

# **INTERNAL REVENUE SERVICE**

## **Centralized Lien Processing Information for External Stakeholders**

### **Information about Timely Filing, Releasing, Recording and Payoff Requests of Federal Tax Liens**

**Internal Revenue Service  
Cincinnati IRS Campus  
P.O. Box 145595  
Cincinnati, OH 45250-5595**

**1-800-913-6050**



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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.*

*This document is prepared by the IRS to provide information to external stakeholders about federal tax lien documents.*

## **BACKGROUND OF CENTRALIZED LIEN PROCESSING**

The Internal Revenue Service is authorized to file notices of federal tax liens at recording offices nationwide.

In addition, the law requires the Internal Revenue Service to release fully paid and unenforceable liens. Compliance with this requirement has figured prominently in the Service's transition to centralized lien filing.

In 2005, the IRS consolidated multiple lien operations, on a state-by-state basis throughout the United States into a single centralized lien processing operation at the Cincinnati IRS Campus.

The centralization design focused on the dual needs for experienced staffing and responsiveness to stakeholder needs. The revamping of this Compliance Support function enables the IRS to achieve greater efficiency and to improve its ability to enforce federal tax laws.

The nationwide IRS lien processing function nationwide is now centralized at the Cincinnati IRS Campus. The Small Business/Self-Employed (SB/SE) Campus Compliance Services Operations (CCSO) Division is responsible for this work.

Employees in this department send out the *Notice of Federal Tax Lien* to local recording offices for filing. They also process requests for all federal tax liens and releases. Employees handle telephone inquiries and correspondence from taxpayers, their representatives and county recording offices. They also assist IRS field personnel with lien-related activity.

These guidelines are intended to provide information to external stakeholders about the centralized IRS lien processes.

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## **IRS CONTACT INFORMATION**

Mailing address: Internal Revenue Service  
Cincinnati IRS Campus  
P.O. Box 145595  
Cincinnati, OH 45250-5595

Toll free phone number 1-800- 913-6050

Publications are available on the [IRS Web site](#), or by calling 800-TAX- FORM (800 829-3676)

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## **THE 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 only 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 certain priority rights against 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 notified that the IRS has a claim against all of the taxpayer's property and any property rights owned or acquired after the lien is filed. This notice is used by courts to establish priority in certain situations, such as bankruptcy proceedings or sales of real estate.

## **RELEASING A LIEN**

The IRS issues a *Release of the Notice of Federal Tax Lien* within 30 days after the taxpayer satisfies the tax liability, including interest and other additions, by paying the debt or by having it adjusted, or within 30 days after the IRS accepts a bond that the taxpayer submits, guaranteeing payment of the debt.

Once a lien is filed, the IRS generally 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 state or other jurisdiction charges to file and release the lien. These fees will be added to the amount owed.

Refer to [\*Publication 1450: Request for Release of Federal Tax Lien\*](#)

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## **SELF-RELEASING LIENS**

A lien usually releases automatically 10 years after a tax is assessed unless the statutory period for collection has been extended and the effect of the lien has been extended by re-filing. These liens are considered self-released and the IRS does not issue a release.

When a lien is self-releasing, the *Notice of Federal Tax Lien* itself becomes the release document. 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 lien has been self released if the date for refiling has passed and the IRS has not filed another *Notice of Federal Tax Lien*.

The IRS recommends that recording offices provide the requestor with a copy of the lien and identify the self-releasing language. This information is contained directly under the name and address on the lien document.

Refer to [Publication 1450: Request for Release of Federal Tax Lien](#)

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## **REQUESTING A BALANCE DUE FOR LIEN RELEASE**

The assessed amount of the lien at the time of filing will remain a matter of public record until it is paid in full. However, at any time, the taxpayer may request an updated lien payoff or balance due amount to show the remaining balance due. An IRS employee can issue a letter to the taxpayer with the current amount that must be paid before the IRS releases the *Notice of Federal Lien*.

The Cincinnati IRS Campus centralized lien unit assists taxpayer representatives, lenders, and escrow or title companies requesting a balance due or payoff statement for a *Notice of Federal Tax 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.

Fax request to number listed in Publication 1450, [\*\*Instructions on How to Request a Certificate of Release of Federal Tax Lien\*\*](#)

Or mail it to  
Internal Revenue Service  
CCP – Lien Unit  
P O Box 145595  
Stop 8420G  
Cincinnati, OH 45250-5595

Payoff computations may take up to 14 calendar days to process. Your successfully completed fax transmission or mailing certification, serves as your acknowledgement.

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## **APPLYING FOR A DISCHARGE OF A NOTICE OF FEDERAL TAX LIEN**

If the taxpayer is transferring ownership of property the taxpayer may apply for a *Certificate of Discharge*. Each application for a discharge of a tax lien releases the effects of the lien against one piece of property. When certain conditions exist, a third party may also request a *Certificate of Discharge*.

Refer to [\*Publication 783: Instructions on How to Apply for a Certificate of Discharge of Property from the Federal Tax Lien\*](#) and [\*Publication 4235: Technical Services Advisory Group Addresses\*](#)

## **MAKING THE IRS LIEN SECONDARY TO ANOTHER LIEN**

Creditors may refuse to extend credit to the taxpayer unless their lien will be satisfied before the federal tax lien. Subordination is the process that can make a federal tax lien secondary to another lien.

Refer to [\*Publication 784: How to Prepare Application for Certificate of Subordination of Federal Tax Lien\*](#) and [\*Publication 4235: Technical Services Advisory Group Addresses\*](#)

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## WITHDRAWING LIENS

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

- Notice was filed too soon or not according to IRS procedures.
- Taxpayer entered into an installment agreement to pay the debt on the notice of lien unless the agreement provides otherwise.
- Withdrawal will speed collecting the tax.
- Withdrawal would be in the taxpayer's best interest (as determined by the taxpayer advocate) and the best interest of the government.

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

If a taxpayer thinks a federal tax lien has been filed against them in error the taxpayer can request a *Certificate of Nonattachment*.

Refer to [Publication 1024: How to Prepare Application for Certificate of Nonattachment of Federal Tax Lien](#) and [Publication 4235: Technical Services Advisory Group Addresses](#)

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

The IRS developed the following standardized procedures and new features to enhance our ability to efficiently serve our customers:

- Toll free access for payoff, balance due and lien release requests: 1-800-913-6050
- All requests will be worked in the order in which they are received. Your fax confirmation sheet will be proof that the item was received. Please allow fourteen days before following up on requests.
- Two copies of all payoff letters will be mailed to the taxpayer. Payoff letters cannot be faxed. One copy of the payoff letter must be returned with the payment to ensure proper application and timely release of the lien.
- Requests submitted by a third party must include a properly completed Form 8821, *Tax Information Authorization*. Forms 8821 can be obtained by calling 1-800-TAX-FORM (1-800-829-3676) or by visiting the [IRS.gov](https://www.irs.gov)
- Information may be disclosed to fourth parties only if the third party authorization states that another company may be hired to obtain the information AND the taxpayer has signed and dated the authorization. The authorization must be received by the IRS within 60 days of the taxpayer's signature.

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## **FURTHER INFORMATION FOR COMPLETING FORM 8821, TAX INFORMATION AUTHORIZATION**

In order for the IRS to complete a request for payoff of a federal tax lien ALL third parties must submit a [Form 2848, Power of Attorney and Declaration of Representative](#) or the [Form 8821, Tax Information Authorization](#).

When requesting a balance due for tax liabilities identified on a federal tax lien please ensure you have given all pertinent information:

- Name of Taxpayer
- SSN and or EIN
- The date you want the computation computed through
- Identify yourself and include your telephone number and address

The IRS cannot research the type of tax and/or tax periods for you in order to complete the Form 8821.

Line by line instructions on the Form 8821 for lien payoffs by lenders

### **Line 1: Taxpayer Information**

Do not enter the appointee's name or address here.

Enter the name, Taxpayer Identification Number (TIN) and the street address of your client.

For individuals: Enter all applicable TINs. For example: both spouses and any business ID number.

Corporations, partnerships, or associations: Enter the name, EIN, and business address.

Trust: Enter the name, title, and address of the trustee, and the name and EIN of the trust.

Estate: Enter the name, title, and address of the decedent's executor/personal representative, and the name and identification

number of the estate. The identification number for an estate includes both the EIN, if the estate has one, and the decedent's TIN.

## **Line 2: Appointee**

Enter your full name. Use the identical full name on all submissions and correspondence. If you have a Centralized Authorization File (CAF) number enter it. If you do not have a CAF number enter "NONE."

If there is more than one appointee, indicate that there are additional appointees and attach a list with the same information for each appointee. This would be used if your company is contracting with another company for work to be done.

If you have a CAF number and your address, fax, or telephone number is new check the box so the information can be updated in the CAF. Line 2 allows a valid POA who wants to change or correct their address of record based on their assigned number.

## **Line 3: Tax Matters**

Type of tax: List the type of return such as income tax or excise tax.

Tax form number: List the tax form number, such Form 1040 or 720, of the return information you are requesting. These relate to the type of tax.

Years or periods: List what specific tax year liabilities you are requesting information on such as 1999 or if multiple years 1999 – 2002 would cover 1999 through 2002. For business accounts you may list 1<sup>st</sup> 2<sup>nd</sup> and 3<sup>rd</sup> quarter of 2003.

**Do not use a general reference such as " ALL Liens" "All years," "All periods," or "All taxes." Any tax information authorization with a general reference will be returned unprocessed.**

The specific tax matter is a federal tax lien payoff.

#### **Line 4: Specific Use Not Recorded on CAF**

Check the box on line 4 when requesting lien payoffs. This will not have the authorization loaded to the CAF. Line 4 is an indicator that the form is being used for a single issue and will not be recorded in CAF.

#### **Line 7: Signature of Taxpayer(s)**

Form 8821 must be signed within 60 days of submitting it to the IRS. Please refer to the instructions for Form 8821 for information about who can sign the form.

**Submitting the Form 8821:** You must submit both the Form 8821 and the request for a lien or balance due payoff request at the same time.

Each and every time you make a follow up, request a copy of the Form 8821 should be submitted to assist in expediting the response.

For lien payoff requests please fax your completed Form 8821 and payoff request to the number listed in Publication 1450, [Instructions on How to Request a Certificate of Release of Federal Tax Lien](#).

Or mail to:  
Internal Revenue Service  
CCP - Lien Unit  
P.O. Box 145595  
Stop 8420G Team (*enter Team Number from Publication 1450*),  
[Instructions on How to Request a Certificate of Release of Federal Tax Lien](#).  
Cincinnati, Ohio 45250-5595

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## **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 2004, legislation was introduced in the House of Representatives that would have mandated elimination of full SSN information from publicly available documents. Although the legislation did not become law, the IRS decided to go forward with a plan to redact SSN information on the publicly recorded notice in a manner that conforms to the proposed legislation. The IRS will redact SSN information on the publicly recorded notice in a manner that conforms to the proposed federal legislation.

Effective January 2006, the Automated Lien System output file will be modified to include redacted SSN information in the format XXX-XX-NNNN. Only the last four digits will appear on the *Notice of Federal Tax Lien*.

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## **ADDITIONAL RESOURCES**

Forms and publications are available on the [IRS Web site](#), or by calling 800-TAX-FORM (800-829-3676)

[\*\*File a Notice of Federal Tax Lien\*\*](#)

[\*\*Release of the Notice of Federal Tax Lien – Gulf Coast Hurricanes\*\*](#)

[\*\*Publication 594: The IRS Collection Process\*\*](#)

[\*\*Publication 783: Instructions on How to Apply for a Certificate of Discharge of Property from the Federal Tax Lien\*\*](#)

[\*\*Publication 784: How to Prepare Application for Certificate of Subordination of Federal Tax Lien\*\*](#)

[\*\*Publication 1450: Request for Release of Federal Tax Lien\*\*](#)

[\*\*Publication 1024: How to Prepare Application for Certificate of Nonattachment of Federal Tax Lien\*\*](#)

[\*\*Publication 1075: Tax Information Security Guidelines for Federal, State, and Local Agencies\*\*](#)

[\*\*Form 2848, Power of Attorney and Declaration of Representative\*\*](#)

[\*\*Publication 4235: Technical Services Group Addresses\*\*](#)

[\*\*Form 8821: Tax Information Authorization\*\*](#)

[\*\*Form 12474-A: Revocation of Certificate of Release of Federal Tax Lien\*\*](#)

[\*\*Internal Revenue Code 6323\(f\)\*\*](#)

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