



AMERICAN TAX RESCUE

LEVIES

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It is important to NEVER ignore a letter from the IRS. All notices have a very narrow timeframe for a response. We have seen IRS levies wipe out bank accounts and destroy employee wages. We have even seen employees fired for having trouble with the IRS

If you ever receive a Final Intent to Levy notice from the IRS, contact us immediately.

The following is specific information about IRS Levies

A levy is a legal seizure of your property to satisfy a tax debt. Levies are different from liens. A lien is a claim used as security for the tax debt, while a levy actually takes the property to satisfy the tax debt.

If you do not pay your taxes (or make arrangements to settle your debt), the IRS may seize and sell any type of real or personal property that you own or have an interest in. For instance,

- The IRS could seize and sell property that you hold (such as your car, boat, or house), or
- The IRS could levy property that is yours but is held by someone else (such as your wages, retirement accounts, dividends, bank accounts, licenses, rental income, accounts receivables, the cash loan value of your life insurance, or commissions).

The IRS will usually levy only after these three requirements are met:

- The IRS assessed the tax and sent you a Notice and Demand for Payment;
- You neglected or refused to pay the tax; and
- The IRS sent you a Final Notice of Intent to Levy and Notice of Your Right to A Hearing (levy notice) at least 30 days before the levy. The IRS may give you this notice in person, leave it at your home or your usual place of business, or send it to your last known address by certified or registered mail, return receipt requested. Please note: if they levy your state tax refund, you may receive a Notice of Levy on Your State Tax Refund, Notice of Your Right to Hearing after the levy.

If a levy on your wages, bank account or other property is causing a hardship you should:

- Contact the IRS at the telephone number on the levy or correspondence immediately and explain your financial situation. Service is available from 8 a.m. to 8 p.m. local time, Monday through Friday.

If they determine the levy is creating an immediate economic hardship, the levy may be released.

- A levy release does not mean you are exempt from paying the balance. The IRS will work with you to
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- establish payment plans or take other steps to help you pay off the balance. To help ensure quick action, please have the fax number available for the bank or employer office that is processing the levy.

Employers generally have at least one full pay period after receiving a Form 668-W, Notice of Levy on Wages, Salary and Other Income before they are required to send any funds from their employee's wages. Encourage your employees that have a levy placed on their wages to contact the IRS as soon as possible to discuss a release of levy and resolution of their tax liability.

You may ask an IRS manager to review your case, or you may request a Collection Due Process hearing with the Office of Appeals by filing a request for a Collection Due Process hearing with the IRS office listed on your notice. You must file your request within 30 days of the date on your notice. Some of the issues you may discuss include:

- You paid all you owed before we sent the levy notice,
- The IRS assessed the tax and sent the levy notice when you were in bankruptcy, and subject to the automatic stay during bankruptcy,
- The IRS made a procedural error in an assessment,
- The time to collect the tax (called the statute of limitations) expired before they sent the levy notice. You did not have an opportunity to dispute the assessed liability,
- You wish to discuss the collection options, or
- You wish to make a spousal defense.

CONTACT UPC BUSINESS IMMEDIATELY IF YOU RECEIVE A NOTICE FROM YOUR BANK OR EMPLOYER ABOUT A LEVY.



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