



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

Small Business/Self-Employed Division

July 10, 2020

MEMORANDUM FOR ALL COLLECTION EXECUTIVES

FROM: Frederick W. Schindler

SUBJECT: Expiration of People First Initiative Suspension of Certain  
Collection Activities

On March 30, 2020, I issued a memo titled "Temporary Relief for Taxpayers – Suspension of Certain Collection Activities During the COVID-19 Pandemic" (control #SBSE-05-0320-0030). The memo explained, pursuant to IRM 1.11.2.2.4 *When Procedures Deviate from the IRM*, temporary deviations as to collection activities that should be suspended during the suspension period (defined as April 1, 2020 through July 15, 2020).

With the People First Initiative (PFI) suspension period set to expire soon, this memo provides guidance as to how Collection will approach those suspended activities beginning July 16, 2020. (Please note that the procedures in the March 30, 2020 memo are in effect through July 15, 2020.)

**Affected IRMs:** 1.4.20; 1.4.50; 1.4.55; 5.1.9; 5.1.10; 5.1.12; 5.1.15; 5.4.10; 5.4.11; 5.4.12; 5.4.13; 5.5.1; 5.5.3; 5.7.4; 5.8.1; 5.8.4; 5.8.7; 5.9.3; 5.9.4; 5.10.2; 5.10.3; 5.10.5; 5.11.2; 5.12.2; 5.12.7; 5.14; 5.14.11; 5.16.1; 5.17.12; 5.17.4; 5.17.6; 5.19.1; 5.19.4; 5.19.6; 5.19.7; 5.19.9; 5.19.10; 5.19.13; 5.19.17; 5.19.24; 25.3.2; 25.5

While the PFI suspension period may be ending, the Service's operations will not immediately return to the "pre-pandemic normal." We must first work through backlogs in processing incoming mail, and in sending outgoing notices. There will be special considerations regarding meeting with taxpayers and practitioners in IRS offices or in the field (which will be discussed in a separate communication). Those contacts require Territory Manager approval and are subject to the guidelines in the Deputy Commissioner memo ("SB/SE Compliance Activities Post People First Initiative") dated July 6, 2020.

Finally, where we do initiate enforcement actions, we need to apply good judgment in recognition that some taxpayers have been significantly impacted by economic factors

caused by the COVID-19 pandemic. The Internal Revenue Manual provides employees with the necessary authorities and discretion to appropriately handle unusual situations and situations where taxpayers are experiencing an economic hardship. Employees should use Soft Contact Procedures (IRM 5.1.12.2.7) prior to initiating enforcement actions.

While we wait for incoming mail and outgoing notice backlogs to be cleared, automated programs will remain idle. Specifically:

- Automated Levy Program levies (Federal Payment Levy Program, State Income Tax Levy Program, Municipal Income Tax Levy Program, and the Alaska Permanent Fund Dividend Levy Program) will not be issued;
- ACS systemic levies will not be issued.
- New certifications to the Department of State (impacting the ability to receive a new or renewed passport) will remain suspended.

These programs will be restarted on a program by program basis when Collection management determines this to be appropriate.

Also, due to incoming/outgoing mail and notice processing backlogs and limited capacity, **Field Collection will continue to initiate notices of federal tax lien only in exigent circumstances with Territory Manager approval, with the initiating RO being responsible for the preparation and mailing of the L3172.** ACS will not initiate notices of federal tax lien in any circumstance and will continue forgoing notice of federal tax lien determinations in installment agreement and CNC case closures, pursuant to SERP Alert #20A0174.

**Effective July 16, 2020, manual enforcement processes (with the exception of NFTL requests) may go forward with normal approval procedures as described in the IRM.** Before initiating enforcement actions, employees in field offices should process their incoming mail. Employees should also be mindful of the incoming mail backlog in the campuses. Specifically:

- Revenue officers may warn taxpayers of enforcement action for missing a deadline. They may issue levies and initiate other enforcement activities (including issuing summonses, conducting seizures, pursuing civil suit proceedings and assessing trust fund recovery penalties) as appropriate.

While installment agreements were not defaulted during the suspension period for failure to make payments, taxpayers must resume making their installment payments with the first one coming due on or after July 16, 2020. Taxpayers with a direct debit agreement should inform their bank to allow debits to resume, at least two weeks before their first payment on or after July 16, 2020 is due.

Taxpayers with a pending offer in compromise (OIC) must provide any requested additional information to support the pending OIC by July 15, 2020. After that date, pending OIC requests may once again be closed without the taxpayer's consent.

Taxpayers making payments on an accepted OIC must resume making those payments with the first one coming due on July 16, 2020. Taxpayers with accepted OICs with questions about their payments should be advised to contact the OIC unit. Offers involving taxpayers who are delinquent in filing their tax returns may once again be defaulted starting on July 16, 2020.

In cases involving installment agreements and OICs, as stated above, the Internal Revenue Manual provides employees with the necessary authorities and discretion to appropriately handle unusual situations and situations where taxpayers are experiencing an economic hardship.

Specialty Collection Insolvency employees may resume discretionary activities such as initiating levies on exempt property, defaulting plans, referrals for conversion or dismissal or to secure delinquent returns, with normal approval procedures as described in the IRM. SC:INS employees should continue to follow management guidance with regard to initiating notices of federal tax lien.

I sincerely appreciate your continued efforts and dedication to assist as the nation works through the COVID-19 pandemic.

**Contact:** Employees should ask their management chain for guidance as to any issues not specifically addressed in this memo. Executives and their staff may contact Senior Technical Advisor Steve Bauman.

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