



Get Started Today
1.800.240.1048

www.2020TaxResolution.com

Q/A: How do I Release a Tax Lien?





Q



**How do I Release
a Tax lien?**

A



A tax lien is filed as a result of outstanding tax debt. It can be most basically explained as a legal claim against your property when you fail to pay a tax debt. We understand that a lien on your property is a serious and stressful issue. But the good news is that you have options. Thankfully, there are a few strategies you can apply to get a lien released. Let's get started.



Get Started Today
1.800.240.1048

www.2020TaxResolution.com

1. FULL PAYMENT OF TAX DEBT

For most people, the reason that a tax lien exists is because the original tax debt could not be paid in full. But it's important to clarify that if you're intending to send a check to the IRS or State Taxing Authorities to release a lien, and you have some tax debt for a period unrelated to the lien, you must ensure that your payment is applied properly. The Taxing Authorities may not apply your payment to the lien itself, which means you'll still have a lien, even after making your payment. Also, full payment of your tax debt through a completed Installment Agreement or Offer in Compromise should satisfy the lien as well.

It's important to consider the legal amount of time that the IRS or State Taxing Authorities have to collect the debt from you prior to making any payment. For example, in the scenario where the IRS has only one month left to legally collect your back tax debt, sending them a check for \$50,000 may not be the best strategy.

Consulting a tax expert or Enrolled Agent prior to making a payment for tax debt might be in your best interest.

2. WITHDRAWAL OF THE TAX LIEN

To clarify, a withdrawal is different than a removal in that a withdrawal takes the lien off your credit report as if it was never filed. The withdrawal indicates that the IRS no longer has the lien rights, but it will still appear on your credit report that a lien was filed.

The IRS has created Fresh Start programs that allow for certain taxpayers, that meet specific criteria, to enter into an Offer In Compromise or Installment Agreements and have their tax liens withdrawn all together.

This option could be a tremendous opportunity for you to have the lien not just removed, but wiped out from the record books.

“have the lien not just removed, but wiped out from the record books”

3. REFINANCE OR SELL PROPERTY

These formal processes are called IRS Tax Lien Subordination or Discharge Requests. These two options come into play when you want to sell or refinance property, but the IRS tax lien is in the way. In select situations, the IRS will allow for the lien to be moved or discharged in exchange for money or if the property is determined to be of no interest to the Taxing Authorities.

This is a simplified explanation of a complex scenario that even seasoned attorneys have misread for clients. Selling or refinancing property with a tax lien is truly not a do-it-yourself project. This type of situation is one that we resolve all the time for our clients. Consult with a specialized tax expert for guidance.





THE BOTTOM LINE

As you can see, releasing a tax lien has many nuances and variables to consider. The actions and strategies are dependent on your specific tax-debt situation.

Understanding what tax liens are and what you can do to remove them can be a complex undertaking. You're asking the right questions, but now it's time to get answers.

WE'RE HERE TO HELP.

Together, we'll get out in front of the issue, so you can get back to your life.

CONTACT US NOW



Get Started Today
1.800.240.1048

www.2020TaxResolution.com