

Information about the Federal Tax Levy

Wage levies and bank account levies are two of the prime methods that the IRS uses for tax debt collection. Regardless of which technique the IRS decides to implement, both points out that you have a very serious IRS problem.

When you owe the IRS a certain amount of debt from taxes, the latter has the power to levy or garnish your wages. They may also garnish retirement income, social security benefits and any bonuses that you earn. Unlike many other creditors, the IRS, representing the government, actually does not have to sue you in order for them to garnish your pay. All they have to do is send a notification to your employer and the latter is then obligated to transfer a certain amount of your salary to them instead of you. A wage levy release or the full settlement of your dues resolves a wage garnishment.

The IRS compels the clients of independent contractors and the self-employed to directly pay a certain amount of money to the former. Although some amount will still be given to the contractors, this is substantially less than the normal checks they receive. The IRS publication 1494 is a useful resource regarding this matter.

Issuing a bank account levy is the IRS, the second primary method of collecting tax debts. This method allows the IRS to take all of your money in any of the bank accounts registered under your name. There is no use arguing with your bank as they will always say they have no choice and they cannot defy a government order. However, the bank will only transfer to the IRS funds that are on the account the day that the levy is received. Hypothetically, if the bank gets the levy notice on a Tuesday and you deposit a check on Friday, the IRS cannot take the money deposited on Friday except if they have another levy

You are provided with 21 days to get a levy release if the IRS enforces a bank account levy on you. If no effort is exerted to get a levy release, the bank will automatically send your funds to the IRS. They may transfer up to the actual amount that is owed from the IRS. The Internal Revenue Service can also take more money from any of your accounts by simply issuing other bank levies.

Wage and bank account levies are just few of the collection methods utilized by the IRS. In rare cases, they can also levy your personal belongings like jewelry, house, insurance policies and collectables. To avoid getting to this point, pay the IRS what you owe them as a tax levy is a grave IRS problem that does not simply go away.

As clearly pointed out in this article, a Federal tax levy is a serious issue in all respects. Hence, before the government imposes more threatening collection procedures, the likes of tax levies, taxpayers owing the IRS amounts of money should settle these dues now.

Darrin T. Mish is a Nationally recognized Attorney whose practice focuses on representing clients across the United States with IRS Problems. He is AV rated by Martindale-Hubbel and is a member of the American Society of IRS Problem Solvers and the Tax Freedom Institute. He has been honored by a listing in Martindale-Hubbel's Bar Register of Preeminent Lawyers. His passion is providing IRS help to taxpayers with both individual and payroll tax problems. He also spends a great deal of time traveling the nation providing training to attorneys, CPAs and Enrolled Agents on how to handle their toughest cases with the IRS. If you would like more information about his services please visit <http://getirshelp.com>.