

INTERNAL REVENUE SERVICE

Guidelines for Notices of Federal Tax Liens and Centralized Lien Processing

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This document is intended to provide information about the centralized IRS lien processes and to ensure that federal tax lien documents are timely filed, properly recorded and promptly paid.

Updates have been made throughout this document. Notable changes since the last revision include:

- Pg 4 Partial Releases*
- Pg 4 Revocation of Release of Notice of Federal Tax Lien*
- Pg 5 Other lien documents*
- Pg 6 Social Security Number (SSN) Redaction for Notice of Federal Tax Lien*
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Note: This document is current through the publication date. Since changes may have occurred after the publication date that would affect the accuracy of this document, no guarantees are made concerning the technical accuracy after the publication date.



IRS LIEN PROCESSING OPERATION CONTACT INFORMATION

Please contact the Cincinnati IRS Campus Lien Processing Operation with any questions or concerns.

Use the following information to contact the Lien Processing Operation:

Mailing address: Internal Revenue Service
Centralized Lien Processing Operation
Stop 8420G
P.O. Box 145595
Cincinnati, OH 45250-5595

Toll free phone number for taxpayers: 1-800-913-6050

Toll free phone number for recording offices: 1-800-913-4170

The Centralized Lien Processing Operation staff is authorized by the IRS to contact recording offices for the purpose of resolving problems concerning the filing of notices of federal tax lien and related documents. They are authorized access to all federal tax information contained in and related to such notices of lien and related documents. Recording offices may disclose information contained in such notices of lien and documents, to the extent necessary to resolve any problems, with and only with those employees.

CENTRALIZED LIEN PROCESSING OPERATION

The Centralized Lien Processing Operation at the Cincinnati IRS Campus is part of the Small Business/Self-Employed (SB/SE) Campus Compliance Services Operations (CCSO) Division.

Employees in this department send out *Notices of Federal Tax Lien* to recording offices for filing. They also process requests for all notices of liens and releases. Employees handle telephone inquiries and correspondence from taxpayers, their representatives and recording offices. They also assist IRS field personnel with processing lien documents.

FEDERAL TAX LIEN PROCESS

Definition of a Federal Tax Lien

The federal tax lien gives the IRS a legal claim to the taxpayer's property for the amount of the tax debt. The lien can be enforced for the amount of the taxpayer's liability.

Filing a *Notice of Federal Tax Lien*

Filing the *Notice of Federal Tax Lien* is necessary to establish priority rights against certain other creditors. Usually the government is not the only creditor to whom the taxpayer owes money. Other creditors may also hold liens or secured rights against a taxpayer's assets in the amount of indebtedness.

By filing the *Notice of Federal Tax Lien*, other creditors are publicly noticed that the United States government has a claim against all property, and any rights to property, of the taxpayer. This includes property owned at the time of the notice of lien is filed and any acquired thereafter. This notice is used by courts to establish priority in many situations, including bankruptcy proceedings or sales of real estate.

It is critical that local recording offices ensure that *Notices of Federal Tax Liens* are promptly filed and properly recorded. Failure to file and properly record the *Notice of Federal Tax Lien* in the local recording offices may jeopardize the United States government's priority right against other creditors. This is extremely important to the interests of the federal government, other government entities, credit providers, and taxpayers in general.

Releasing a Lien

The IRS issues a *Release of the Notice of Federal Tax Lien* no later than 30 days after the taxpayer satisfies the tax due (including interest and other additions) by paying the debt or the liability becomes unenforceable, or no later than 30 days after the IRS accepts a bond guaranteeing payment of the debt.

Except as noted above, after a notice of lien is filed, the IRS cannot issue a *Certificate of Release of Federal Tax Lien* until the taxes, penalties, interest and recording fees are paid in full. The taxpayer must pay all fees that a recording office charges to file and release the lien.

Self-Releasing Liens

A lien usually releases automatically 10 years after a tax is assessed, if the statutory period for collection has not been extended and the IRS does not extend the effect of the lien by refiling it. When a lien is self-released, the *Notice of Federal Tax Lien* itself is the release document.

The lien is self-released if the:

- date for refiling has passed and
- IRS has not refiled the original *Notice of Federal Tax Lien*.

Taxpayers should check the column titled Last Day for Refiling on the *Notice of Federal Tax Lien* to determine if the lien is self-released. The IRS recommends that recording offices provide the requestor with a copy of the notice of lien and identify the self-releasing language, which is directly under the name and address on the lien document.

Please note that the Last Date for Refiling on the *Notice of Federal Tax Lien* is 30 days past the expiration of the 10-year statutory collection period. This additional 30 days is established by law for the refiling of the lien, if necessary. (The last day for refiling a refiled *Notice of Federal Tax Lien* is 10 years after the expiration of the preceding refiling period.)

Partial Releases

Many notices of lien are filed showing more than one taxpayer. These are situations where the tax liability is owed by more than one person. Occasionally, one of the persons shown on the notice of lien resolves all or part of their liability, but the other person(s) shown on the notice of lien still owes the liability. In these situations, a *Release of Notice of Federal Tax Lien* annotated "Partial" may be issued.

The Partial release document removes only the person identified from the effects of the lien and only with respect to the liability(s) specified. The lien remains in full effect against the other person(s) shown on the notice of lien.

Care should be taken in recording a Partial release document so it is not confused with a release of the entire lien.

Revocation of Release of Notice of Federal Tax Lien

If the IRS erroneously or improvidently issues a *Release of the Notice of Federal Tax Lien*, issues a release in connection with a collateral agreement in connection with an offer-in-compromise which has been breached, or does not timely refile the notice of lien thus allowing it to inadvertently self-release, the IRS may revoke the release and prospectively establish its lien priority. A *Revocation of Certificate of Release of Federal Tax Lien* is forwarded for recordation followed by a new *Notice of Federal Tax Lien*.

Withdrawal of Notice of Federal Tax Lien

The IRS may withdraw a filed *Notice of Federal Tax Lien* if the:

- Notice was filed prematurely or not according to IRS procedures;
- Taxpayer entered into an installment agreement to pay the debt on the notice of lien and the agreement did not provide for a notice of lien to be filed;
- Withdrawal will expedite collecting the tax; or
- Withdrawal would be in the taxpayer's best interest and the best interest of the government.

The IRS will forward the withdrawal for recordation, provide a copy of the withdrawal to the taxpayer, and, if the taxpayer sends a written request, send a copy to other institutions the taxpayer indicates.

See IRS Form 12277: *Application for Withdrawal of Filed Form 668(Y), Notice of Federal Tax Lien (as based on Internal Revenue Code Section 6323(j))*.

Certificate of Discharge

If the taxpayer is transferring ownership of property subject to a Federal tax lien, the taxpayer may apply for a *Certificate of Discharge*. Each approved application discharges from the federal tax lien the property specifically described in the certificate. When certain conditions exist, a third party may also request a *Certificate of Discharge*. See IRS Publication 783: *Instructions on How to Apply for a Certificate of Discharge of Property from the Federal Tax Lien*.

Certificate of Subordination

Creditors may refuse to extend credit to the taxpayer unless their encumbrance will be satisfied before the federal tax lien. Subordination is the process that can make a federal tax lien secondary to another encumbrance with regard to specific property. See IRS Publication 784: *How to Prepare Application for Certificate of Subordination of Federal Tax Lien*.

Certificate of Non Attachment

If a third party believes a *Notice of Federal Tax Lien* has been filed against them in error, the third party can request a *Certificate of Nonattachment*. This typically occurs when the name of the third party is similar or identical to the name of the taxpayer shown on the *Notice of Federal Tax Lien*. See IRS Publication 1024: *How to Prepare Application for Certificate of Nonattachment of Federal Tax Lien*.

Other Lien Documents

The IRS may file other lien documents to address specific situations. See Appendix B for a list of lien documents authorized by the IRS.

Documents such as Certificates of Release of Federal Tax Lien and Withdrawal of Filed Notice of Federal Tax Lien are normally filed by the IRS. In certain cases, the IRS may provide an original certificate or notice to a taxpayer or financial institution for filing.

If there are any concerns regarding the legitimacy of a document presented for filing, please contact the Lien Processing Operation for verification of the document.

Social Security Number (SSN) Redaction for Notice of Federal Tax Lien

The increasing problem of identity theft poses significant privacy concerns for public documents that include SSN information. This information has been used for many years on the public *Notice of Federal Tax Lien*.

In efforts to prevent identity theft and to protect taxpayer personally identifiable information, the Internal Revenue Service issued a notice to state and local recording officials in December 2005 regarding a new practice of partially redacting SSN information. Effective January 2, 2006, new *Notices of Federal Tax Lien* and certificates related to those notices included redacted SSN information in the format XXX-XX-NNNN, where only the last four digits of the taxpayer's SSN appear. .

The last four digits may not be changed by the recording offices; however, in some instances, SSNs on lien documents on state and local websites have been fully redacted. This is generally because of state legislative mandates, vendor recommendations, or the recording office's interpretation of state policies on identity theft. Full SSN redaction on lien documents by recording offices is not in compliance with the December 2005 directive to record federal tax lien documents as presented (as required in IRC 6323(f)) with the partially redacted SSN.

Federal tax lien documents, **as presented by the Internal Revenue Service**, must be readily available to the public. Recording officials must maintain, in some form, lien documents with partially redacted SSNs. Maintaining these documents ensures the public is obtaining information on the correct person and eliminates the need for recording offices to perform additional tasks related to lien documents as provided to their offices.

The following disclaimer should appear on any website or other system containing lien documents where the information does not exactly correspond with the IRS' document.

"This website contains information on Notices of Federal Tax Lien and other lien documents that is not identical in content to documents presented to this office by IRS. Therefore, the results of a search of this indexing system cannot be relied upon in judicial or administrative proceedings related to title or transfer of property, including but not limited to searches relative to sales of property and foreclosure proceedings, in determining ownership interests in property on which a Notice of Federal Tax Lien attaches.

For assistance in obtaining a copy of the required document as filed by IRS, please contact (name) of this office at (phone number). Copies of recorded documents may be obtained only from this office for which the search was conducted."

For those offices that have fully redacted the SSN and the electronic website is the "official site", every effort must be made to ensure that the public is able to obtain an official version of the recorded *Notice of Federal Tax Lien*.

E-Lien System Overview

The electronic lien process enables the Internal Revenue Service and the local recording office to electronically process the *Notice of Federal Tax Lien* and lien release data in a more cost effective and timely manner. The Internal Revenue Service continues to look at ways to expand the process and will issue E-Lien System guidelines when uniform protocols are available nationwide.

Procedures for a Federal Tax Lien Release and Request for Balance Due

The amount on the notice of lien is the assessed amount at the time of filing the federal tax lien document and will remain a matter of public record until it is paid in full. An updated lien payoff or balance due amount may be requested from the Centralized Lien Processing Operation.

The IRS will issue a payoff letter to taxpayers or to third parties such as taxpayer representatives, lenders, and escrow or title companies, requesting a balance due or payoff statement with the current amount that must be paid before the IRS releases the *Notice of Federal Lien*.

Third parties must submit this request in writing using a properly completed Form 8821, *Tax Information Authorization*, signed by the taxpayer. Without a Form 8821, the IRS cannot disclose taxpayer information to third parties. The Form 8821 must address each tax period on the *Notice of Federal Tax Lien* and be received by the IRS within 60 days after the taxpayer signs and dates it. When it is timely received, a properly completed Form 8821 remains valid until it is revoked by the taxpayer.

Payoff requests can be sent by:

- Phone: 1-800-913-6050
- Fax: 1-859-669-3805
- Mail: Internal Revenue Service
Centralized Lien Processing Operation
P. O. Box 45595
Stop 8420G,
Cincinnati, OH 45250-5595

Payoff computations may take up to 14 calendar days to process. The successfully completed fax transmission, or mailing certification, serves as the acknowledgement of the request.

All requests are worked in the order in which they are received. Please allow 14 days before following up on requests.

Two copies of all payoff letters are mailed to the taxpayer or the taxpayer's authorized representative. One copy of the payoff letter must be returned with the payment to ensure proper application and timely release of the lien. To ensure expedite processing the payment must be sent to the address identified on the payoff letter.

Payments should be made payable to the United States Treasury.

INFORMATION FOR RECORDING OFFICES ABOUT THE NOTICE OF FEDERAL TAX LIEN

The Lien Processing Operation toll free phone number for recording offices is 1-800-913-4170. This telephone number is reserved for recording offices only.

Recording offices should record all federal tax lien documents promptly.

Taxpayers, the United States, and other creditors may be harmed when recording offices do not record certificates of release, revocations, and withdrawals in a timely manner.

Recording offices sometimes return documents unrecorded or set them aside, causing the IRS to lose priority. Recording offices should contact the Lien Processing Operation at the phone number above to resolve recording issues. Lien documents should not be returned to the IRS unrecorded.

Form and Content

Internal Revenue Code 6323(f) states in part, "the form and content of the [tax lien document] shall be prescribed by the Secretary...such notice shall be valid notwithstanding any other provision of law regarding the form or content of a notice of lien."

Therefore, federal law requires that recording officials must accept lien documents as presented and record them in a timely manner, even if they are not in a locally prescribed format or do not conform to local regulations.

Requiring changes to margins, paper size, blank spaces, label insertions, redactions of social security numbers, etc., made by state or local regulation are contrary to this provision.

Cover Sheet

IRC 6323(f) governs the form and content of federal tax lien documents. Recording officials cannot refuse to record federal tax lien documents because of local requirements such as cover sheets, document margins, or additional space for recording data.

State and local regulations cannot override this provision, and recording officials cannot refuse to record documents without cover sheets.

Original or Facsimile Signature

Neither the Internal Revenue Code nor the Treasury Regulations require affixing original or facsimile signatures to federal tax lien documents. State and local law requirements for signatures do not apply.

The IRS under provisions of IRC 6323(f) has the authority to make signatory determinations. Recording offices must ensure lien documents are recorded with or without original signatures.

Taxpayer Name Inconsistency

A notice of lien is valid if it contains the taxpayer's name as it appears in IRS records and a reasonable inspection of the recording index would reveal the existence of the lien. The taxpayer's name as it appears on the *Notice of Federal Tax Lien* need not match the name as it appears in the Secretary of State record.

Second Copy of the Notice of Federal Tax Lien

The IRS provides recording officials with two copies of all notice of lien documents. Copies are clearly designated as "Recording Office" and "IRS". One copy, the recording office copy, is for recordation, retention or disposal by the recording office. It is important that only one recording occur per set of documents sent.

Recording offices that do not require a second copy for their records should request that the Lien Processing Operation at 1-800-913-4170 remove the second copy.

Please return the copy designated "IRS" with the appropriate recording data using the form *Transmittal Sheet for Required IRS Action* (See Appendix A of this document) and mail to the address listed.

Illegible unrecorded documents

Recording offices are asked to promptly record all federal tax lien documents. If the documents presented for filing are illegible, contact the Lien Processing Operation at 1-800-913-4170 for assistance.

Releases with incorrect Notice of Federal Tax Lien recording information

Prior to returning unrecorded Releases, recording offices should contact the Lien Processing Unit using Appendix A for missing or incorrect liber/book and page number of the *Notice of Federal Tax Lien*.

The Lien Processing Operation may be able to resolve the issue by phone at 1-800-913-4170 or by fax at 1-859-669-4931.

PAYMENT PROCEDURES

The Centralized Lien Processing Operation requests that local recording offices provide to the IRS the recording office contact name, street address, phone number, e-mail address, and the recording fee schedule. If this information changes, please forward updated information using the form in Appendix A thirty days prior to the change being implemented. .

Mailing address:

Internal Revenue Service
Centralized Lien Processing Operation
Stop 8420G
P.O. Box 145595
Cincinnati, OH 45250-5595

ELECTRONIC TRANSFER OF FUNDS (EFT)

Effective March 2010 payments for all lien documents mailed from the Lien Processing Operation will be made by electronic fund transfer to the recording office's financial institution.

The recording office designates the financial institution to receive payment by completing Standard Form 3881, *ACH Vendor/Miscellaneous Payment Enrollment Form*. This form can be obtained by calling the IRS Beckley Finance Center at 304-254-3300.

Please ensure enrollment forms reflect current information. Changes to the forms can be faxed to (304) 254-3544 or mailed to:

Internal Revenue Service
Beckley Finance Center
P. O. Box 9002
Beckley, WV 25802

Send questions concerning the EFT process to the IRS Beckley Finance Center via e-mail at cfo.bfc.helpdesk@irs.gov or call (304) 254-3300 for additional help.

Invoice Payment Procedures

Billing for recording services is not necessary under the EFT process and it will not be used for documents mailed from the Lien Processing Operation.

On occasion, a *Notice of Federal Tax Lien* or related document may be physically presented by an IRS employee to a recording office for immediate filing. In such situations, the recording office may request the IRS employee pay the filing fee at that time or it may submit an invoice to the Lien Processing Operation and have the fee paid via EFT.

To submit an invoice for documents that are physically presented, the recording office may use their own invoice or Form 3982, *Billing Support for Liens and Certificate Fees*, as provided by the IRS employee. The invoice should be immediately faxed to the Lien Processing Operation at (859) 669-4931.

Invoices should contain a number that the recording office can use to identify the payment. The IRS Finance Office will include this number on the EFT.

Upon receipt, the Lien Processing Operation will review and certify the document for payment and include it in the most current Billing Support Voucher to be sent to the IRS Beckley Finance Center.

Documents not presented by IRS

A taxpayer, financial institution, or other third party that presents a Federal tax lien document for filing is responsible to pay any recording fees due. Should there be any concerns regarding the legitimacy of the document presented for filing, the recording office should immediately contact the Lien Processing Operation for verification.

Recording Office fee schedule changes

Contact the Centralized Lien Processing Operation with issues relating to problems or changes to recording fees.

Recording offices should notify the Lien Processing Operation of fee changes 30 days prior to implementation. This helps the IRS to pay the proper fees in a timely manner.

The Lien Processing Operation toll free phone number for recording offices is 1-800-913-4170.

If the IRS sends *Notices of Federal Tax Lien* for recording and inadvertently remits insufficient recording fees, please do not return the *Notices of Federal Tax Lien* without recording. Notify the Lien Processing Operation. The balance due will be remitted with the next available electronic fund transfer.

Appendix A

Recording Office Notification to the IRS

Purpose of the Transmittal Sheet

Recording offices should record all federal tax lien documents when received.

Contact the IRS immediately, using this transmittal, to resolve issues preventing the timely recording of federal tax lien documents. 1-800-913-4170

Recording offices can also use this transmittal to notify the IRS of any changes to the contact information or changes to recording fees on file.

Recording Office Information

Recording Office	
Contact Person	
Address	
City/State/Zip	
Phone Number	
Fax Number	
E-Mail Address	

Information can be submitted via fax or mail.

1. Fax requests to: (859)669-4931, or

2. Mail requests to:

Internal Revenue Service
Centralized Lien Processing Operation
Attn: Recorder Information Coordinator
P.O. Box 145595
Cincinnati, OH 45250-5595

Please check the appropriate box:

- Updated contact information (use section above).
- Recording fee changes (attach updated fee schedule).
- Remit additional recording fees in the amount of \$_____.
(Attach copy of Billing Support Voucher to ensure prompt payment.)
- Illegible document(s) returned to the IRS unrecorded.
- Unrecorded Lien release returned to the IRS for missing or incorrect liber/book and page number or UCC number. Correction of filing information, if available:

- Other _____

Appendix B

Certificates Related to Notices of Federal Tax Lien

TITLE OF CERTIFICATE	IRS FORM NUMBER	GENERALLY FILED BY WHOM	ASSOCIATED DOCUMENTS THAT MAY BE FILED
Notice of Federal Tax Lien	668Y	IRS	n/a
Corrected Notice of Federal Tax Lien	Amended 668Y	IRS	n/a
Notice of Federal Tax Lien (Nominee/Alter Ego Lien)	668Y (Annotated)	IRS	A legal description of real property
Notice of Federal Tax Lien Refiling	668F	IRS	n/a
Notice of Federal Estate Tax Lien	668H 668J	IRS	A legal description of real property
Certificate of Duplication of Federal Tax Lien	Letter 2440	IRS*	n/a
Certificate of Release of Federal Tax Lien	668Z	IRS*	n/a
Certificate of Release of Federal Tax Lien (Erroneous Lien)	668Z (with special wording)	IRS*	n/a
Partial Release of Federal Tax Lien	Partial 668Z	IRS*	n/a
Certificate of Release of Federal Estate Tax Lien	668H 668J	IRS*	n/a
Revocation of Release of Federal Tax Lien	12474 12474-A	IRS	A new Notice of Federal Tax Lien
Partial Revocation of Release of Federal Tax Lien	Partial 12474 Partial 12474-A	IRS	A new Notice of Federal Tax Lien
Withdrawal of Filed Notice of Federal Tax Lien	10916	IRS*	n/a
Partial Withdrawal of Filed Notice of Federal Tax Lien	Partial 10916	IRS*	n/a
Certificate of Discharge of Property from Federal Tax Lien (various code sections)	669A 669B 669C 669G 669H	Taxpayer, Bank, Title Company	Deed transferring property**
Certificate of Subordination of Federal Tax Lien (various code sections)	669D 669E 669F	Taxpayer, Bank, Title Company	A new mortgage document**
Certificate of Discharge of Property from Federal Estate Tax Lien	792	Taxpayer, Bank, Title Company	Deed transferring parcel of property**
Certificate of Subordination of Federal Estate Tax Lien	669F	Taxpayer, Bank, Title Company	A new mortgage document**
Certificate of Nonattachment of Federal Tax Lien	Letter 1628	IRS*	n/a

* Infrequently, the document may be filed by the taxpayer, bank, title company, etc.

** Document filed by taxpayer, bank, title company, etc.

Note: Filings by the IRS are normally done by mail, but may be done in person. Any person claiming to be IRS personnel should provide identification.

ADDITIONAL RESOURCES

Forms and publications are available on the IRS Web site at www.irs.gov, or by calling 800-TAXFORM (800-829-3676).

File a Notice of Federal Tax Lien

www.irs.gov/businesses/small/article/0,,id=108339,00.html

Publication 594: The IRS Collection Process

www.irs.gov/pub/irs-pdf/p594.pdf

Publication 783: Instructions on How to Apply for a Certificate of Discharge of Property from the Federal Tax Lien

www.irs.gov/pub/irs-pdf/p783.pdf

Publication 784: How to Prepare Application for Certificate of Subordination of Federal Tax Lien

www.irs.gov/pub/irs-pdf/p784.pdf

Publication 1450: Request for Release of Federal Tax Lien

www.irs.gov/pub/irs-pdf/p1450.pdf

Publication 1024: How to Prepare Application for Certificate of Nonattachment of Federal Tax Lien

www.irs.gov/pub/irs-pdf/p1024.pdf

Publication 1075: Tax Information Security Guidelines for Federal, State, and Local Agencies

www.irs.gov/pub/irs-pdf/p1075.pdf

Publication 4235: Technical Services Group Addresses

www.irs.gov/pub/irs-pdf/p4235.pdf

Form 8821: Tax Information Authorization

www.irs.gov/pub/irs-pdf/f8821.pdf

Internal Revenue Code 6323(f)

www.law.cornell.edu/uscode/search/display.html?terms=lien&url=/uscode/html/uscode26/usc_sec_26_00006323----000-.html

Financial Management Service

www.fms.treas.gov

Internet Payment Platform

<https://IPP.gov>