

**Levy**

Due from *(Taxpayer name and address)*

Originating Internal Revenue Territory Office

Taxpayer Identification Number *(TIN)* ▶

Kind of Tax	Tax Period Ended	Unpaid Balance of Assessment	Statutory Additions	Total
		\$	\$	\$
			<b>Total amount due</b> ▶	\$

The amounts shown above are now due, owing, and unpaid to the United States from the above taxpayer for internal revenue taxes. Notice and demand have been made for payment. Chapter 64 of the Internal Revenue Code provides a lien for the above tax and statutory additions. Section 6331 of the Code authorizes collection of taxes by levy on all property or rights to property of a taxpayer, except property that is exempt under section 6334.

Therefore, under the provisions of Code section 6331, so much of the property or rights to property, either real or personal, as may be necessary to pay the unpaid balance of assessment shown, with additions provided by law, including fees, costs, and expenses of this levy, are levied on to pay the taxes and additions.

Dated at \_\_\_\_\_, 20\_\_\_\_  
*(Place)* *(Date)*

Signature of Revenue Officer		Telephone number	Date
<b>Concurrence</b>	Printed name of Group Manager	Signature	Date
	Printed name of Territory Manager	Signature	Date
	Printed name of Area Director, if required	Signature	Date

\_\_\_\_\_ **was asked to be present during inventory.**  
*(Printed name of taxpayer or taxpayer's representative)*

**The above named individual was present at inventory.**  Yes  No

\_\_\_\_\_ *(Signature of Revenue Officer)*

## Applicable Sections of the Internal Revenue Code

### Sec. 6321. Lien for taxes

### Sec. 6322. Period of lien

### Sec. 6323. Validity and Priority Against Certain Persons

### Sec. 6324. Special Liens for Estate and Gift Taxes

### Sec. 6325. Release of lien or discharge of property

### Sec. 6331. Levy and distraint

### Sec. 6332. Surrender of property subject to levy

### Sec. 6334. Property exempt from levy

### Sec. 6335. Sale of Seized Property

### Sec. 6339. Legal Effect of Certificate of Sale of Personal Property and Deed of Real Property

### Sec. 6343. Authority to Release Levy and Return Property

### Sec. 7429. Review of Jeopardy Levy or Assessment Procedures

### Sec. 6331. Levy and Distraint

(a) **Authority of Secretary.**—If any person liable to pay any tax neglects or refuses to pay the same within 10 days after notice and demand, it shall be lawful for the Secretary to collect such tax (and such further sum as shall be sufficient to cover the expenses of the levy) by levy upon all property and rights to property (except such property as is exempt under section 6334) belonging to such person or on which there is a lien provided in this chapter for the payment of such tax. Levy may be made upon the accrued salary or wages of any officer, employee, or elected official, of the United States, the District of Columbia, or any agency or instrumentality of the United States or the District of Columbia by serving a notice of levy on the employer (as defined in section 3401 (d)) of such officer, employee, or elected official. If the Secretary makes a finding that the collection of such tax is in jeopardy, notice and demand for immediate payment of such tax may be made by the Secretary and upon failure or refusal to pay such tax, collection thereof by levy shall be lawful without regard to the 10-day period provided in this section.

(b) **Seizure and Sale of Property.**—The term "levy" as used in this title includes the power of distraint and seizure by any means. Except as otherwise provided in subsection (e), a levy shall extend only to property possessed and obligations existing at the time thereof. In any case in which the Secretary may levy upon property or rights to property, he may seize and sell such property or rights to property (whether real or personal, tangible or intangible).

(f) **Uneconomical Levy.**—No levy may be made on any property if the amount of the expenses which the Secretary estimates (at the time of levy) would be incurred by the Secretary with respect to the levy and sale of such property exceeds the fair market value of such property at the time of levy.

### Sec. 6334. Property Exempt from Levy.

(a) **Enumeration.**—There shall be exempt from levy—

(1) **Wearing apparel and school books.**—Such items of wearing apparel and such school books as are necessary for the taxpayer or members of his family.

(2) **Fuel, provisions, furniture, and personal effects.**—So much of the fuel, provisions, furniture, and personal effects in the taxpayers household, and of the arms for personal use, livestock, and poultry of the taxpayer, as does not exceed \$6,250 in value.

(3) **Books and tools of a trade, business or Profession.**—So many of the books and tools necessary for the trade, business, or profession of the taxpayer as does not exceed in the aggregate \$3,125 in value.

(13) **Residences exempt in small deficiency cases and principal residences and certain business assets exempt in absence of certain approval or jeopardy.**

(A) **Residences in small deficiency cases.** If the amount of the levy does not exceed \$5,000—

(i) any real property used as a residence by the taxpayer, or

(ii) any real property of the taxpayer (other than real property, which is rented) used by any other individual as a residence.

(B) **Principal residences and certain business assets.**—Except to the extent provided in subsection (e)—

(i) the principal residence of the taxpayer (within the meaning of section 121); and

(ii) tangible personal property or real property (other than real property which is rented) used in the trade or business of an individual taxpayer.

(E) **Levy allowed on principal residences and certain business assets in certain circumstances.**

#### (1) Principal residences

(A) Approval required. A principal residence shall not be exempt from levy if a judge or magistrate of a district court of the United States approves (in writing) the levy of such residence.

(B) Jurisdiction. The district courts of the United States shall have exclusive jurisdiction to approve a levy under subparagraph (A).

(2) **Certain business assets.**—Property (other than a principal residence) described in subsection (a)(13)(B) shall not be exempt from levy if—

(A) a district director or assistant district director of the Internal Revenue Service personally approves (in writing) the levy of such property; or

(B) the Secretary finds that the collection of tax is in jeopardy.

An official may not approve a levy under subparagraph (A) unless the official determines that the taxpayer's other assets subject to collection are insufficient to pay the amount due, together with expenses of the proceedings.

(g) **Inflation adjustment.**

(1) **In general.** In the case of any calendar year beginning after 1999, each dollar amount referred to in paragraphs (2) and (3) of subsection (a) shall be increased by an amount equal to—

(A) such dollar amount, multiplied by

(B) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year, by substituting "calendar year 1998" for "calendar year 1992" in subparagraph (B) thereof.

### Sec. 6335. Sale of Seized Property

(1) **Right to Request Sale of Seized Property Within 60 Days.**—The owner of any property seized by levy may request that the Secretary sell such property within 60 days after such request (or within such longer period as may be specified by the owner). The Secretary shall comply with such request unless the Secretary determines (and notifies the owner within such period) that such compliance would not be in the best interests of the United States.

### Sec. 6343. Authority to Release Levy and Return Property

(a) **Release of Levy and Notice of Release.**—

(1) **In general.**—Under regulations prescribed by the Secretary, the Secretary shall release the levy upon all, or part of, the property or rights to property levied upon and shall promptly notify the person upon whom such levy was made (if any) that such levy has been released if—

(A) the liability for which such levy was made is satisfied or becomes unenforceable by reason of lapse of time,

(B) release of such levy will facilitate the collection of such liability,

(C) the taxpayer has entered into an agreement under section 6159 to satisfy such liability by means of installment payments, unless such agreement provides otherwise,

(D) the Secretary has determined that such levy is creating an economic hardship due to the financial condition of the taxpayer, or

(E) the fair market value of the property exceeds such liability and release of the levy on a part of such property could be made without hindering the collection of such liability.

For purposes of subparagraph (C), the Secretary is not required to release such levy if such release would jeopardize the secured creditor status of the Secretary.

(2) **Expedited determination on certain business property.**—In the case of any tangible personal property essential in carrying on the trade or business of the taxpayer, the Secretary shall provide for an expedited determination under paragraph (1) if levy on such tangible personal property would prevent the taxpayer from carrying on such trade or business.

(3) **Subsequent Levy.**—The release of levy on any property under paragraph (1) shall not prevent any subsequent levy on such property.

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Dated at \_\_\_\_\_, 20\_\_\_\_  
*(Place)* *(Date)*

Signature of Revenue Officer		Telephone number	Date
<b>Concurrence</b>	Printed name of Group Manager	Signature	Date
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\_\_\_\_\_ **was asked to be present during inventory.**  
*(Printed name of taxpayer or taxpayer's representative)*

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(f) **Uneconomical Levy.**—No levy may be made on any property if the amount of the expenses which the Secretary estimates (at the time of levy) would be incurred by the Secretary with respect to the levy and sale of such property exceeds the fair market value of such property at the time of levy.

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(ii) any real property of the taxpayer (other than real property, which is rented) used by any other individual as a residence.

(B) **Principal residences and certain business assets.**—Except to the extent provided in subsection (e)—

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(2) **Certain business assets.**—Property (other than a principal residence) described in subsection (a)(13)(B) shall not be exempt from levy if—

(A) a district director or assistant district director of the Internal Revenue Service personally approves (in writing) the levy of such property; or

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An official may not approve a levy under subparagraph (A) unless the official determines that the taxpayer's other assets subject to collection are insufficient to pay the amount due, together with expenses of the proceedings.

(g) **Inflation adjustment.**

(1) **In general.** In the case of any calendar year beginning after 1999, each dollar amount referred to in paragraphs (2) and (3) of subsection (a) shall be increased by an amount equal to—

(A) such dollar amount, multiplied by

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### Sec. 6335. Sale of Seized Property

(1) **Right to Request Sale of Seized Property Within 60 Days.**—The owner of any property seized by levy may request that the Secretary sell such property within 60 days after such request (or within such longer period as may be specified by the owner). The Secretary shall comply with such request unless the Secretary determines (and notifies the owner within such period) that such compliance would not be in the best interests of the United States.

### Sec. 6343. Authority to Release Levy and Return Property

(a) **Release of Levy and Notice of Release.**—

(1) **In general.**—Under regulations prescribed by the Secretary, the Secretary shall release the levy upon all, or part of, the property or rights to property levied upon and shall promptly notify the person upon whom such levy was made (if any) that such levy has been released if—

(A) the liability for which such levy was made is satisfied or becomes unenforceable by reason of lapse of time,

(B) release of such levy will facilitate the collection of such liability,

(C) the taxpayer has entered into an agreement under section 6159 to satisfy such liability by means of installment payments, unless such agreement provides otherwise,

(D) the Secretary has determined that such levy is creating an economic hardship due to the financial condition of the taxpayer, or

(E) the fair market value of the property exceeds such liability and release of the levy on a part of such property could be made without hindering the collection of such liability.

For purposes of subparagraph (C), the Secretary is not required to release such levy if such release would jeopardize the secured creditor status of the Secretary.

(2) **Expedited determination on certain business property.**—In the case of any tangible personal property essential in carrying on the trade or business of the taxpayer, the Secretary shall provide for an expedited determination under paragraph (1) if levy on such tangible personal property would prevent the taxpayer from carrying on such trade or business.

(3) **Subsequent Levy.**—The release of levy on any property under paragraph (1) shall not prevent any subsequent levy on such property.

**Levy**

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Dated at \_\_\_\_\_, 20\_\_\_\_  
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Signature of Revenue Officer		Telephone number	Date
<b>Concurrence</b>	Printed name of Group Manager	Signature	Date
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	Printed name of Area Director, if required	Signature	Date

\_\_\_\_\_ **was asked to be present during inventory.**  
*(Printed name of taxpayer or taxpayer's representative)*

**The above named individual was present at inventory.**

Yes  
 No

\_\_\_\_\_  
*(Signature of Revenue Officer)*

## Applicable Sections of the Internal Revenue Code

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### Sec. 6331. Levy and Distraint

(a) **Authority of Secretary.**—If any person liable to pay any tax neglects or refuses to pay the same within 10 days after notice and demand, it shall be lawful for the Secretary to collect such tax (and such further sum as shall be sufficient to cover the expenses of the levy) by levy upon all property and rights to property (except such property as is exempt under section 6334) belonging to such person or on which there is a lien provided in this chapter for the payment of such tax. Levy may be made upon the accrued salary or wages of any officer, employee, or elected official, of the United States, the District of Columbia, or any agency or instrumentality of the United States or the District of Columbia by serving a notice of levy on the employer (as defined in section 3401 (d)) of such officer, employee, or elected official. If the Secretary makes a finding that the collection of such tax is in jeopardy, notice and demand for immediate payment of such tax may be made by the Secretary and upon failure or refusal to pay such tax, collection thereof by levy shall be lawful without regard to the 10-day period provided in this section.

(b) **Seizure and Sale of Property.**—The term "levy" as used in this title includes the power of distraint and seizure by any means. Except as otherwise provided in subsection (e), a levy shall extend only to property possessed and obligations existing at the time thereof. In any case in which the Secretary may levy upon property or rights to property, he may seize and sell such property or rights to property (whether real or personal, tangible or intangible).

(f) **Uneconomical Levy.**—No levy may be made on any property if the amount of the expenses which the Secretary estimates (at the time of levy) would be incurred by the Secretary with respect to the levy and sale of such property exceeds the fair market value of such property at the time of levy.

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(a) **Enumeration.**—There shall be exempt from levy—

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(13) **Residences exempt in small deficiency cases and principal residences and certain business assets exempt in absence of certain approval or jeopardy.**

(A) **Residences in small deficiency cases.** If the amount of the levy does not exceed \$5,000—

(i) any real property used as a residence by the taxpayer, or

(ii) any real property of the taxpayer (other than real property, which is rented) used by any other individual as a residence.

(B) **Principal residences and certain business assets.**—Except to the extent provided in subsection (e)—

(i) the principal residence of the taxpayer (within the meaning of section 121); and

(ii) tangible personal property or real property (other than real property which is rented) used in the trade or business of an individual taxpayer.

(E) **Levy allowed on principal residences and certain business assets in certain circumstances.**

#### (1) Principal residences

(A) Approval required. A principal residence shall not be exempt from levy if a judge or magistrate of a district court of the United States approves (in writing) the levy of such residence.

(B) Jurisdiction. The district courts of the United States shall have exclusive jurisdiction to approve a levy under subparagraph (A).

(2) **Certain business assets.**—Property (other than a principal residence) described in subsection (a)(13)(B) shall not be exempt from levy if—

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An official may not approve a levy under subparagraph (A) unless the official determines that the taxpayer's other assets subject to collection are insufficient to pay the amount due, together with expenses of the proceedings.

(g) **Inflation adjustment.**

(1) **In general.** In the case of any calendar year beginning after 1999, each dollar amount referred to in paragraphs (2) and (3) of subsection (a) shall be increased by an amount equal to—

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(3) **Subsequent Levy.**—The release of levy on any property under paragraph (1) shall not prevent any subsequent levy on such property.

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Dated at \_\_\_\_\_, 20\_\_\_\_  
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\_\_\_\_\_ **was asked to be present during inventory.**  
*(Printed name of taxpayer or taxpayer's representative)*

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(A) Approval required. A principal residence shall not be exempt from levy if a judge or magistrate of a district court of the United States approves (in writing) the levy of such residence.

(B) Jurisdiction. The district courts of the United States shall have exclusive jurisdiction to approve a levy under subparagraph (A).

(2) **Certain business assets.**—Property (other than a principal residence) described in subsection (a)(13)(B) shall not be exempt from levy if—

(A) a district director or assistant district director of the Internal Revenue Service personally approves (in writing) the levy of such property; or

(B) the Secretary finds that the collection of tax is in jeopardy.

An official may not approve a levy under subparagraph (A) unless the official determines that the taxpayer's other assets subject to collection are insufficient to pay the amount due, together with expenses of the proceedings.

(g) **Inflation adjustment.**

(1) **In general.** In the case of any calendar year beginning after 1999, each dollar amount referred to in paragraphs (2) and (3) of subsection (a) shall be increased by an amount equal to—

(A) such dollar amount, multiplied by

(B) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year, by substituting "calendar year 1998" for "calendar year 1992" in subparagraph (B) thereof.

### Sec. 6335. Sale of Seized Property

(1) **Right to Request Sale of Seized Property Within 60 Days.**—The owner of any property seized by levy may request that the Secretary sell such property within 60 days after such request (or within such longer period as may be specified by the owner). The Secretary shall comply with such request unless the Secretary determines (and notifies the owner within such period) that such compliance would not be in the best interests of the United States.

### Sec. 6343. Authority to Release Levy and Return Property

(a) **Release of Levy and Notice of Release.**—

(1) **In general.**—Under regulations prescribed by the Secretary, the Secretary shall release the levy upon all, or part of, the property or rights to property levied upon and shall promptly notify the person upon whom such levy was made (if any) that such levy has been released if—

(A) the liability for which such levy was made is satisfied or becomes unenforceable by reason of lapse of time,

(B) release of such levy will facilitate the collection of such liability,

(C) the taxpayer has entered into an agreement under section 6159 to satisfy such liability by means of installment payments, unless such agreement provides otherwise,

(D) the Secretary has determined that such levy is creating an economic hardship due to the financial condition of the taxpayer, or

(E) the fair market value of the property exceeds such liability and release of the levy on a part of such property could be made without hindering the collection of such liability.

For purposes of subparagraph (C), the Secretary is not required to release such levy if such release would jeopardize the secured creditor status of the Secretary.

(2) **Expedited determination on certain business property.**—In the case of any tangible personal property essential in carrying on the trade or business of the taxpayer, the Secretary shall provide for an expedited determination under paragraph (1) if levy on such tangible personal property would prevent the taxpayer from carrying on such trade or business.

(3) **Subsequent Levy.**—The release of levy on any property under paragraph (1) shall not prevent any subsequent levy on such property.