



Small Business/Self-Employed Division

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

March 30, 2020

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Expiration Date: 07/15/2020  
Affected IRMs: See Below

MEMORANDUM FOR ALL COLLECTION EXECUTIVES

FROM: Frederick W. Schindler  
Director, Headquarters Collection,  
Small Business/Self- Employed Division

SUBJECT: Temporary Relief for Taxpayers - Suspension of Certain  
Collection Activities During the COVID-19 Pandemic

On March 13, 2020, the President declared a national state of emergency due to the COVID-19 pandemic. With this memorandum, pursuant to IRM 1.11.2.2.4 *When Procedures Deviate from the IRM*, we are implementing a temporary deviation that provides guidance as to the collection activities that should be suspended as well as others that will continue to take place during the suspension period (defined as now through July 15, 2020). To provide relief to taxpayers, employees should suspend most collection activities unless:

- there is a risk of permanent loss to the Government due to the expiration of a statute or other exigent circumstance, or,
- the taxpayer has agreed to an action.

**Note: Where we intend to pursue an action due to exigent circumstances, that determination must be approved by the Director of Collection, SB/SE.**

**Affected IRMs:** 1.4.20; 1.4.50; 1.4.55; 5.1.9; 5.1.10; 5.1.12; 5.1.15; 5.4.10; 5.4.11; 5.4.12; 5.4.13; 5.5.1; 5.5.3; 5.7.4; 5.8.1; 5.8.4; 5.8.7; 5.9.3; 5.9.4; 5.10.2; 5.10.3; 5.10.5; 5.11.2; 5.12.2; 5.14; 5.14.11; 5.16.1; 5.17.4; 5.17.6; 5.19.1; 5.19.4; 5.19.6; 5.19.7; 5.19.9; 5.19.10; 5.19.13; 5.19.17; 5.19.24

**Suspended Collection activities** include the following:

1. **General Collection Activities** – Absent exigent circumstances and executive approval, employees should not:

- a. Meet with taxpayers, powers of attorney or third parties in the office or the field.
- b. Issue Final Notices or warn of enforcement action.
- c. Request new Notices of Federal Tax Lien. Employees should process lien re-files per normal procedures. Employees should extend Lien Determinations past July 15, 2020.
- d. Issue levies. Employees should expeditiously handle release of levy decisions on a case by case basis under existing guidance, being mindful of the taxpayer's situation.
- e. Schedule or take seizure action. Elevate questions regarding currently scheduled seized property sales through management.
- f. Issue summonses to the taxpayer or third parties.
- g. Send letters proposing the investigation and assessment of the Trust Fund Recovery Penalty (except as required to protect an imminent ASSED).
- h. Pursue civil suit proceedings (except for internal administrative actions that do not result in taxpayer notification or contact).

NOTE: IRS has suspended automated levy programs including the Federal Payment Levy Program, the State Income Tax Levy Program, and the Municipal Income Tax Levy Program.

2. **Defaults of Installment Agreements** – Payments due between April 1 and July 15, 2020 are suspended. Effective immediately, we should not manually default any installment agreements. Beginning in April, installment agreements will not systemically default due to missed payments during the suspension period.

IRS will continue to deduct payments for Direct Debit agreements. Employees may be able to suspend certain single DDIA payments following IRM procedures. However, if taxpayers want to suspend all of their direct debit payments during the suspension period, they should contact their bank to stop the payments. (To avoid possible default on their installment agreement once the suspension period expires on July 15, 2020, taxpayers will need to inform their bank to allow debits to resume at least two weeks before their next payment is due).

3. **Certain Offer in Compromise (OIC) Activities** –
  - a. Pending OICs - IRS will allow taxpayers until July 15, 2020 to provide any requested additional information to support a pending OIC. The IRS will not close any pending OIC request before July 15, 2020 without the taxpayer's consent.
  - b. OIC Payments – Taxpayers have the option of suspending all payments on accepted OICs and pending OICs until July 15, 2020, although interest will continue to accrue on any unpaid balances while an OIC is pending.
  - c. Delinquent Return Filings – The IRS will not default an OIC for those taxpayers who are delinquent in filing their tax return for tax year 2018.

However, taxpayers should file any delinquent 2018 return (and their 2019 return) on or before July 15, 2020.

4. **Passport Certifications to the State Department** – IRS will suspend new certifications to the Department of State for taxpayers who are “seriously delinquent” during this period. Existing certifications will remain in place.

An **exigent circumstance** involves the 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. Generally, the taxpayer’s indication that he/she may file for bankruptcy is not an exigent circumstance.

Managers and employees must exercise good judgment and consider all relevant factors including the amount of the liability, the time remaining on a statute of limitations, the taxpayer’s individual circumstances, and all other relevant matters to determine if exigent circumstances exist.

**Certain Collection activities will continue**, including the following:

1. **Field Collection:**

- a) **Taxpayer contacts**

- i. Employees will generally make initial contacts by telephone.
- ii. Employees must make taxpayer contacts with caution and extreme sensitivity to the taxpayer’s personal circumstances. Stress and fatigue are factors requiring consideration, even in instances where taxpayers have not experienced any personal illness or monetary loss from the pandemic. Begin with an assessment of the impact of the situation on the taxpayer.
- iii. Employees may request that taxpayers provide documentation, but will not warn taxpayers of enforcement action. Absent exigent circumstances and executive approval, employees will not take enforcement action if the taxpayer does not provide the documentation.

- b) **Assignment of Case Inventory to ROs** - Managers will continue to assign inventory that is suited for employees to work under these circumstances. We plan to provide some general case assignment guidance separately.

- c) **High-Income Nonfiler (HINF) Cases** – IRS will continue to assign HINF cases and employees will continue to work them, although summonses to taxpayers and third parties will not be issued absent exigent circumstances.

- d) **Case Actions** - The following case actions will continue without additional managerial approval, unless already required:

- i. Issuing postal tracers. (However, employees should not issue a summons to obtain P.O. Box holder information during the collection suspension period, without approval).
- ii. Establishing new installment agreements (IAs). (When a NFTL determination is required, the NFTL should not be filed until after 7/15/2020. Function-specific guidance will be forthcoming).
- iii. Determining a taxpayer is currently not collectible. (When a NFTL determination is required, the NFTL should not be filed until after 7/15/2020. Function-specific guidance will be forthcoming).
- iv. Requesting credit reports. Employees may request credit reports on balance due accounts as appropriate, but employees will not follow up on leads obtained from this information via summons or interviews during the collection suspension period, without approval.
- v. Requesting State Wage and Unemployment Compensation Records from State Agencies.
- vi. Requesting Department of Motor Vehicle (DMV) information.
- vii. Completing online courthouse research or research through other government agencies for records to determine lien priority, business ownership or property ownership.
- viii. Referring TDI periods for assessment under IRC 6020(b) / SFR.
- ix. Inputting adjustment requests to reduce the tax liability, such as Substitute for Return reconsiderations and penalty abatements.
- x. Completing actions for which the taxpayer or third party does not require contact, e.g., determining a case is currently not collectible
- xi. Making TFRP assessments to protect an imminent statute.

## **2. Campus Collection (includes ACS, ACSS, CCP, CLO and CSCO):**

- a) During and at the end of the compliance suspension period, employees must make taxpayer contacts with caution and extreme sensitivity to the taxpayer's personal circumstances. Stress and fatigue are factors requiring consideration, even in instances where taxpayers have not experienced any personal illness or monetary loss from the crisis. Begin with an assessment of the impact of the situation on the taxpayer.
- b) Employees do not need managerial approval (unless required by current IRM procedures) for actions agreed to by the taxpayer, such as IAs.
- c) Employees do not need managerial approval when the taxpayer or third party does not require contact, for example when determining a case is currently not collectible or making adjustments.
- d) Employees will continue to process Direct Debit IA (DDIA) payments. Employees can use [IRM 5.19.1.6.4.18 Payment Skips](#) and [IRM 5.19.1.8.6.1 Request to Skip a Payment](#) to address requests to delay, skip, or temporarily decrease an IA payment. If a taxpayer wants to stop multiple DDIA payments, they should contact their bank to suspend payments for desired period.

- e) Nonfiler activities will continue (Automated Substitute for Return, Refund Hold, Automated 6020(b), Withholding Compliance Program, Backup Withholding).
- f) Campus employees should continue to follow:
  - i. Full Pay Agreement and Installment Agreement procedures in IRM 5.19.1, *Balance Due*
  - ii. Independent Review procedures (as applicable) in IRM 5.19.1, *Balance Due*
  - iii. Financial analysis procedures (as applicable) in IRM 5.19.13, *Campus Procedures for Securing Financial Information*
  - iv. Currently Not Collectible (CNC) procedures (as applicable) in IRM 5.19.17, *Campus Procedures for Currently Not Collectible and Offers in Compromise*.
  - v. Where a notice of federal tax lien determination is required in conjunction with an installment agreement or a CNC the NFTL should not be filed until after 7/15/2020. Function-specific guidance will be forthcoming.
- g) The Centralized Lien Operation will continue to issue releases of NFTLs as appropriate, as well as to work other NFTL certificates such as withdrawals and discharges.

### **3. Bankruptcy**

- a) Specialty Collection – Insolvency employees should continue to take the necessary steps to address court-imposed deadlines such as filing and amending proofs of claim, objecting to plans (when appropriate) and responding to objections to claims, objections to discharge, and motions to determine dischargeability of tax debts.
- b) IRS suspended discretionary activities such as filing NFTLs on dismissed cases, levies on exempt property, defaulting plans, referrals for conversion or dismissal or to secure delinquent returns through July 15, 2020, absent exigent circumstances. These actions require executive approval.

**4. Offers In Compromise** – Employees will continue to process OICs subject to the guidance above. Additional guidance specific to the Offer program will be forthcoming.

### **5. Probate Cases**

- a) In probate cases, employees may file Form 4490, Proof of Claim for Internal Revenue Taxes, and Letter 4653, Proof of Claim (Form 4490) Cover Letter, in probate proceedings as this is a protective action of the Government's interest, not an enforcement action
- b) Employees may issue form 10492, Notice of Federal Taxes Due, as it reflects the balance due on the account only. It does not demand payment or outline consequences if the taxpayer does not make the payment.
- c) Employees should not request new NFTLs on any accounts unless exigent circumstances exist.
- d) Employees may take follow up actions on filed proofs of claim, such as:

- i. Following up on documentation regarding acceptance or rejection of the claim
- ii. Reviewing notices related to distribution of estate assets/funds to determine if the payment to the Service was the appropriate amount
- iii. Performing research to follow up on the status of assets and probate proceedings
- iv. Determining if the taxpayer filed all required tax returns
- v. Reviewing documents to ensure distributions were in accordance with final accounting
- vi. Reviewing liens to determine if the Service filed them in the proper locations and when the Service needs to re-file them, and documenting needed follow up actions in the ICS history. NOTE – Employees should not request new Notices of Federal Tax Lien absent exigent circumstances and executive approval, but employees should process lien re-files per normal procedures.
- vii. Preparing referrals to Counsel, if required
- viii. Working requests for discharge of estate property

While we cannot anticipate and provide guidelines for every possible situation, it remains vitally important for all front-line employees to be sensitive to the individual circumstances of taxpayers and provide them with appropriate relief. We will continue to monitor this situation and may adjust as new developments occur.

I sincerely appreciate your continued efforts and dedication to assist as the nation works through the COVID-19 pandemic.

**Contact:** Employees should ask their management chain for guidance as to any issues not specifically addressed in this memo. Executives and their staff may contact Senior Technical Advisor Steve Bauman.

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