

INTERNAL REVENUE SERVICE

Centralized Lien Processing Guidelines for Recording Offices

Information about Timely Filing, Prompt Payment & Proper Recording 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 local recorders about procedures for timely filing and proper recording of federal tax lien documents.

BACKGROUND OF CENTRALIZED LIEN PROCESSING

In 2005, the IRS consolidated multiple lien operations, on a state-by-state basis throughout the United States into a single centralized lien processing team 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 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 local recording offices. They also assist IRS field personnel with lien-related activity.

This document is intended to provide information to local recording offices nationwide about the centralized IRS lien processes and procedures to ensure that federal tax liens are timely filed, promptly paid, and properly recorded.

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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 FOR RECORDING OFFICES USE ONLY: 1- 800- 913- 4170

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

Please contact the Cincinnati IRS Campus centralized lien unit with any questions or concerns.

The centralized lien unit staff is authorized by the IRS to contact your office for the purpose of resolving problems concerning the filing of federal tax liens and related documents. As such, they are authorized access to all federal tax information contained in and related to such liens and related documents. Your office should feel free to disclose information contained in such liens and documents, to the extent necessary to resolve any problems, with and only with those employees.

LOCAL RECORDING OFFICE INFORMATION

The centralized lien unit requests all local recording offices to mail contact information, including name, street address, phone number and email address as well as an updated federal tax lien document recording fee schedule to the Cincinnati IRS Campus address listed above, in order to update our records and keep the lines of communication open.

Use the *Transmittal Sheet for Required IRS Action*, [Appendix A](#) in this document, to provide this information.

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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 for the amount of the taxpayer's liability.

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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 United States government 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.

It is critical that local recording offices ensure that federal tax liens are timely 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, creditors, and taxpayers in general.

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RELEASING A LIEN

The IRS issues a *Release of the Notice of Federal Tax Lien* within 30 days after the taxpayer satisfies the tax due (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, if the statutory period for collection has not been extended and the IRS extended the effect of the lien by re-filing it. These liens are considered self-released and the IRS does not issue a separate 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* for the same tax period and assessment date.

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.

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REQUESTING A BALANCE DUE FOR LIEN RELEASE

The amount on the 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. 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 can assist 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. The *Form 8821* must be received by the IRS within 60 days of the taxpayer's signature.

Requests can be faxed to 1-859-669-3805, or mailed 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. The successfully completed fax transmission, or mailing certification, serves as the acknowledgement of the request.

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STANDARDIZED PROCEDURES FOR RECORDING OFFICES

The IRS is taking specific steps to improve the service to your recording office.

The Cincinnati IRS Campus centralized lien unit will:

- Include digitized signatures on all lien documents
- Provide billing support vouchers for lien documents identifying recording fees

Send all your recording information to the address below to ensure efficient handling:

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

If a member of the public contacts your office, provide them with the toll free lien processing number, (800) 913-6050.

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FREQUENTLY ASKED QUESTIONS

Recording officials throughout the country have had questions about the standardized format and content of federal lien documents. Documents are sometimes returned unrecorded or set aside, causing the IRS to lose priority. Taxpayers may be harmed when recording offices do not record certificates of release, revocations, and withdrawals in a timely manner.

In order to assist recording offices, the IRS has developed answers to several key frequently asked questions.

What if the Form and/or Content Of The *Notice of Federal Tax Lien* Does Not Conform to Local Regulations?

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. 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.

[Internal Revenue Code 6323\(f\)](#), states in part...”the form and content of the tax lien will be determined by the Secretary or his designee...(s)uch notice shall be valid notwithstanding any other provision of law regarding the form or content of a notice of lien.”

What if the Cover Sheet Of The *Notice of Federal Tax Lien* Does Not Conform to Local Regulations?

As mentioned above, [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 for cover sheets if lien document margins do not conform to state regulation, or if additional space is needed for recording data. State and local regulations cannot override this provision, and recording officials cannot refuse to record documents without cover sheets.

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What if the *Notice of Federal Tax Lien* Does Not Contain an 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.

If the recording fees are incorrect what should the recording office do with the federal tax lien documents?

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

Use the *Transmittal Sheet for Required IRS Action*, [Appendix A](#) in this document, to fax additional recording fee requests to the IRS.

See the [Payment Procedure](#) section of this handbook for information about monthly billing and Electronic Funds Transfer (EFT)/Direct Deposit.

What if there are recording fee schedule changes in recording offices?

Recording offices should file all federal tax lien documents when received from the IRS. Lien documents should not be returned to the IRS unrecorded.

Contact the Cincinnati IRS Campus centralized lien unit with issues concerning recording fees using the *Transmittal Sheet for Required IRS Action*, in [Appendix A](#), in this document.

Recording offices should forward federal tax lien recording fee changes 30 days prior to implementation. This helps the IRS to pay the proper fees in a timely manner.

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Notify the IRS of fee changes prior to implementation by the recording office.

The IRS diligently attempts to meet its obligations in a timely and accurate manner.

Can recording offices input lien information into non-IRS systems?

Recording officials may input federal tax lien information only into the electronic system that will generate the recording of the *Notice of Federal Tax Lien* and, ultimately, make it available to the public. Any such system must strictly adhere to IRS security standards.

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

What should the recording office do with the second copy of the *Notice of Federal Tax Lien* or other federal tax lien document?

The IRS provides recording officials with two copies of all 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.

Please return the copy designated “IRS” with the appropriate recording data, using the form in [Appendix A](#), *Transmittal Sheet for Required IRS Action*, of this document to the address listed.

How does the recording office return illegible unrecorded documents?

Use the *Transmittal Sheet for Required IRS Action*, [Appendix A](#), to return illegible unrecorded documents to the listed IRS address.

Does the taxpayer's name as it appears on the notice of federal tax lien have to match the name as it appears in secretary of state records?

No. A recent court ruling affirmed that the 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.

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PAYMENT PROCEDURES

SUBMISSION OF INVOICES

Recording offices should submit monthly billing documents to the Cincinnati Internal Revenue Service Campus. Recording offices may use a standardized billing voucher, [Appendix B](#) in this document, or their own invoice, provided it contains the same information.

Billing documents should contain an invoice number that the recording office can use to identify the payment. The IRS Finance Office will include this number on the Electronic Funds Transfer (EFT) or paper check remittance.

PROCESSING OF INVOICES

Upon receipt of the billing document, the Cincinnati IRS Campus will review and certify the document for payment on a monthly basis.

The Cincinnati IRS Campus sends the certified invoices to the IRS Finance Center in Beckley, West Virginia. The IRS Finance Center will process the payment through the Department of the Treasury. The method of payment (EFT or paper check) will determine the date that payment can be expected to be received by your office.

ELECTRONIC TRANSFER OF FUNDS (EFT)

Payment by EFT is strongly encouraged. EFT payments are processed by the Treasury Department by electronic means to the recording office's financial institution. When the Treasury Department receives the payment file from the IRS Finance Center, EFT payments can be expected in your financial institution within 2 to 3 business days. Paper check remittances issued by the Treasury Department will take one week or longer to be issued and reach your office.

ACH Vendor/Miscellaneous Payment [Enrollment Form](#) can be accessed on-line from the [Beckley Finance Center](#) using the Web site address <http://fms.treas.gov/pdf/3881.pdf>

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Please ensure completed enrollment forms are faxed to (304) 256-6033.

Completed enrollment forms can also be 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: BFC.Customer.Service@irs.gov.

Recording offices can call (304) 256-6000 for transfer to the appropriate technician for additional help.

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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 United States 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.

Effective January 2006, the Automated Lien System which generates lien filings was 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*. The last four digits may not be changed by the recording offices. Refer to the [Frequently Asked Questions](#) in this document relating to altering the format of federal tax liens.

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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 is now expanding the process.

Contact George Crump (202) 283- 2296 or Ken Meyer (702) 868-5352 or refer to the irs.gov for more information about the [Electronic Lien Process](#).

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Appendix A

TRANSMITTAL SHEET

for

Required IRS Action: Federal Tax Lien Documents

Recording offices should record all federal tax lien documents.

Fax requests for additional recording fees to: 859-669-4931

Recording offices should return this sheet with any necessary attachment(s) to

**Internal Revenue Service
Cincinnati IRS Campus
Attn: Recorder Information Coordinator
P.O. Box 145595
Cincinnati, OH 45250-5595**

Recording offices should check the appropriate box:

_____ Copies of Recorded federal tax lien document(s) attached for IRS records. (IRS COPY)

_____ IRS must remit additional recording fees for \$_____ to:

_____ (Name and address of recording office)

Recording office file #: _____

_____ Illegible unrecorded document(s) returned to the IRS.

_____ Unrecorded Lien release returned to the IRS for missing or incorrect liber/book and page number.

Recording offices correction of liber/book and page number, if available:

_____ Other _____

Appendix B

STANDARDIZED BILLING VOUCHER
Recorder Invoice for Federal Tax Lien Filings

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

Bill Date _____

Bill Invoice No _____

Recording Office Name _____

Recording Office _____

Address _____

For documents filed between _____ and _____

You filed	liens	at	per lien is	\$
You filed	releases	at	per release is	\$
You filed	withdrawals	at	per withdrawal is	\$
You filed	revocations	at	per revocation is	\$

Please pay \$ _____ by _____

(Signature) _____

Title: (Recorder) _____

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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**](#)

[**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\(f\)**](#)

[**ACH Vendor/Miscellaneous Payment Enrollment Form**](#)

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