any point the taxpayer can call collections, and start working out a deal. There is no reason why the taxpayer should be so remiss as to reach the point of receiving a Letter 11.

Some critical points to consider:

- Get any missing returns filed as soon as possible;
- Open the mail! It is stunning to me, even after doing this for 15 years, how often taxpayers don't even open the mail and, therefore, have no idea what's going on. Opening the mail is critical to understanding the tax situation and knowing when to call the IRS, or more critical, when to seek professional tax help.
- Respond to IRS requests in a timely fashion.
- Every response should be sent in a way that the taxpayers can prove when they sent it: fax with a fax receipt, certified or registered mail, or overnight service that can be tracked. It may become critical for the taxpayers later to have to prove they sent in something by a particular date, so this is no time to get cheap! They should spend the extra money and send the filing by certified mail.

² There is also a version Letter 1058, which is sent from IRS Headquarters Collections and a CP-90 utilized by the field collection force (Revenue Officers). The Letter 11 comes from the Automated Collection Service area of Collections (“ACS”).

Collection Appeals

It is critical that the Form 12153 be filed within 30 days of the date on the Letter 11. In fact, with the exception of certain circumstances discussed later under the Statute of Limitations, it is (in the author's opinion) malpractice *not* to file the CDP request. By filing the CDP request, a number of things will happen in the taxpayer's case:

- The IRS ceases all collection action against the taxpayer for the tax periods in question ³;
- The taxpayer's case is forwarded to Appeals;
- The taxpayer has the right to go to the Tax Court if the taxpayer cannot work out an arrangement with Appeals; and
- The taxpayer has additional time to prepare any missing returns and sort out the proposal for resolving the outstanding tax debt.

Unfortunately, many taxpayers (and their equally clueless practitioners) don't realize the seriousness of the need to file the appeal. The National Taxpayer Advocate reports that only about 3% of taxpayers ever take advantage of their appeal rights!

What if the taxpayer misses the 30-day deadline to request the CDP hearing? On page 2 of Form 12153 there is a box, line item 7, that if the request is late, the taxpayer would like a hearing equivalent to a CDP hearing (see Exhibit 7). The taxpayer has up to one year to request an equivalent hearing in this manner, that is, by filing the Form 12153 and checking line item 7. This still gets the case to Appeals.

However, by requesting an equivalent hearing (having missed their 30-day CDP request deadline) the taxpayer has lost some significant rights:

1. Collection action does *not* stop for an equivalent hearing, so the taxpayers or their representative still have to continue dealing with the collection division while they await their appeal;

³ Collection action will cease for a CDP filed on a Final Notice of Intent to Levy. It does NOT stop when the CDP is filed for the filing of a Notice of Federal Tax Lien.

2. There is no right to go to the United States Tax Court, as anything the appeals officer decides at the equivalent hearing is final.

The IRS cannot extend more time to the taxpayer. The CDP right is statutory, created by Congress, and IRS personnel have no authority to grant the taxpayer more time. Many times, taxpayers call the IRS, and the IRS tells the taxpayers they will give them more time to get information. This additional time is the IRS agreeing to voluntarily hold off on levy action. If later the IRS Collection Division and the taxpayer do not come to terms, the taxpayer has lost the right to a CDP hearing and an appeal to the Tax Court.

HOT TIP

If the Letter 11 is received, the taxpayer *must file the CDP request!* It is critical for the taxpayers to file their request for a CDP within 30-days from the date on the letter. In doing so, they stop any enforced collection action against them and preserve their right to go to Appeals and

The Statute of Limitations

The IRS has 10 years from the date of assessment to collect a tax debt. That is all, 10 years. In most cases, after 10 years the debt becomes unenforceable. For example, if the 2004 tax return were filed on October 1, 2005, and the tax was assessed on October 5, 2005, the IRS would have until October 4, 2015, to collect that tax.

How does a practitioner know the date of assessment? Practitioners should obtain what are called "Account Transcripts" from the IRS that list everything that has occurred with that particular tax year for the taxpayer, including when the return was received, when the tax was assessed, the penalty and interest charged, and payments received. Even better, the practitioner should ask the IRS for the "Mod A," which will have an estimated CSED (Collection Statute Expiration Date). The IRS does not have to share the Mod A, but sometimes you get someone nice on the phone, and if they do agree to share it, it

can be very helpful. If you have never seen an Account Transcript there is one at the end of this chapter (see Exhibit 8).

The reason the statute of limitations is so important is that the amount of time remaining on the collection statute determines which solution the practitioner should select to resolve the client's tax liability.

The other key point about the statute of limitations is that certain actions on a client's part will toll, or freeze, the statute, preventing it from running. Such actions include the filing of an Offer-in-Compromise, filing a CDP request, requesting an installment agreement, and filing for bankruptcy.⁴ These actions prevent the IRS from taking collection action, and therefore stop the 10-year collection statute from running. The rationale is that it would be unfair to allow the statute to run against the government while it is prevented from taking collection action. The time remaining on the collection statute is therefore critical for the practitioner to advise the client about which of the collection alternatives make the most sense to resolve the client's tax issue.

For instance, if the liability is recent and most of the 10-year limitations period remains, an Offer-in-Compromise may make the most sense, as clients don't want the liability and tax hanging over their head for years to come. If, however, the tax liability is already older and not much more time remains on the limitations period, perhaps having the taxpayer deemed currently-not-collectable makes sense, as this would allow you to hold the IRS Collection Division at bay while the 10-year statute continues running on the old tax debt.

The tolling of the collection statute is why filing Offers-in-Compromise that have no chance of success accomplishes nothing but wasting the practitioner's valuable time and the client's limited resources.

⁴ The filing of a bankruptcy by statute not only tolls the statute from running but adds an additional six months. So, for example, a bankruptcy filed on January 1 that was discharged on May 31 would add 11 months to the collection statute: the five for the bankruptcy plus the extra six-months by statute.

Federal Tax Liens

Federal tax liens are covered in more detail in Chapter 3; however, I want to mention them here because of the role they play in the collection process.

The federal tax lien arises automatically by law. The IRS doesn't have to file anything for the statutory lien to come into being. However, in an effort to put other potential creditors on notice, the IRS files a Notice of Federal Tax Lien (NFTL) if the taxpayer owes more than \$10,000 and fails to pay it upon demand (the billing notice). This filing is not only embarrassing, but it also ruins the client's credit and starts an avalanche of junk mail from those national tax-help companies. Why?

Those national tax-help companies that have not yet been put out of business for deceptive marketing purchase lists of new tax liens that are filed and send all sorts of mail to the taxpayer promising "pennies on the dollar" settlements. Sometimes it's even worse. They send letters that are designed to look like formal IRS notices, misleading the taxpayer into calling and hiring them, believing they are actually dealing with the IRS.

Though the Notice of Federal Tax Lien filing can be upsetting to taxpayers, it generally is not the biggest concern. Tax levies have a far more destructive impact!

Federal Tax Levies

A tax levy is the seizing of a taxpayer's assets to pay the back tax debt. This can include a garnishment of wages, a seizure of everything in the taxpayer's bank account at a given moment in time, and a seizure of money owed to the taxpayer by third parties. Levies, unlike liens, can cause not only embarrassment but immediate economic devastation. I frequently get new clients after the IRS has issued levies. The conversation generally goes like this:

Taxpayer: *Attorney Green, I need to see you right away!*

Green: *Why?*

Taxpayer: *The IRS just cleaned out my bank account!*

Thankfully, the IRS has a process that it must follow before it gets to the point of issuing levies (see the notices listed previously). However, it is all too often that clients ignore the IRS notices and then seem shocked when the levies are served. Worse, now they have to borrow the money to hire the professional to help them!

The goal is to have the taxpayers take simple steps to help their situation (or at least mitigate the damage done) and get a real professional involved. This book walks tax professionals through those steps, so they can help their clients avoid suffering needlessly. The situation is difficult enough without the client and professional making it even worse.

Once a levy has been issued there is an opportunity to have it released and the money put back if the taxpayer's representative moves quickly (banks hold the money taken for 21 days before sending it to the IRS in case your client can get a release). These steps include the following:

1. Call the IRS.
2. Find out what the IRS is missing as far as returns.
3. Explain that the missing returns and collection documentation will be provided to them within 30 days.
4. Ask to have the levy released because it is causing an economic hardship.
It's amazing how often this works, and the IRS releases the levy if it's the first time in contact with the taxpayer.

Think about what just happened: The professional contacted the IRS and told them the taxpayer will get into compliance and send paperwork with a proposed resolution for the back taxes. This is exactly what the IRS wanted to hear, and this is how to start the process of getting the client's issue resolved.

Of course, there is still the issue of the client to deal with!

Buy the Book here:

<https://tgpublish.com/accountants-guide-to-irs-collection/>