

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION



Fiscal Year 2022 Statutory Review of Compliance With Legal Guidelines When Issuing Levies

September 15, 2022

Report Number: 2022-30-061

This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document .

HIGHLIGHTS: Fiscal Year 2022 Statutory Review of Compliance With Legal Guidelines When Issuing Levies

Final Audit Report issued on September 15, 2022

Report Number 2022-30-061

Why TIGTA Did This Audit

This audit was initiated because TIGTA is responsible for annually determining whether the IRS complied with the IRS Restructuring and Reform Act of 1998 requirement to notify taxpayers and their authorized representatives of the right to a Collection Due Process (CDP) hearing prior to issuing levies and to suspend levy action during the time frames required pursuant to Internal Revenue Code § 6330.

Impact on Tax Administration

When taxpayers do not pay delinquent taxes, the IRS has authority to work directly with financial institutions and other third parties to seize taxpayers' assets. This action is commonly referred to as a levy. The law requires the IRS to notify taxpayers at least 30 calendar days prior to the first issuance of a levy on a particular tax module and allows taxpayers the opportunity to request a CDP hearing prior to the first levy on a delinquent account.

What TIGTA Found

TIGTA reviewed levies issued for 57,775 taxpayers by Field Collection (48,781) and the Automated Collection System (8,994) during the period October 1, 2020, through September 30, 2021, and found that the IRS generally complied with legal and administrative requirements. However, there were some instances of noncompliance resulting in taxpayers' rights being potentially violated:

- 51 taxpayers were not notified (44) or not timely notified (7) of their CDP rights.
- 17 taxpayers did not receive a new CDP notice after an additional tax assessment was made.
- 105 (estimated) taxpayers had levies erroneously issued while a CDP hearing was pending.
- 17 taxpayers with disqualified employment tax levies were not mailed or not timely mailed their post-levy CDP notice.

For taxpayers with Field Collection levies (10,514) and Automated Collection System levies (1,762) and an open Power of Attorney authorization between March 1, 2020, and November 15, 2021, TIGTA identified:

- 753 (estimated) taxpayers whose authorized Power of Attorneys were not issued a copy of the CDP notice as required.
- 421 (estimated) taxpayers who had a CDP notice issued to a representative that the taxpayer had not authorized to receive notices.

What TIGTA Recommended

TIGTA made eight recommendations to help improve the proper issuance of levies by the IRS, including that the IRS should remind all managers to consider disciplinary action for Collection employees whose failure to observe written regulations, orders, rules, or IRS procedures pertaining to levies resulted in a violation of taxpayers' rights.

The IRS agreed with seven recommendations and plans to take corrective actions. The IRS disagreed with one recommendation to suspend future levy activities on taxpayer accounts when it is able to determine that the taxpayer received funds similar in nature to the Coronavirus Disease 2019 relief payments. TIGTA believes the recommendation should be implemented to further reduce the risk of levies from occurring on funds that are prohibited from being reduced or offset and to reduce the risk that a taxpayer would experience an economic hardship as a result of an erroneous levy.



TREASURY INSPECTOR GENERAL
FOR TAX ADMINISTRATION

U.S. DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20024

September 15, 2022

MEMORANDUM FOR: COMMISSIONER OF INTERNAL REVENUE

Heather Hill

FROM: Heather M. Hill
Deputy Inspector General for Audit

SUBJECT: Final Audit Report – Fiscal Year 2022 Statutory Review of Compliance
With Legal Guidelines When Issuing Levies (Audit # 202230003)

This report presents the results of our review to determine whether the Internal Revenue Service (IRS) complied with the IRS Restructuring and Reform Act of 1998 requirements and IRS policy to notify taxpayers and their authorized representatives of the right to a Collection Due Process hearing prior to issuing levies and to suspend levy action during the time frames required pursuant to Internal Revenue Code § 6330. This review is part of our Fiscal Year 2022 Annual Audit Plan and addresses the major management and performance challenge of *Protecting Taxpayer Rights*.

Management's complete response to the draft report is included as Appendix V.

Copies of this report are also being sent to the IRS managers affected by the report recommendations. If you have any questions, please contact me or Matthew A. Weir, Assistant Inspector General for Audit (Compliance and Enforcement Operations).

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Background

When taxpayers do not pay delinquent taxes, the Internal Revenue Service (IRS) has the authority to work directly with financial institutions and other third parties to seize taxpayers' assets.¹ This action is commonly referred to as a "levy" (see Appendix III for an example of Form 668-A, *Notice of Levy*).² The Internal Revenue Code (I.R.C.) generally requires the IRS to provide taxpayers notice of its intention to levy at least 30 calendar days before initiating the levy action.³

The IRS Restructuring and Reform Act of 1998 expanded upon this notice requirement by creating I.R.C. § 6330, which requires the IRS, in addition to giving the taxpayer 30 calendar days' notice of the IRS's intent to levy, to notify taxpayers on the first notice of intent to levy of their right to request a Collection Due Process (CDP) hearing at which taxpayers can raise various issues with respect to the proposed levy (CDP rights).⁴ The taxpayer is required to be notified again prior to levy whenever any new (additional) tax assessments are applied to the taxpayer account. The law provides an exception to the 30-calendar-day notice requirement for certain situations, such as levies on a State tax refund, levies on Federal contractors, disqualified employment tax levies (DETL), and jeopardy levies.⁵ These taxpayers must still be given their CDP rights within a reasonable period of time after the levy.

The provisions require that all levy actions be suspended during the 30 calendar days prior to the levy issuance for those periods that are the subject of the requested hearing as well as throughout the entire period that a hearing (including any appeals from the hearing) is pending.⁶ CDP rights include the right to a fair and impartial hearing before the Office of Appeals.⁷ The notice required by I.R.C. § 6330 must include the amount of unpaid tax, the right to request a CDP hearing, and the proposed action the IRS intends to take, along with other important information on topics such as collection alternatives.⁸

The IRS Restructuring and Reform Act of 1998 also added I.R.C. § 7803(d)(1)(A)(iv), which requires the Treasury Inspector General for Tax Administration (TIGTA) to annually verify

¹ I.R.C. §§ 6331(a) and (b).

² I.R.C. §§ 6331(a) and (b).

³ See Appendix VI for a glossary of terms. I.R.C. § 6331(d).

⁴ Pub. L. No. 105-206, 112 Stat. 685 and I.R.C. §§ 6330(a)–(c) provide that taxpayers can raise "any relevant issue relating to the unpaid tax or the proposed levy, including (i) appropriate spousal defenses; (ii) challenges to the appropriateness of collection actions; and (iii) offers of collection alternatives which may include the posting of a bond, substitution of other assets, an installment agreement, or an offer in compromise."

⁵ I.R.C. § 6330(f). Pursuant to I.R.C. § 6330(h)(1), a DETL "is any levy in connection with the collection of employment taxes for any taxable period if the person subject to the levy (or any predecessor thereof) requested a hearing under this section with respect to unpaid employment taxes arising in the most recent two-year period before the beginning of the taxable period with respect to which the levy is served." Pursuant to I.R.C. § 6331(a), a jeopardy levy is when "the collection of such tax is in jeopardy."

⁶ I.R.C. §§ 6330(a) and (e).

⁷ I.R.C. § 6330(b).

⁸ I.R.C. § 6330(a)(3).

whether the IRS is complying with the required procedures under I.R.C. § 6330.⁹ TIGTA conducts multiple reviews each year focusing on different aspects of the IRS's implementation of I.R.C. § 6330. This review focuses on whether the IRS provides the taxpayer with a notice of CDP appeal rights, generally required at least 30 calendar days before taking levy action, and whether levy action is suspended as required under I.R.C. § 6330 if the taxpayer requests a CDP hearing. This is the twenty-fourth year in which we have evaluated the controls over levies. This year's review evaluated levies issued during Fiscal Year (FY) 2021 (from October 1, 2020, through September 30, 2021). While levies can be issued for monetary or physical assets, this report specifically addresses levies of taxpayers' monetary assets.¹⁰

The first step in the collection process involves mailing taxpayers a series of notices asking for payment of the delinquent taxes. The final notice is the CDP notice (which is issued with the first notice of intent to levy on a delinquent tax module), and after the conclusion of the CDP process (including appeal rights and judicial review, if those rights are exercised), the IRS may take collection actions to collect delinquent taxes. The IRS may collect monetary assets from the taxpayer by issuing levies through the Automated Collection System (ACS), Field Collection, or one of the IRS's Automated Levy Programs (ALP), or the IRS can seize both personal and real property.¹¹ The following is a brief description of the functions and processes through which levies on financial assets occur.

- The ACS, through which collection representatives interact with delinquent taxpayers by telephone to collect unpaid taxes and secure tax returns. The three types of levy issuance in the ACS function are:
 - Systemic levies – generated by the ACS Systemic Levy Program.
 - Paper levies – issued by collection representatives through the ACS.
 - Manual levies – issued by collection representatives after manually typing the levy.
- Field Collection, through which revenue officers contact taxpayers with delinquent accounts in person and over the phone. Delinquent taxpayer cases assigned to revenue officers in the field offices are controlled and monitored on the Integrated Collection System (ICS). The two types of levy issuance in the Field Collection function are:
 - Systemic levies – issued by revenue officers through the ICS.
 - Manual levies – issued by revenue officers after manually typing the levy.
- The ALPs, through which levies are issued electronically without employee action and proceeds are received electronically. The four ALPs are:
 - Federal Payment Levy Program – attaches to Federal disbursements due an individual or business, such as Federal wages, retirement, vendor/contractor payments, and Social Security. It also issues Federal contractor levies and DETLs,

⁹ I.R.C. § 7803(d)(1)(A)(iv).

¹⁰ Examples of physical assets are real property, automobiles, and business inventory, the taking of which is commonly known as seizure. Annual reporting of seizures is covered by TIGTA in a separate review.

¹¹ Levies issued by the ALPs, such as the Federal Payment Levy Program and the State Income Tax Levy Program, are transmitted electronically, and proceeds are typically received electronically.

which have different legal requirements than the other Federal Payment Levy Program levies.¹²

- State Income Tax Levy Program – attaches to participating State income tax refunds.
- Municipal Tax Levy Program – attaches to participating local municipal income tax refunds.
- Alaska Permanent Fund Dividend Levy Program – attaches to the Permanent Fund Dividend distributed by Alaska.

This year we did not review ALP levies because they were paused due to the Coronavirus Disease 2019 (COVID-19) Pandemic (hereafter referred to as Pandemic) until July 2021. We will resume review of ALP levies in our FY 2023 review.

Controls in the ACS, the ICS, and the ALP systems have been designed to help ensure that taxpayers are notified of their CDP rights at least 30 calendar days prior to the issuance of ACS systemic and paper levies, ICS systemic levies, and ALP levies (when required).¹³ However, there is a higher risk of not complying with I.R.C. § 6330 and its related regulations and procedures when ACS collection representatives and revenue officers issue manual levies. This is because employees request these levies outside of the systemic controls that exist on the ACS and the ICS. In particular, most ICS manual levies do not require manager approval. All ACS manual levies require manager or lead review, which helps to mitigate the risk.

The IRS has never tracked complete information about the issuance of ICS manual levies. In a prior review, IRS management informed us that they track the total number of manual levies issued by revenue officers.¹⁴ However, the IRS does not collect any details about these levies, such as the taxpayer's identification number, the tax year, or the date of the levy; therefore, neither TIGTA nor IRS management can identify the exact population of manual levies issued by revenue officers during our review period. Generally, we perform data mining to search ICS history files for indications of these levies and test a sample each year. We did not perform the search for ICS manual levies this year in order to allow time for an automated program to be created to make the identification process quicker. We will resume testing in next year's review. Also, unlike manual levies issued by revenue officers, the IRS does track manual levies issued by ACS collection representatives; however, we determined that no ACS manual levies were issued in FY 2021.

¹² The legal requirements can be found in I.R.C. § 6330(f). Per Internal Revenue Manual 5.1.9.3.14 (Nov. 12, 2014), DETLs are levies served to collect an employment tax liability for taxpayers that previously requested a CDP hearing involving unpaid employment tax.

¹³ Per I.R.C. § 6330(f), the IRS does not have to issue a CDP notice prior to levy issuance for levies on State income tax refunds, Federal contractors, and disqualified employment tax but is required to issue a CDP notice within a reasonable amount of time after the levy if that levy is the first levy made with respect to a particular tax and tax period.

¹⁴ TIGTA, Report No. 2019-30-070, *Fiscal Year 2019 Statutory Review of Compliance With Legal Guidelines When Issuing Levies* p. 3 (Sept. 2019).

Results of Review

Our review of levies issued for 57,775 taxpayers by Field Collection and ACS during the period October 1, 2020, through September 30, 2021, showed that the IRS generally complied with legal and administrative requirements. However, there were some instances of noncompliance resulting in an estimated 1,364 taxpayers' rights being potentially violated.

Levies Issued by Field Collection Did Not Always Comply With Legal Requirements

Sometimes balance due notices do not successfully resolve delinquent accounts, and taxpayer cases have to be assigned to revenue officers in Field Collection offices for face-to-face contact with taxpayers. Taxpayer cases assigned to revenue officers are controlled on the ICS. Revenue officers use the ICS to record collection activity on the delinquent taxpayer cases and to generate enforcement actions such as levies.

The IRS established an automated control in the ICS that prevents systemic levies from being issued unless taxpayers have been provided notice of their CDP rights at least 30 calendar days prior to the issuance of the levies. If no CDP letter has been sent or fewer than 30 calendar days have elapsed since the CDP notice date, the ICS will not generate a levy. When the revenue officer requests a levy through the ICS, it is considered to be an ICS systemic levy.

Our review of systemic levies issued by revenue officers through the ICS during FY 2021 showed that taxpayers' rights were not always protected.

Some taxpayers were not notified of their CDP rights when the IRS issued ICS systemic levies

We analyzed the population of 48,781 taxpayers with ICS systemic levies issued during FY 2021. Specifically, we identified 51 taxpayers whose rights were potentially violated:

- 44 taxpayers whose rights were potentially violated because they were not notified of their CDP rights prior to levy issuance. The IRS received erroneous levy proceeds of \$236,634 for 11 of these taxpayers. As a result of our finding, the IRS stated it took action to contact these taxpayers to obtain authorization to retain or refund the proceeds to the taxpayer. As of July 2022, the IRS had contacted eight taxpayers or their authorized representative and received authorization to retain \$146,832, refunded \$32,341 to taxpayers, and is in the process of refunding an additional \$41,936. The remaining \$15,525 is attributable to three taxpayers the IRS did not contact because it believes the proceeds were not erroneous.¹⁵
- 7 taxpayers whose rights were potentially violated because they were not timely notified of their CDP rights. IRS management agreed with these violations. [REDACTED]

15 [REDACTED]

[REDACTED]

IRS management stated that these 51 violations occurred for several reasons, some of which were also identified in prior reports.¹⁶ For example, for:

- 39 taxpayers – The ICS did not block the issuance of the levy despite the previous CDP notice being reversed and not reissued. This issue was also reported in our last three reviews (FYs 2019, 2020, and 2021). In last year’s review, TIGTA explained that “a programming fix was implemented in Calendar Year 2021; however, it is not working as intended. IRS management will meet with ICS programmers in July 2022 to determine what is needed for the programming to address this issue.” When we questioned management about this issue, they responded that, as of March 17, 2022, the ICS developers have not provided an estimated implementation date because they are studying the request further and identifying possible solutions.
- Six taxpayers – At the time of the levy, the case was not in Field Collection status. The revenue officers created these tax modules manually. When this occurs, it is their responsibility to review Integrated Data Retrieval System transactions to ensure that the pre-levy requirements are met. This was addressed in the FY 2020 TIGTA audit. In response, the IRS submitted a programming request to display a warning message alerting the employee to verify that a manually created module has received the proper CDP notice. These changes were implemented after our review period, in the January 2022 ICS update.¹⁷

[REDACTED]

[REDACTED]

¹⁶ TIGTA, Report No. 2019-30-065, *Fiscal Year 2019 Statutory Review of Compliance With Legal Guidelines When Issuing Levies* (Sept. 2019); TIGTA, Report No. 2020-30-065, *Fiscal Year 2020 Statutory Review of Compliance With Legal Guidelines When Issuing Levies* (Sept. 2020); TIGTA, Report No. 2021-30-065, *Fiscal Year 2021 Statutory Review of Compliance With Legal Guidelines When Issuing Levies* (Sept. 2021).

¹⁷ The IRS performs an annual update of the ICS system to achieve its objective of automating many labor-intensive Collection tasks. There were 10 programming changes made to levy functions in the January 2022 ICS update. Other program functions that were changed in that update include notices of Federal tax liens, installment agreements, various forms and letters, how long archived ICS alerts are maintained on the system, and case creation.

- [REDACTED]
- Three taxpayers – In FY 2019, Collection management implemented a pilot program for an ICS function that allows revenue officers participating in the pilot to print CDP notices through the Consolidated Print Service rather than printing them manually. These three violations were caused by revenue officers who were not part of the pilot program but were using the print to Consolidated Print Service function when it was not yet activated. Collection Policy analysts issued multiple alerts during the course of the pilot, which is still running, advising revenue officers that, even if the option appeared, they should not use it if they were not a part of the pilot group.

During the course of this review, several questions about the Consolidated Print Service pilot program arose that could not be fully addressed within the statutory deadline for this report. The pilot program was a “Print to Consolidated Print Service” application that began on February 11, 2020, for a selected group of revenue officers in the North Atlantic Area, New England Territory. TIGTA became concerned over the operation of this application when violation cases were identified that were caused by problems with the pilot project. As a result, Collection Policy identified 1,895 potentially impacted taxpayer cases and initiated a manual review to determine if the taxpayers properly received notification of their CDP rights. As of May 13, 2022, the review has identified three different types of problems:

- Levies were issued, but the taxpayer was not sent a CDP notice and the ICS system erroneously added the indicator to the taxpayer’s account that made it appear as if a CDP notice was mailed.
- Incorrect CDP notice indicator dates were recorded on the taxpayers’ account when the notice was issued.
- No CDP notice indicator was on taxpayers’ accounts when the CDP notice was issued.

Because this affects a large number taxpayers and their rights, TIGTA is currently planning a follow-up review of the pilot project and its potential impact on taxpayers’ rights.

Some taxpayers were not notified of their CDP rights when additional tax assessments were included in ICS systemic levies

Our analysis of the population of 48,781 taxpayers with Field Collection levies issued during FY 2021 identified 17 taxpayers whose rights were potentially violated because an additional tax assessment posted prior to a FY 2021 levy, but the IRS did not issue a new CDP notice prior to the levy being issued as required. The IRS received levy proceeds totaling \$76,104 from four of these taxpayers. As a result of our finding, the IRS stated it took action to contact these taxpayers to obtain authorization to retain or refund the proceeds to the taxpayer. As of July 2022, the IRS had contacted three taxpayers and received authorization to retain \$15 and refunded \$63,833 of the erroneous proceeds. [REDACTED]

[REDACTED]
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IRS management concurred with these violations and agreed that these taxpayers' rights were potentially violated. IRS management stated that these violations occurred for several reasons. Specifically, for:

- Six taxpayers – The revenue officers created these modules manually. When this occurs, it is the revenue officer's responsibility to review Integrated Data Retrieval System transactions to ensure that the pre-levy requirements are met. The revenue officers issued the new CDP notice before the additional tax assessments posted to the taxpayers' accounts, which could have been prevented by verifying the transaction posted in the Integrated Data Retrieval System. Collection management implemented an ICS programming change in January 2022 that they believe will prevent this type of violation in the future.
- Five taxpayers – At the time of the levy, the case was not in Field Collection status. The revenue officers created these tax modules manually. When this occurs, it is their responsibility to review Integrated Data Retrieval System transactions to ensure that the pre-levy requirements are met. This problem was addressed in the FY 2020 TIGTA audit. In response, the IRS submitted a programming request to display a warning message alerting the employee to verify that a manually created module has received the proper CDP notice. These changes were implemented in the January 2022 ICS update after our review period.
- Three taxpayers – The revenue officer reversed the CDP notice, but the ICS did not remove the indicator from the module table. When the indicator is missing, the ICS will not generate the levy until a new CDP notice is delivered. Collection management implemented an ICS programming change after our review period in January 2022 that they believe will prevent this type of violation in the future.

[REDACTED]

- [REDACTED]
19

18 [REDACTED]

¹⁹ The Small Business Jobs Act of 2010 (Pub. L. No. 111-240, 124 Stat. 2565) amended I.R.C. §§ 6330(f) and (h) to permit the IRS to issue any levy on a taxpayer prior to providing them with their CDP notice and hearing if the taxpayer is a Federal contractor; IRM 5.11.1.6.3 (Dec. 9, 2020).

Some ICS systemic levies were improperly issued while taxpayers had pending CDP hearings

Our analysis of the population of 48,781 taxpayers with Field Collection levies issued during FY 2021 identified 226 taxpayers who appeared to have levies that were issued while a CDP hearing was pending. From this population of 226 potential violations, IRS management reviewed a random sample of 68 total taxpayer cases to determine the causes and agreed that 27 were potential violations.²⁰ The IRS received erroneous levy proceeds totaling \$95,998 from seven of these taxpayers. As a result of our finding, the IRS stated it took action to contact these taxpayers to obtain authorization to retain or refund the proceeds to the taxpayer. As of July 2022, the IRS had contacted the taxpayers, refunded \$20,961 of the erroneous proceeds, is in the process of refunding an additional \$23,190, and received authorization from taxpayers to retain \$51,847.

IRS management stated that these violations occurred for several reasons. Specifically, for:

- 20 taxpayers – The IRS received the CDP hearing request in Field Collection, but the revenue officer did not input the request timely before they levied the taxpayer accounts. IRS management attributes these violations to revenue officer errors for not properly following procedures. In February 2021, partway through our review period, IRS management issued a memorandum to revenue officers with specific information on timely identifying and inputting CDP hearing requests prior to issuing ICS levies.
- Three taxpayers – The IRS received the CDP hearing request in Field Collection, but the revenue officers did not know the request had been received before they levied the taxpayer accounts. [REDACTED]
- Four taxpayers – The IRS received the CDP hearing request in the ACS, but the request was not input timely; therefore, the revenue officers did not know that a request had been received when they levied the taxpayer accounts. This issue was identified in two prior TIGTA reports in which we recommended that the IRS take action to provide reasonable assurance that misdirected CDP hearing requests are forwarded to the correct location on the day that they are received.²¹ The IRS agreed and updated the IRM in December 2019 to require that requests be forwarded the same business day they are received; however, this continues to be a source of violations.

It is important that employees check for CDP hearing requests and input these requests timely and properly when received in order to allow systemic controls to prevent improper levies as

²⁰ IRS management identified 41 cases from the sample of 68 that were not violations. There were 32 cases that appeared to be violations because Appeals failed to input the proper code when the appeal was closed. There were three cases that were not violations because the revenue officers never actually issued the levy, three cases for which the taxpayers withdrew the CDP hearing request, and three cases for which the revenue officers inadvertently processed an equivalent hearing request as a timely filed CDP hearing request, which appeals later corrected. The methodology used by the IRS to pull the sample for review was not validated by TIGTA.

²¹ TIGTA, Report No. 2019-10-058, *Review of the Office of Appeals Collection Due Process Program* p. 9 (Sept. 2019).

well as to prevent the IRS from facing potential civil lawsuits under I.R.C. § 7433 in Federal District Court.²²

- Based on the population of 226 potential violations, using a 39.7 percent error rate and a two-sided 95 percent confidence interval, we estimate that 90 taxpayers' rights were potentially violated because they had levies issued while a CDP hearing was pending.²³ However, the IRS collected over \$750,000 from the 158 taxpayers whose rights were potentially violated (that the IRS did not select in its sample for review). It is important that Collection management review these cases to identify additional taxpayers whose rights were potentially violated and who had money levied erroneously. These taxpayers need to be notified and provided an opportunity for a refund.

Some DETLs did not comply with legal requirements

DETLs are levies served to collect an employment tax liability for taxpayers that previously requested a CDP hearing involving unpaid employment tax.²⁴ Due to exceptions in the law, these levies have different CDP requirements.²⁵ Specifically, taxpayers must receive the CDP notice within a reasonable period after the levy for all balances included on the levy if a CDP notice was not provided prior to the levy. Also, if any of the balances have an additional tax assessment, then the IRS must issue a new CDP notice for those balances. Finally, these types of levies are exempt from the statutory requirement for the IRS to suspend levy action while a CDP hearing is pending. The IRM requires that revenue officers send the post-levy CDP notice with the taxpayer's copy of the levy within 10 days of serving the DETL.²⁶ Our review determined that taxpayers with DETLs were not always notified or timely notified of their CDP rights. However, we did not identify any taxpayers with additional tax assessments who did not receive a new CDP notice.

Our review of 48,781 taxpayers with Field Collection levies issued during FY 2021 revealed 17 taxpayers for whom the revenue officers did not mail the post-levy CDP notice within the 10-day time frame established in the IRM, failed to issue the post-CDP notices on DETL levies, or improperly generated the DETL levies. Specifically, for:

- Nine taxpayers – The CDP notice was mailed more than 10 days after the DETL was issued. Specifically, for:

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²² I.R.C. § 7433 permits taxpayers to file a civil action for damages against the United States in a U.S. District Court if any officer or employee of the IRS recklessly or intentionally, or by reason of negligence, disregards any provision of the tax code. However, a judgment for damages shall not be awarded unless the court determines that the taxpayer has exhausted the administrative remedies available within the IRS.

²³ When projecting the results of our statistical sample, we are 95 percent confident that the actual total amount is between 68 and 113. See Appendix II for more details on how the projection was calculated.

²⁴ IRM 5.1.9.3.14 (Nov. 12, 2014).

²⁵ Per I.R.C. § 6330(f), the IRS does not have to issue a CDP notice prior to levy issuance for levies on State income tax refunds, Federal contractors, and disqualified employment tax but is required to issue a CDP notice within a reasonable amount of time after the levy if it is the first levy made with respect to a particular tax and tax period.

²⁶ IRM 5.11.1.5.4(3) (Dec. 9, 2020).

- Seven taxpayers – The post-levy CDP notices were mailed between 15 to 36 days after the levy. Management did not agree that these cases are potential violations. They explained that issuing a post-levy CDP notice beyond the 10-day procedure in the IRM does not invalidate the levy, and the taxpayer is still entitled to request a CDP hearing within 30 days from the date of the post-levy CDP notice. While management is correct that the taxpayer is still entitled to request a CDP hearing, they fail to consider the potential financial burden placed on the taxpayers whose funds may have already been levied before they have an opportunity to appeal.
- Six taxpayers – The revenue officers generated valid DETLs but failed to issue the post-levy CDP notice as required; therefore, the taxpayers' rights were potentially violated. Management explained that programming changes were implemented in January 2021 (during our review period) that displayed reminders to revenue officers to issue the post-levy CDP notices and additional programming changes were implemented in January 2022 (after our review period) that management believes will help prevent these types of errors from occurring in the future.

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Recommendation 1: The Director, Field Collection, Small Business/Self-Employed Division, should remind all managers to consider disciplinary action for Field Collection employees whose failure to observe written regulations, orders, rules, or IRS procedures pertaining to levies resulted in a violation of taxpayers' rights.

Management's Response: The IRS agreed with this recommendation and will issue a memorandum to all managers reminding them to consider disciplinary action for Field Collection employees whose failure to observe written regulations, orders, rules, or IRS procedures pertaining to levies resulted in a violation of taxpayers' rights.

Recommendation 2: The Director, Collection Policy, Small Business/Self-Employed Division, should review the cases of the 158 taxpayers who were not included in the randomly selected sample of cases in which a levy was potentially issued while the taxpayer had a pending CDP hearing. For any cases that resulted in erroneous proceeds, take appropriate action to determine if any money needs to be refunded to the taxpayers.

Management's Response: The IRS agreed with this recommendation and will review the remaining 158 cases and refer cases to Field Collection for corrective action if erroneous levy proceeds were received.

Recommendation 3: The Director, Collection Inventory Delivery and Selection, Small Business/Self-Employed Division, should work with the Associate Chief Information Officer, Information Technology Applications Development, to ensure that the necessary programming changes are made to address the recommendations made in last year's review. Furthermore, these changes should be made a high priority because this was recommended in the previous report and there is still no plan for resolution.

Management's Response: The IRS agreed with this recommendation and will request implementation of ICS programming changes to block levy issuances when CDP notices have been issued and reversed.

Some Levies Issued by the Automated Collection System Did Not Comply With Legal Requirements

ACS systemic levies are generated automatically by the ACS Systemic Levy Program, while paper levies are issued by collection representatives through the ACS. The ACS contains a control, similar to the ICS, that compares the date the taxpayer was notified of the pending levy with the requested date to issue the levy. If the notice has not been sent or there are fewer than 30 calendar days between the dates, the ACS will not generate a levy. This control is designed to ensure that taxpayers have been notified of their CDP rights at least 30 calendar days prior to the issuance of any ACS-generated levies. Our review of 8,994 FY 2021 ACS systemic and paper levies did not find any instances in which the ACS control failed to timely notify the taxpayer of the intent to levy.

ACS levies can also be issued manually when collection representatives manually type the levy. ACS employees document these levies in the case history. It is not unusual to have few or no ACS manual levies. We previously reported, in our FY 2020 review, that IRS management stated that so few ACS manual levies were issued because levies are increasingly able to be processed systemically.²⁷ Management explained that the value of issuing a levy manually does not often exceed the expenditure of resources because these levies require employees to manually type the levy and obtain manager approval. We searched the ACS and did not identify any ACS manual levies issued by collection representatives in FY 2021.

Additionally, ACS levies may not be issued while a CDP hearing is pending for those periods that are the subject of the requested hearing. Systemic controls are in place to prevent this from occurring; however, our review identified some taxpayers in which FY 2021 ACS levies were improperly issued while a CDP hearing was pending.

Some levies were improperly issued while taxpayers had pending CDP hearings

When mail containing a taxpayer's CDP hearing request is received in the ACS Support function, it is sorted by the ACS Support clerical team, which forwards all CDP-related forms and correspondence directly to the CDP teams within ACS Support to control and process.²⁸ When the CDP clerical team controls the case, it is required to assign it to a protective inventory on the

²⁷ TIGTA, Report No. 2020-30-065, *Fiscal Year 2020 Statutory Review of Compliance With Legal Guidelines When Issuing Levies* (Sept. 2020.).

²⁸ IRM 5.19.6.12 (Feb. 20, 2018).

ACS within two workdays of receipt in ACS Support. Within five workdays of receipt in ACS Support, the request must be input into the CDP Tracking System. This system updates the taxpayer's account to record receipt of a timely filed CDP hearing request in order to protect the taxpayer from prohibited collection activities while the hearing is pending.

Our analysis of the population of 8,994 taxpayers with ACS levies issued during FY 2021 identified 15 taxpayers who timely submitted a CDP hearing request, but the requests were not worked by the ACS function within the required time frames. IRS management agrees that this led to levies that were erroneously issued while a CDP hearing was pending; therefore, these taxpayers' rights were potentially violated. Specifically:

- Three taxpayers – The CDP hearing requests were not timely worked because the ACS Support employee who screened the cases within the first 24 to 48 hours after they arrived failed to move them into the proper inventory. The IRS did not receive any erroneous levy proceeds from these taxpayers.



- 11 taxpayers – The CDP hearing requests were not worked timely because of an unanticipated volume of CDP requests that created a backlog, as described below. It took an average of 62 days for the ACS function to work these requests after they arrived



On March 25, 2020, the IRS announced the People First Initiative, in response to the Pandemic, in order to ease the burden on people facing tax issues. This initiative announced a series of steps to assist taxpayers by providing relief on a variety of issues ranging from easing payment guidelines to postponing compliance actions, such as levies. Beginning April 1, 2020, and continuing through July 15, 2020, the IRS suspended issuance of automated and systemic levies. While the People First Initiative ended July 15, 2020, many of the IRS's collection activities, including levies, did not restart immediately. The following shows the timeline for when specific levies were restarted:

- July 16, 2020 – Field Collection levies by revenue officers resumed, but employees were asked to apply good judgment in determining when enforcement action is appropriate.
- January 7, 2021 – ACS paper levies by collection representatives resumed.
- July 15, 2021 – The issuance of ALP (Federal Payment Levy Program, State Income Tax Levy Program, and Municipal Tax Levy Program) levies, in coordination with State and Federal agencies, resumed. Pre-levy and post-levy CDP notice issuance resumed in early August 2021. Although the State Income Tax Levy Program resumed on July 15, 2021, not all States were able to restart immediately, with only 16 States transmitting levy

payments in July. Alaska Permanent Fund Dividend Levy Program pre-levy CDP notice issuance resumed on July 09, 2021.

- August 16, 2021 – ACS systemic levies resumed.

IRS management explained that, when the ALP levies resumed, the program generated an unanticipated high volume of CDP requests, quickly outpacing the CDP staffing available. This created a backlog that subsequently delayed the processing of CDP hearing requests of taxpayers with ALP and ACS systemic levies, causing taxpayers' rights to be violated. Because the 11 taxpayers' CDP hearing requests were not worked timely, the levies were issued in error, before the ACS processed the hearing requests.

Recommendation 4: The Director, Collection Policy, Small Business/Self-Employed Division, should monitor the average processing time of CDP hearing requests and, if warranted, outline and make recommendations to revise procedures and/or develop automation tools to ensure the timely input of the transaction code.

Management's Response: The IRS agreed with this recommendation and will develop a report for determining the average processing time of CDP hearing requests and monitor the processing time. If warranted, the IRS will outline and make recommendations to revise procedures to ensure timely input of the transaction code and explore if any automation tools are available or could be developed to ensure timely input of the transaction code.

Recommendation 5: The Director, Campus Collection, Small Business/Self-Employed Division should remind all managers to consider disciplinary action for ACS employees whose failure to observe written regulations, orders, rules, or IRS procedures pertaining to levies resulted in a violation of taxpayers' rights.

Management's Response: The IRS agreed with this recommendation and will issue a memorandum to all managers reminding them to consider disciplinary action for Campus Collection employees whose failure to observe written regulations, orders, rules, or IRS procedures pertaining to levies resulted in a violation of taxpayers' rights.

Taxpayers' Rights Were Potentially Violated When Authorized Representatives Did Not Receive Copies of Collection Due Process Notices

Treasury Regulations and IRS policy require that any notices which are required or permitted to be given to a taxpayer in any matter before the IRS must be given to the taxpayer and, unless restricted by the taxpayer, to the taxpayer's representative.²⁹ Our analysis of the population of 48,781 taxpayers with Field Collection levies issued during FY 2021 identified 10,514 taxpayers with an open Power of Attorney (POA) authorization to whom the IRS sent a CDP notice to the taxpayer between March 1, 2020, and November 15, 2021. We tested a random sample of 100 taxpayer cases and determined that seven taxpayers' rights were potentially violated when a copy of the CDP rights notice was not mailed to the authorized representative as required.

²⁹ 26 C.F.R. 601.506 (1967), Notices to be given to recognized representative, direct contact with taxpayer, delivery of a check drawn on the U.S. Treasury to recognized representative; IRM 5.1.23.4.2.3 (Dec. 26, 2019).

Furthermore, four taxpayers' rights were violated when the IRS sent a copy of the notice to a representative who was not authorized to receive it.

IRS management concurred with six of the 11 violations, stating that these procedural violations were the result of the revenue officers failing to ensure that copies of CDP notices were mailed to the representatives who were authorized to receive them by the taxpayers. However, TIGTA believes that these violations are not just procedural but are a potential violation of the taxpayers' rights.

TIGTA also believes that taxpayers' rights were potentially violated in the remaining five cases. Specifically, there are discrepancies between the records maintained in the Centralized Authorization File and the ICS history entry details of which taxpayer representatives received copies of the notices and which did not.³⁰ IRS management maintains these are not violations because the revenue officers secured updated documentation from the taxpayers. However, almost a year has passed since they secured the documentation, and the Centralized Authorization File does not reflect the information in the ICS system.

Based on the population of 10,514 taxpayers, using a 7 percent error rate and a two-sided 95 percent confidence interval, we estimate that 736 taxpayers' rights were potentially violated because the IRS did not issue a CDP notice copy to the authorized representative.³¹ Based on the population of 10,514 taxpayers, using a 4 percent error rate and a two-sided 95 percent confidence interval, we estimate that 421 taxpayers' rights were potentially violated because the IRS issued a notice copy to a representative that the taxpayer has not authorized to receive notices.³²

In addition, we analyzed the population of 8,994 taxpayers with ACS levies issued during FY 2021 and identified 1,762 taxpayers with an open POA authorization to whom the IRS sent a CDP notice to the taxpayer between March 1, 2020, and October 22, 2021. [REDACTED]

[REDACTED]

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³⁰ The Centralized Authorization File contains taxpayer and taxpayer representative records and lists the tax modules and the specific representative to whom the taxpayer has granted authority.

³¹ When projecting the results of our statistical sample, we are 95 percent confident that the actual total amount is between 303 and 1,457. See Appendix II for more details on how the projection was calculated.

³² When projecting the results of our statistical sample, we are 95 percent confident that the actual total amount is between 117 and 1,040. See Appendix II for more details on how the projection was calculated.

33 [REDACTED]

Taxpayers may experience adverse consequences if their authorized representatives are not sent CDP notices as required

Taxpayers may experience adverse consequences if their authorized representatives do not receive copies of CDP notices, including:

- Direct and indirect economic consequences from IRS levies that may not have occurred otherwise if the authorized representative received the notice and requested the CDP hearing.
- Loss of appeal rights to the U.S. Tax Court.

In the words of the National Taxpayer Advocate, "...a representative cannot advocate for a taxpayer as requested, or provide representation in the taxpayer's absence as intended by Congress, unless the representative receives IRS notices. Especially in the context of CDP hearings, where the taxpayer has only 30 days to request the hearing and protect the right to challenge collection actions in the U.S. Tax Court, failure to provide the taxpayer's representative with a copy of the hearing notice can severely impede the taxpayer's access to fundamental statutory protections."³⁴ The Fair Tax Collection Practices, established in the IRS Restructuring and Reform Act of 1998, prohibit the IRS from communicating with a taxpayer in connection with the collection of any unpaid tax, if it knows that the taxpayer is represented by a valid POA, without the prior consent of the taxpayer or unless other conditions are met.³⁵ We asked the IRS whether it believes the violations identified in this report would have allowed taxpayers to take Fair Tax Collection Practices legal action against the Government. The Office of Chief Counsel, however, advised TIGTA that sending a statutorily required notice to a taxpayer, even if that taxpayer is represented, does not violate I.R.C. § 6304(a)(2). However, we can certainly envision circumstances whereby the failure to provide an authorized representative a CDP notice is intentional and meant to abuse or harass the taxpayer. In that context, we can envision this giving rise to the finding of a Fair Tax Collection Practices violation. We will continue to explore this issue in future reports.

Recommendation 6: The Director, Collection Policy, Small Business/Self-Employed Division, should ensure that corrective programming is implemented so that the ICS looks for existing Centralized Authorization File information, updates the system accordingly, and notifies the revenue officer when there is a discrepancy between the POA information in the ICS and the Centralized Authorization File.

Management's Response: The IRS agreed with this recommendation and will request implementation of the ICS programming changes to identify and update the ICS with the Centralized Authorization File information and to notify revenue officers when there is a discrepancy between POA information in the ICS and the Centralized Authorization File.

Recommendation 7: The Directors, Field Collection and Campus Collection, Small Business/Self-Employed Division, should remind all managers to consider disciplinary action for employees who intentionally violate taxpayer's rights by failing to observe written regulations, orders, rules, or IRS procedures with regards to providing authorized representative(s) copies of

³⁴ National Taxpayer Advocate, 2012 Annual Report to Congress 292 (2012).

³⁵ Pub. L. No. 105-206, 112 Stat. 685; I.R.C. § 6304(a)(2).

CDP notices or disclosing tax information to a third party whom the taxpayer has not authorized to receive that information.

Management's Response: The IRS agreed with this recommendation and will remind all managers to consider disciplinary action for employees who intentionally violate taxpayer's rights by failing to observe written regulations, orders, rules, or IRS procedures with regards to providing authorized representative(s) copies of CDP notices or disclosing tax information to a third party whom the taxpayer has not authorized to receive that information.

Collection Policy Management Took Action to Limit Levies of Paycheck Protection Program Funds and Economic Impact Payments but Did Not Track the Results

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act), signed into law March 27, 2020, created a refundable tax credit of up to \$1,200 per eligible individual to be applied toward income earned during Tax Year 2020. In addition, eligible individuals were entitled to receive up to \$500 for each child in their family who is under 17 years old.³⁶ The IRS was required to make an advance payment of the Recovery Rebate Credit to eligible individuals before December 31, 2020. The Act also established the Paycheck Protection Program (PPP). This program was implemented by the Small Business Administration with support from the Department of the Treasury. It provided small businesses with funds to pay up to eight weeks of payroll costs, including benefits. Funds could also be used to pay interest on mortgages, rent, and utilities.

On October 30, 2020, the Acting Director, Collection Policy, issued a memo directing Field Collection employees, if possible, to determine if the taxpayer secured a PPP loan. If so, the employees should try to learn the amount of the loan along with when and where the funds were deposited. The memo stated that, when known, employees should not levy a bank account that contains PPP funds received until December 31, 2020, the date by which the Paycheck Protection Program Flexibility Act mandates the funds be spent.³⁷ The memo explained that, when PPP funds were levied inadvertently, employees must release the levy unless the employee believes that exigent circumstances exist to not do so. In the event of an exigent circumstance, the matter must be elevated to the Area Director or Campus Director and documented in the case history before communicating any decision to the taxpayer. An exigent circumstance involves the final loss of opportunity for the Government to collect taxes due, such as the expiration of the statute of limitations, assets that taxpayers place beyond the reach of the Government, *etc.* On January 20, 2021, a new memo was issued with similar instructions for Economic Impact Payments.

These memos were issued to address public policy concerns over levying disaster-related funding designed to allow employers to deliver services and satisfy the payroll of employees who may suffer greatly without the income source. There were similar concerns for Economic Impact Payment funds that were intended to help people during the Pandemic. IRS Counsel

³⁶ Pub. L. No. 116-136, 134 Stat. 335.

³⁷ Pub. L. No. 116-142, 134 Stat. 641.

advised Collection Policy management that there was no statutory language from the Coronavirus Aid, Relief, and Economic Security Act or otherwise that operates to exempt PPP funds from levy. Similarly, the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 did not exempt Economic Impact Payments from levy.³⁸

Field Collection areas did not keep track of Economic Impact Payments or PPP funds that were levied and subsequently released. Campus Collection did not track these levies or receive any exigent circumstances cases elevated to the Campus Director. [REDACTED]

[REDACTED] Without tracking these levies, the IRS does not know whether employees are complying with the directive and whether taxpayers are being burdened by levies on their PPP funds and Economic Impact Payments.

Recommendation 8: The Director, Collection Policy, Small Business/Self-Employed Division, should ensure that future temporary deviation procedures require that Field Collection employees research taxpayer accounts to identify specific transaction codes that indicate the taxpayer received funds disbursed by the IRS that are prohibited from being reduced or offset by other assessed Federal taxes that would otherwise be subject to levy or collection. If it is determined that the transaction code is on the taxpayers account, then levies should be suspended for eight weeks from the transaction date.

Management's Response: The IRS disagreed with this recommendation. In their response, IRS management stated that the recommendation is proposing a future levy suspension on all income sources and property over and above any amount that is prohibited from being reduced or offset, which they believe is beyond the scope of the prohibition on offsetting the special Pandemic relief payments. The IRS requires flexibility to continue to enforce collection on other income and property when warranted. They will continue to balance the need to protect taxpayer rights and the Government's interests should similar events occur in the future, and they will consider the unique facts and circumstances of such events and design temporary deviation procedures to ensure that legal requirements are met and taxpayer rights are protected.

Office of Audit Comment: The purpose of this recommendation is to further reduce the risk of levies from occurring on funds that are prohibited from being reduced or offset and to reduce the risk that a taxpayer would go into financial or economic hardship as a result of an erroneous levy. As required by the Consolidated Appropriations Act, 2021, Economic Impact Payments were prohibited from being reduced or offset by other assessed Federal taxes that would otherwise be subject to levy or collection. It is burdensome on taxpayers when funds are levied that are designed to assist households with economic hardship and expenses incurred throughout a pandemic or allow employers to deliver services and satisfy the payroll of employees who experience hardship without the income source. Protecting taxpayers from economic hardship during a pandemic should be a priority for the IRS.

³⁸ Pub. L. No. 116-260, 134 Stat. 1909.

Appendix I

Detailed Objective, Scope, and Methodology

The overall objective was to determine whether the IRS complied with the IRS Restructuring and Reform Act of 1998 requirements and IRS policy to notify taxpayers and their authorized representatives of the right to a CDP hearing prior to issuing levies and to suspend levy action during the time frames required pursuant to I.R.C. § 6330. To accomplish our objective, we:

- Evaluated the adequacy of controls, requirements, and processes for issuing levies as per I.R.C. § 6330.
- Determined whether controls for ICS systemic levies issued by revenue officers were adequate to comply with legal and procedural guidelines for notification to taxpayers prior to levy issuance.
- Identified potential error cases in which taxpayers' rights may have been violated because they had levies issued while a CDP hearing was pending. From the population of 226 Field Collection CDP hearing potential violations, IRS management reviewed a random sample of 68 total taxpayer cases and concurred that 27 taxpayer cases were potential violations. We used a 39.7 percent error rate and a two-sided 95 percent confidence interval to estimate the number of violations in the population assuming a hypergeometric distribution. Our contracted statistician assisted with developing the projections. See Appendix II for details.
- Determined whether controls for levies issued through the ACS were adequate to comply with legal and procedural guidelines for notification to taxpayers prior to levy issuance.
- Determined whether controls for levies issued for taxpayers with authorized representatives were adequate to comply with procedural guidelines for notification to authorized representatives prior to levy issuance.
- Identified potential error cases with Field Collection levies for which taxpayers' rights may have been violated because the IRS did not issue a CDP notice copy to the authorized representative or issued a notice copy to a representative that the taxpayer has not authorized to receive notices. Based on available audit resources, from the population of 10,514 potential error cases, we reviewed a simple random sample of 100 taxpayer cases and determined that seven taxpayers' rights were potentially violated when a copy of the CDP rights notice was not mailed to the authorized representative as required. We used a random sample to ensure that each account had an equal chance of being selected, which enabled us to obtain sufficient evidence to support our results. Using a 7 percent error rate and a two-sided 95 percent confidence interval, we estimate that 736 taxpayers' rights were violated, assuming a hypergeometric distribution. Furthermore, we determined that four taxpayers' rights were potentially violated when the IRS sent a copy of the notice to a representative who was not authorized to receive it. Using a 4 percent error rate and a two-sided 95 percent confidence interval, we estimate that 421 taxpayers' rights were potentially violated, assuming a hypergeometric

distribution. Our contracted statistician assisted with developing the projections. See Appendix II for details.

- Identified potential error cases with ACS levies for which taxpayers' rights may have been violated because the IRS did not issue a CDP notice copy to the authorized representative. [REDACTED]

[REDACTED] We used a random sample to ensure that each account had an equal chance of being selected, which enabled us to obtain sufficient evidence to support our results. [REDACTED]

[REDACTED] Our contracted statistician assisted with developing the projections. See Appendix II for details.

- Evaluated the impact of the Pandemic on ACS systemic levies.

Performance of This Review

This review was performed with information obtained from the Small Business/Self-Employed Division National Headquarters Collection function located in New Carrollton, Maryland, during the period November 2021 through July 2022. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Major contributors to the report were Matthew A. Weir, Assistant Inspector General for Audit (Compliance and Enforcement Operations); Phyllis Heald London, Director; Jon-Michael Socaris, Audit Manager; Joshua Perry, Lead Auditor; Anna Yip, Auditor; and Lance Welling, Information Technology Specialist (Data Analytics).

Validity and Reliability of Data From Computer-Based Systems

We performed tests to assess the reliability of data from the ACS, ICS, Individual Master File, and Business Master File systems. We evaluated the data by (1) performing electronic testing of required data elements, (2) reviewing existing information about the data and the systems that produced them, and (3) interviewing agency officials knowledgeable about the data. We determined that the data were sufficiently reliable for purposes of this report.

Internal Controls Methodology

Internal controls relate to management's plans, methods, and procedures used to meet their mission, goals, and objectives. Internal controls include the processes and procedures for planning, organizing, directing, and controlling program operations. They include the systems for measuring, reporting, and monitoring program performance. We determined that the following internal controls were relevant to our audit objective: Small Business/Self-Employed Division Collection function's automated controls in place to prevent the issuance of levies prior to 30 calendar days before initiating any levy action and to prevent levy enforcement actions

being taken on taxpayers that request CDP levy hearings. We evaluated these controls by reviewing populations and samples of taxpayer levies and CDP levy hearings.

Appendix II

Outcome Measures

This appendix presents detailed information on the measurable impact that our recommended corrective actions will have on tax administration. These benefits will be incorporated into our Semiannual Report to Congress.

Type and Value of Outcome Measure:

- Taxpayer Rights and Entitlements – Potential; 44 taxpayers who were not issued the final CDP rights notification letter (see Recommendation 1).

Methodology Used to Measure the Reported Benefit:

From a population of 48,781 taxpayers with systemic ICS levies issued by revenue officers during FY 2021, we identified 44 taxpayers who were not issued the final CDP rights notification letter.

Type and Value of Outcome Measure:

- Taxpayer Rights and Entitlements – Potential; seven taxpayers who were not issued the final CDP rights notification letter before issuing the levy (see Recommendation 1).

Methodology Used to Measure the Reported Benefit:

From a population of 48,781 taxpayers with systemic ICS levies issued by revenue officers during FY 2021, we identified seven taxpayers who were not timely issued the final CDP rights notification letter.

Type and Value of Outcome Measure:

- Taxpayer Rights and Entitlements – Potential; 17 taxpayers who were not issued a new notice of intent to levy for the additional tax assessment prior to the levies being issued (see Recommendation 1).

Methodology Used to Measure the Reported Benefit:

From a population of 48,781 taxpayers with levies issued by revenue officers through the ICS during FY 2021 who had an additional tax assessment issued prior to the levy, we identified 17 taxpayers who were not issued a new CDP notice after the additional tax assessment.

Type and Value of Outcome Measure:

- Taxpayer Rights and Entitlements – Potential; 90 taxpayers who were issued a levy while the taxpayer had a pending CDP hearing (see Recommendations 1 and 2).

Methodology Used to Measure the Reported Benefit:

From a population of 48,781 taxpayers with levies issued by revenue officers through the ICS during FY 2021, we initially identified 226 taxpayers who were issued a levy while the taxpayer had a pending CDP hearing.

Using the TIGTA contract statistician to assist with calculating projections, we projected the mutually agreed-upon violations to the potential violation populations as follows:

IRS management reviewed a random sample of 68 of the 226 potential taxpayers who were not issued a levy while the taxpayer had a pending CDP hearing. We determined that there were 27 (39.7 percent) potential violations. Based on the population of 226 potential violations, using the 39.7 percent error rate and a two-sided 95 percent confidence interval, we estimate that 90 taxpayers' rights were potentially violated because the IRS issued a levy while a CDP hearing was pending.¹

Type and Value of Outcome Measure:

- Taxpayer Rights and Entitlements – Potential; 17 taxpayers who were not mailed the post-levy CDP notice within the 10-day time frame established in the IRM, were not issued the post-CDP notices on DETL levies, or were subject to improperly generated DETL levies (see Recommendations 1 and 2).

Methodology Used to Measure the Reported Benefit:

From a population of 48,781 taxpayers with systemic ICS levies issued by revenue officers during FY 2021, we identified 17 taxpayers who were not mailed the post-levy CDP notice within the 10-day time frame established in the IRM, were not issued the post-CDP notices on DETL levies, or were subject to improperly generated DETL levies.

Type and Value of Outcome Measure:

- Taxpayer Rights and Entitlements – Potential; 15 taxpayers who were issued a levy while they had a pending CDP hearing (see Recommendations 4 and 5).

Methodology Used to Measure the Reported Benefit:

From a population of 8,994 taxpayers with levies issued through the ACS during FY 2021, we identified 15 taxpayers who were issued a levy while they had a pending CDP hearing.

Type and Value of Outcome Measure:

- Taxpayer Rights and Entitlements – Potential; 736 taxpayer accounts for which the IRS did not issue a CDP notice copy to the authorized representative (see Recommendations 6 and 7).

Methodology Used to Measure the Reported Benefit:

From a population of 48,781 taxpayers with levies issued by revenue officers through the ICS during FY 2021, we identified 10,514 taxpayers with an open POA authorization to whom the IRS sent a CDP notice between March 1, 2020, and November 15, 2021.

Using the TIGTA contract statistician to assist with calculating projections, we projected the mutually agreed-upon violations to the potential violation populations as follows:

¹ When projecting the results of our statistical sample, we are 95 percent confident that the actual total amount is between 68 and 113.

We reviewed a random sample of 100 of the 10,514 potential taxpayer cases in which the IRS had sent a CDP notice to the taxpayer. We determined that there were seven potential violations. Based on the population of 10,514 potential violations, using a 7 percent error rate and a two-sided 95 percent confidence interval, we estimate that 736 taxpayers' rights were potentially violated because the IRS did not issue a CDP notice copy to the authorized representative.²

Type and Value of Outcome Measure:

- Taxpayer Rights and Entitlements – Potential; 421 taxpayer accounts for which the IRS issued a notice copy to a representative that the taxpayer has not authorized to receive notices (see Recommendations 6 and 7).

Methodology Used to Measure the Reported Benefit:

From a population of 48,781 taxpayers with levies issued by revenue officers through the ICS during FY 2021, we identified 10,514 taxpayers with an open POA authorization to whom the IRS sent a CDP notice between March 1, 2020, and November 15, 2021.

We used the TIGTA contract statistician to assist with calculating projections, and projected the mutually agreed-upon violations to the potential violation populations as follows:

We reviewed a random sample of 100 of the 10,514 potential taxpayer cases in which the IRS had sent a CDP notice to the taxpayer. We determined that there were four potential violations whereby a notice copy was issued to a representative that was not authorized to receive notices. Based on the population of 10,514 potential violations, using a 4 percent error rate and a two-sided 95 percent confidence interval, we estimate that 421 taxpayers' rights were potentially violated because the IRS issued a notice copy to a representative that the taxpayer has not authorized to receive notices.³

Type and Value of Outcome Measure:

- Taxpayer Rights and Entitlements – Potential; 17 taxpayer accounts for which the IRS did not issue a CDP notice copy to the authorized representative (see Recommendations 6 and 7).

Methodology Used to Measure the Reported Benefit:

From a population of 8,994 taxpayers with ACS levies issued during FY 2021, we identified 1,762 taxpayers with an open POA authorization to whom the IRS sent a CDP notice to the taxpayer between March 1, 2020, and October 22, 2021.

Using the TIGTA contract statistician to assist with calculating projections, we projected the mutually agreed-upon violations to the potential violation populations as follows:

We reviewed a random sample of 100 of the 8,994 potential taxpayer cases in which the IRS did not issue a CDP notice copy to the authorized representative. [REDACTED]

² When projecting the results of our statistical sample, we are 95 percent confident that the actual total amount is between 303 and 1,457.

³ When projecting the results of our statistical sample, we are 95 percent confident that the actual total amount is between 117 and 1,040.

[REDACTED]

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[REDACTED]

Appendix III

Example of Form 668-A, Notice of Levy

Form 668-A (April 2020)	Department of the Treasury - Internal Revenue Service Notice of Levy			
Date				Telephone number of IRS office
Reply to	Name and address of taxpayer			
To	Identifying number(s)			
Special instructions for certain property levied				
This isn't a bill for taxes you owe. This is a notice of levy we are using to collect money owed by the taxpayer named above.				
Kind of Tax	Tax Period Ended	Unpaid Balance of Assessment	Statutory Additions	Total
Total Amount Due				
We figured the interest and late payment penalty to _____				
<p>The Internal Revenue Code provides that there is a lien for the amount that is owed. Although we have given the notice and demand required by the Code, the amount owed hasn't been paid. This levy requires you to turn over to us this person's property and rights to property (such as money, credits, and bank deposits) that you have or which you are already obligated to pay this person. However, don't send us more than the "Total Amount Due."</p> <p>Money in banks, credit unions, savings and loans, and similar institutions described in section 408(n) of the Internal Revenue Code must be held for 21 calendar days from the day you receive this levy before you send us the money. Include any interest the person earns during the 21 days. Turn over any other money, property, credits, etc. that you have or are already obligated to pay the taxpayer, when you would have paid it if this person asked for payment. This levy does not attach to funds in IRAs, Self-Employed Individuals' Retirement Plans, or any other retirement plans in your possession or control.</p> <p>Make a reasonable effort to identify all property and rights to property belonging to this person. At a minimum, search your records using the taxpayer's name, address, and identifying numbers(s) shown on this form. Don't offset money this person owes you without contacting us at the telephone number shown above for instructions. You may not subtract a processing fee from the amount you send us.</p> <p>To respond to this levy —</p> <ol style="list-style-type: none"> 1. Make your check or money order payable to United States Treasury. 2. Write the taxpayer's name, identifying number(s), kind of tax and tax period shown on this form, and "LEVY PROCEEDS" on your check or money order (not on a detachable stub.) 3. Complete the back of Part 3 of this form and mail it to us with your payment in the enclosed envelope. 4. Keep Part 1 of this form for your records and give the taxpayer Part 2 within 2 days. <p>If you don't owe any money to the taxpayer, please complete the back of Part 3, and mail that part back to us in the enclosed envelope.</p>				
Signature of Service Representative			Title	
<p>Catalog Number 20435N www.irs.gov Form 668-A (Rev. 4-2020)</p> <p style="text-align: center;">Part 1 — For Addressee</p>				

Appendix IV

Previous Five Audit Reports Related to This Statutory Review

TIGTA, Report No. 2017-30-065, *Fiscal Year 2017 Statutory Review of Compliance With Legal Guidelines When Issuing Levies* (Aug. 2017).

TIGTA, Report No. 2018-30-068, *Fiscal Year 2018 Statutory Review of Compliance With Legal Guidelines When Issuing Levies* (Sept. 2018).

TIGTA, Report No. 2019-30-070, *Fiscal Year 2019 Statutory Review of Compliance With Legal Guidelines When Issuing Levies* (Sept. 2019).

TIGTA, Report No. 2020-30-065, *Fiscal Year 2020 Statutory Review of Compliance With Legal Guidelines When Issuing Levies* (Sept. 2020).

TIGTA, Report No. 2021-30-069, *Fiscal Year 2021 Statutory Review of Compliance With Legal Guidelines When Issuing Levies* (Sept. 2021).

Appendix V

Management's Response to the Draft Report



COMMISSIONER
SMALL BUSINESS/SELF-EMPLOYED DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

August 30, 2022

MEMORANDUM FOR HEATHER M. HILL
DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM: Lia Colbert Amalia C. Colbert
Commissioner, Small Business/Self-Employed Division

SUBJECT: Draft Audit Report – Fiscal Year 2022 Statutory Review of
Compliance With Legal Guidelines When Issuing Levies
(Audit #202230003)

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Date: 2022.08.30 13:26:20 -04'00'

Thank you for the opportunity to review and comment on the subject draft audit report, which evaluates whether the IRS complied with the statutory requirement to notify taxpayers and their authorized representatives of the right to a Collection Due Process (CDP) hearing prior to issuing levies and to suspend levy action as required by Internal Revenue Code § 6330. We are committed to helping taxpayers meet their tax responsibilities and respecting and protecting their rights.

During this audit, you reviewed a significant number of the levies issued by our Automated Collection System (ACS) and Field Collection revenue officers in fiscal year (FY) 2021. You determined that we complied with all legal requirements in over 98% of the cases. We are extremely proud of the hard work and dedication of our employees who effectively administer these programs.

In your report, you made several recommendations to further safeguard taxpayer rights. As a result, we will issue a message to employees to reinforce the importance of adhering to CDP and Power of Attorney (POA) notification requirements and procedures. We will also recommend programming changes, but IT must manage limited resources which can prevent completion within anticipated timeframes. Finally, we will also remind managers that disciplinary action should be considered if taxpayer rights are violated due to an employee's failure to observe written regulations, orders, rules, or IRS procedures pertaining to levies and POA notification requirements.

As a result of COVID-19 related legislation, eligible taxpayers received payments that were intended to reduce the financial burden caused by the pandemic. Offsetting these payments to reduce or satisfy federal tax liabilities is prohibited, and as a matter of policy, the Collection organization issued guidance to employees to avoid levying on these payments. You recommended that whenever transaction codes identifying these payments are identified on a taxpayer's account, that we suspend all levies for eight weeks. A blanket levy suspension is not legally required and would negatively affect our ability to collect unpaid tax liabilities fairly and effectively. To foster fair and consistent tax administration, we must maintain our flexibility and judgment in collecting taxes in accordance with the law while protecting taxpayer rights.

We are committed to fairly and effectively collecting taxes owed through all means allowed by the Internal Revenue Code. We will continue to find ways to improve our levy processes to ensure that the rights of taxpayers are protected, and we value your insights and recommendations.

Attached are our comments and proposed actions to your recommendations. If you have any questions, please contact me, or Frederick W. Schindler, Director, Collection, Small Business/Self-Employed Division.

Attachment

RECOMMENDATION 1:

The Director, Field Collection, Small Business/Self-Employed Division, should remind all managers to consider disciplinary action for Field Collection employees whose failure to observe written regulations, orders, rules, or IRS procedures pertaining to levies resulted in a violation of taxpayers' rights.

CORRECTIVE ACTION:

The Director, Field Collection, Small Business/Self-Employed Division, will issue a memorandum to all managers reminding them to consider disciplinary action for Field Collection employees whose failure to observe written regulations, orders, rules, or IRS procedures pertaining to levies, resulted in a violation of taxpayers' rights.

IMPLEMENTATION DATE:

November 15, 2022

RESPONSIBLE OFFICIAL:

Director, Field Collection, Small Business/Self-Employed Division

CORRECTIVE ACTION MONITORING PLAN:

IRS will monitor this corrective action as part of our internal management system of controls.

RECOMMENDATION 2:

The Director, Collection Policy, Small Business/Self-Employed Division, should review the cases of the 158 taxpayers who were not included in the randomly selected sample of cases in which a levy was potentially issued while the taxpayer had a pending CDP hearing. For any cases that resulted in erroneous proceeds, take appropriate action to determine if any money needs to be refunded to the taxpayers.

CORRECTIVE ACTION:

Collection Policy will review the remaining 158 cases and refer cases to Field Collection for corrective action if erroneous levy proceeds were received.

IMPLEMENTATION DATE:

March 15, 2023

RESPONSIBLE OFFICIAL:

Director, Collection Policy, Small Business/Self-Employed Division

CORRECTIVE ACTION MONITORING PLAN:

IRS will monitor this corrective action as part of our internal management system of controls.

RECOMMENDATION 3:

The Director, Collection Inventory Delivery and Selection, Small Business/Self-Employed Division, should work with the Associate Chief Information Officer, Information Technology Applications Development, to ensure that the necessary programming changes are made to address the recommendations made in last year's review. Furthermore, these changes should be made a high priority because this was recommended in the previous report and there is still no plan for resolution.

CORRECTIVE ACTION:

The IRS will request implementation of ICS programming changes to block levy issuances when CDP notices have been issued and reversed.

IMPLEMENTATION DATE:

June 15, 2024

RESPONSIBLE OFFICIAL:

Director, Collection Inventory Delivery & Selection, Small Business/Self-Employed Division

CORRECTIVE ACTION MONITORING PLAN:

IRS will monitor this corrective action as part of our internal management system of controls.

RECOMMENDATION 4:

The Director, Collection Policy, Small Business/Self-Employed Division, should monitor the average processing time of CDP hearing requests and, if warranted, outline and make recommendations to revise procedures and/or develop automation tools to ensure timely input of transaction code.

CORRECTIVE ACTION:

We will develop a report for determining the average processing time of CDP hearing requests and monitor the processing time. If warranted, we will outline and make recommendations to revise procedures to ensure timely input of the transaction code. If warranted, we will also explore if any automation tools are available or could be developed to ensure timely input of transaction code.

IMPLEMENTATION DATE:

June 15, 2024

RESPONSIBLE OFFICIAL:

Director, Collection Policy, Small Business/Self-Employed Division

CORRECTIVE ACTION MONITORING PLAN:

IRS will monitor this corrective action as part of our internal management system of controls.

RECOMMENDATION 5:

Director, Campus Collection, Small Business/Self-Employed Division should remind all managers to consider disciplinary action for ACS employees whose failure to observe written regulations, orders, rules, or IRS procedures pertaining to levies resulted in a violation of taxpayers' rights.

CORRECTIVE ACTION:

The Director, Campus Collection, Small Business/Self-Employed Division will issue a memorandum to all managers reminding them to consider disciplinary action for Campus Collection employees whose failure to observe written regulations, orders, rules, or IRS procedures pertaining to levies, resulted in a violation of taxpayers' rights.

IMPLEMENTATION DATE:

November 15, 2022

RESPONSIBLE OFFICIAL:

Director, Campus Collection, Small Business/Self-Employed Division

CORRECTIVE ACTION MONITORING PLAN:

IRS will monitor this corrective action as part of our internal management system of controls.

RECOMMENDATION 6:

The Director, Collection Policy, Small Business/Self-Employed Division should ensure that corrective programming is implemented so that the ICS looks for existing Centralized Authorization File information, updates the system accordingly, and notifies the revenue officer when there is a discrepancy between the POA information in the ICS and the Centralized Authorization File.

CORRECTIVE ACTION:

The IRS will request implementation of the ICS programming changes to identify and update the ICS with the CAF information and to notify revenue officers when there is a discrepancy between POA information in the ICS and the CAF.

IMPLEMENTATION DATE:

June 15, 2024

RESPONSIBLE OFFICIAL:

Director, Collection Inventory Delivery & Selection, Small Business/Self-Employed Division

CORRECTIVE ACTION MONITORING PLAN:

IRS will monitor this corrective action as part of our internal management system of controls.

RECOMMENDATION 7:

The Directors, Field Collection and Campus Collection, Small Business/Self-Employed Division, should remind all managers to consider disciplinary action for employees who intentionally violate taxpayer's rights by failing to observe written regulations, orders, rules, or IRS procedures with regards to providing authorized representative(s) copies of CDP notices or disclosing tax information to a third party whom the taxpayer has not authorized to receive that information.

CORRECTIVE ACTION:

The Directors, Field Collection and Campus Collection, Small Business/Self-Employed Division, will remind all managers to consider disciplinary action for employees who intentionally violate taxpayer's rights by failing to observe written regulations, orders, rules, or IRS procedures with regards to providing authorized representative(s) copies of CDP notices or disclosing tax information to a third party whom the taxpayer has not authorized to receive that information.

IMPLEMENTATION DATE:

November 15, 2022

RESPONSIBLE OFFICIAL:

Director, Field Collection, Small Business/Self-Employed Division
Director, Campus Collection, Small Business/Self-Employed Division

CORRECTIVE ACTION MONITORING PLAN:

IRS will monitor this corrective action as part of our internal management system of controls.

RECOMMENDATION 8:

The Director, Collection Policy, Small Business/Self-Employed Division, should ensure future temporary deviation procedures require that Field Collection employees research taxpayer accounts to identify specific Transaction Codes that indicate the taxpayer received funds disbursed by the IRS that are prohibited from being reduced or offset by other assessed Federal taxes that would otherwise be subject to levy or collection. If it

is determined that the Transaction Code is on the taxpayers account, then levies should be suspended for eight weeks from the transaction date.

CORRECTIVE ACTION:

The recommendation is proposing a future levy suspension on all income sources and property over and above any amount that is prohibited from being reduced or offset, which we believe is beyond the scope of the prohibition on offsetting the special COVID-19 relief payments. IRS requires flexibility to continue to enforce collection on other income and property when warranted. We will continue to balance the need to protect taxpayer rights and the government's interests should similar events occur in the future. We will consider the unique facts and circumstances of such events and design temporary deviation procedures to ensure legal requirements are met and taxpayer rights are protected.

IMPLEMENTATION DATE:

N/A

RESPONSIBLE OFFICIAL:

N/A

CORRECTIVE ACTION MONITORING PLAN:

N/A

Appendix VI

Glossary of Terms

Term	Definition
Alaska Permanent Fund Dividend Levy Program	An ALP that operates in conjunction with the Permanent Fund Dividend Division in the State of Alaska’s Department of Revenue.
Automated Collection System	A telephone contact system through which collection representatives collect unpaid taxes and secure tax returns from delinquent taxpayers that have not complied with previous notices.
Automated Levy Program	A levy program in which selected Federal tax debts are matched with State taxing authorities, municipal taxing authorities, and Federal agencies disbursing funds such as salary, pension, and vendor payments.
Business Master File	The IRS database that consists of Federal tax-related transactions and accounts for businesses. These include employment taxes, income taxes on businesses, and excise taxes.
Campus	The data processing arm of the IRS. The campuses process paper and electronic submissions, correct errors, and forward data to the Computing Centers for analysis and posting to taxpayer accounts.
Collection Due Process Rights	I.R.C. § 6330 gives the taxpayer the right to appeal before a proposed levy action and after a jeopardy levy, a DETL, a levy on a Federal contractor, and a levy on State tax refunds. The IRS notifies taxpayers of their CDP rights by issuing a notice explaining their right to request a hearing.
Collection Representative	The duties of a collection representative are varied and include collecting unpaid taxes and securing tax returns from delinquent taxpayers that have not complied with previous notices along with securing, verifying, and updating levy sources and timely issuing notices of tax levy.
Data Center Warehouse	A TIGTA repository of IRS data.
Disqualified Employment Tax Levy	A levy served to collect an employment tax liability for taxpayers that previously requested a CDP hearing involving unpaid employment tax that arose in the two-year period before the period for which the levy is served.
Federal Contractor Levy	Any levy if the person whose property is subject to the levy is a Federal contractor.
Federal Payment Levy Program	The Federal Payment Levy Program is an automated levy program that the IRS operates with the Bureau of the Fiscal Service as a systemic means for the IRS to collect delinquent taxes by levying Federal payments.
Field Collection	An IRS function within the Small Business/Self-Employed Division that helps taxpayers understand and comply with all applicable tax laws and applies the tax laws with integrity and fairness. It is also responsible for protecting the revenue and the interests of the Government through direct collection and enforcement activity with taxpayers or their representatives.

Fiscal Year 2022 Statutory Review of Compliance With Legal Guidelines When Issuing Levies

Term	Definition
Fiscal Year	Any yearly accounting period, regardless of its relationship to a calendar year. The Federal Government's fiscal year begins on October 1 and ends on September 30.
Individual Master File	The IRS database that maintains transactions or records of individual tax accounts.
Integrated Collection System	A system used by Field Collection function employees (revenue officers) to report taxpayer case time and activity.
Integrated Data Retrieval System	An IRS computer system capable of retrieving or updating stored information. It works in conjunction with a taxpayer's account records.
Internal Revenue Code	The body of law that codifies all Federal tax laws, including income, estate, gift, excise, alcohol, tobacco, and employment taxes. These laws constitute Title 26 of the United States Code. The United States Code is a consolidation and codification by subject matter of the general and permanent laws of the United States.
Internal Revenue Manual	The primary, official source of IRS "instructions to staff" related to the organization, administration, and operation of the IRS.
Jeopardy Levy	A levy that is issued if collection is in jeopardy. The taxpayer must be offered CDP rights within a reasonable period after the levy if not provided prior to the levy.
Manual Levy	A paper levy form that is manually prepared and issued by a revenue officer. A manual ACS levy is initiated through the system by a collection representative, resulting in levy preparation and issuance by the system.
Module	Refers to one specific tax return filed by the taxpayer for one specific tax period (year or quarter) and type of tax.
Municipal Tax Levy Program	An ALP that matches a Master File database of delinquent taxpayers eligible to be levied against a database of local income tax refunds for each municipality participating in the program.
Paper Levy	A levy generated on a Form 668-A or Form 668-W, <i>Notice of Levy on Wages, Salary and Other Income</i> , and issued through the ACS either systemically or by an employee.
Revenue Officer	Employees in the Field Collection function who attempt to contact taxpayers and resolve collection matters that have not been resolved through notices sent by the IRS campuses.
State Income Tax Levy Program	An ALP that matches a Master File database of delinquent taxpayers eligible to be levied against a database of State tax refunds for each State participating in the program.
Systemic Levy	ACS systemic levies are initiated, prepared, and issued completely by the ACS with no manual intervention necessary. ICS systemic levies are initiated by revenue officers, resulting in levy preparation and issuance by the system.
Tax Period	Each tax return filed by the taxpayer for a specific period (year or quarter) during a calendar year for each type of tax.

Fiscal Year 2022 Statutory Review of Compliance With Legal Guidelines When Issuing Levies

Term	Definition
Tax Year	A 12-month accounting period for keeping records on income and expenses used as the basis for calculating the annual taxes due. For most individual taxpayers, the tax year is synonymous with the calendar year.

Appendix VII

Abbreviations

ACS	Automated Collection System
ALP	Automated Levy Program
CDP	Collection Due Process
DETL	Disqualified Employment Tax Levy
FY	Fiscal Year
ICS	Integrated Collection System
I.R.C.	Internal Revenue Code
IRM	Internal Revenue Manual
IRS	Internal Revenue Service
POA	Power of Attorney
PPP	Paycheck Protection Program
TIGTA	Treasury Inspector General for Tax Administration



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Treasury Inspector General for Tax Administration

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Washington, D.C. 20044-0589

Information you provide is confidential, and you may remain anonymous.