



Tax Reduction Letter

[CLICK HERE](#) to return to the home page

Internal Revenue Manual 5.14.1.4.3 (09-09-2014)

Notice of Federal Tax Lien and Installment Agreements

1. Prior to granting installment agreements, ensure the government's interest is protected. This includes filing and refiling Notices of Federal Tax Lien (NFTL), if necessary. (See IRM 5.12.2 regarding lien filing determinations.)
 - A. A lien determination must be made on all cases meeting the criteria of IRM 5.12.2.4.1. (In general, accounts that do not qualify for guaranteed, streamlined or IBTF express installment agreement processing require lien determinations.)
 - B. When filing a NFTL in connection with an installment agreement advise taxpayers in advance of the plan to file the lien and give them the opportunity to make full payment, or modify the IA to meet the non-filing criteria in IRM 5.12.2

Reminder:

If the taxpayer disagrees with the proposed notice filing, advise the taxpayer of their right to appeal under the Collection Appeals Program (CAP). Also explain to the taxpayer their right to request a Collection Due Process (CDP) hearing under Internal Revenue Code (IRC) §6320 once the notice has been filed. See IRM 5.12.6.

2. Notices of federal tax lien may be filed:
 - while installment agreements are pending;
 - in connection with granting installment agreements;
 - during the rejection process; and
 - during the default/termination period.

Note:

See IRM 5.14.11.5(1)(f) and IRM 5.14.11.6 regarding filing notices of federal tax lien during defaulted and/or terminated installment agreements.

3. Though it is not general practice to do so, liens may also be filed:
 - while installment agreements are in effect; and
 - during appeals of rejections, defaults and terminations. (Inform Appeals of this plan.)

Note:

Liens should only be filed if exigent circumstances exist (i.e. the taxpayer is liquidating or placing assets beyond the reach of the government). Group manager approval is required for liens filed in accordance with (3) above. Review IRM 5.14.11.6 prior to filing these Notices of Federal Tax Liens.

4. If a NFTL will be required on pre-assessed tax period(s), the request for lien filing must be manually submitted on Form 12636, *Request for Filing or Refiling Notice of Federal Tax Lien* to the Centralized Lien Unit (CLU) once the tax period is assessed. CCP will **NOT** hold or process any request for NFTL filing on a pre-assessed period submitted with an installment agreement.