



Tax Reduction Letter

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Internal Revenue Manual Section 5.8.5.11 (10-22-2010)

Furniture, Fixtures, and Personal Effects

1. The taxpayer's declared value of household goods is usually acceptable unless there are articles of extraordinary value, such as antiques, artwork, jewelry, or collector's items. Exercise discretion in determining whether the assets warrant personal inspection.
2. There is a statutory exemption from levy that applies to the taxpayer's furniture and personal effects. This exemption amount is updated on an annual basis.

Note:

This exemption applies only to individual taxpayers.

3. When determining the value consider the following:

If...	Then...
The taxpayer qualifies as head of household, single, or married	Grant a reduction in the value of personal effects for the levy exemption amount.
The property is owned jointly with any person who is not liable for the tax	Determine the value of the taxpayer's proportionate share of property before allowing the levy exemption.
Some of the furniture or fixtures are used in a business	They are not personal effects, but they may qualify for the levy exemption as tools of a trade.
If the property has an encumbrance with priority over the NFTL	Allow the encumbrance in addition to the statutory exemption.