

**GAO**

Report to the Joint Committee on  
Taxation, U.S. Congress

December 1990

**TAX  
ADMINISTRATION**

**Extent and Causes of  
Erroneous Levies**





United States  
General Accounting Office  
Washington, D.C. 20548

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General Government Division

B-240727

December 21, 1990

The Honorable Lloyd Bentsen  
Chairman  
The Honorable Dan Rostenkowski  
Vice Chairman  
Joint Committee on Taxation  
Congress of the United States

This report, the last of four reports responding to the request of the Joint Committee on Taxation that we review the Internal Revenue Service's (IRS) use of levies,<sup>1</sup> addresses erroneous levies. Erroneous levies occur when IRS levies the assets of taxpayers who do not owe taxes, levies for an amount greater than the taxes owed, or levies when the taxpayer has an installment agreement to pay the delinquency or is in bankruptcy. Specifically, this report discusses (1) the extent and causes of erroneous levies and (2) IRS' controls to prevent erroneous levies or mitigate their effects.

Levies are one of IRS' most widely used collection tools; 2 million levies were initiated in each of the past 3 fiscal years. According to IRS statistics, most levies are initiated through IRS' Automated Collection System (ACS).<sup>2</sup> About 1.8 million of the 2 million levies initiated during each of the past 3 fiscal years were through ACS. The remainder were initiated by revenue officers in IRS district offices. However, IRS does not maintain statistics on erroneous levies.

An erroneous levy can cause financial hardship for the taxpayer whose assets are levied and tarnish his or her reputation. In addition, erroneous levies can be costly for IRS.

Our report discusses IRS' use of levies initiated through ACS. As agreed with the Committee, we did not develop information on erroneous levies initiated by revenue officers because complete information on their use of levies was not available.

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<sup>1</sup> Levies, as used in this report, refer to seizures of taxpayers' liquid assets, such as wages and bank accounts, in the possession of employers and financial institutions.

<sup>2</sup> ACS is a computerized inventory management system designed to promote efficient case management and improved taxpayer contact. ACS staff can automatically dial the taxpayer's telephone number, access case information, update the taxpayer's case, and initiate enforcement actions.

requests the taxpayer to contact IRS immediately if the tax bill is not correct and to provide information to resolve the discrepancy.

Accounts not resolved through these notices are classified as delinquent and generally transferred to ACS—the second stage of collection. During the ACS stage, IRS tries to contact the taxpayer by telephone. However, if IRS has information regarding the taxpayer's employer or financial institution, IRS' first action is usually to levy assets before attempting telephone contact. If the initial levy does not satisfy the delinquency, ACS staff, using existing or newly identified levy sources, can use additional levies to collect any outstanding delinquencies.

When IRS levies a taxpayer's account in the ACS stage, ACS staff transmit levy information, including the name and address of the third party holding the taxpayer's funds, to a computer at the service center. Overnight, the service center computer prints the levy, which is then mailed to the third party.

During a prior review,<sup>6</sup> we found that IRS initiated 850,300<sup>7</sup> levies on the assets of an estimated 448,200 taxpayers, or almost 51 percent of the 883,300 individuals and businesses whose delinquent accounts were sent to ACS during fiscal year 1986. IRS used an average of two levies per taxpayer, and collected an estimated \$700 million from the time the accounts were sent to ACS until mid-1988. IRS statistics show that, during fiscal year 1989, IRS initiated over 1.8 million levies through ACS.

Although not the focus of our review, field collection is the third stage of the collection process. Revenue officers from IRS' 63 district offices attempt to collect delinquent taxes through more direct means, such as face-to-face contact with taxpayers. They can also levy taxpayers' assets.

IRS has various controls to prevent erroneous levies. Section 6331(d) of the Internal Revenue Code requires that before issuing a levy, IRS must notify the taxpayer in writing of its intent to levy. This notice must be (1) given in person, (2) left at the dwelling or usual place of business of the taxpayer, or (3) sent by certified or registered mail to the taxpayer's last known address at least 30 days before the levy is initiated unless

<sup>6</sup>Tax Administration: Statistics on IRS' Use of Levies to Collect Delinquent Taxes (GAO/ GGD-89-97FS, Jul. 17, 1989)

<sup>7</sup>Sampling error is greater than 5 percent. However, we are 95 percent confident that IRS initiated at least 815,900 levies and may have initiated as many as 884,800.

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## Objectives, Scope, and Methodology

The objectives of this assignment were to (1) determine the extent to which IRS erroneously levies taxpayers' assets, (2) identify the causes of erroneous levies, and (3) evaluate the adequacy of IRS' controls for preventing or mitigating the effects of erroneous levies.

To determine the extent and causes of erroneous levies, we analyzed IRS' use of levies for our stratified nationwide sample of 787 delinquent taxpayers whose accounts were sent to ACS in fiscal year 1986. (The sample contained levies on 404 individuals and 383 businesses. It was selected during work for our 1989 report.) The sample was stratified to allow us to make separate universe estimates for individuals and businesses.

We examined information on each levy to determine whether the levy was erroneous and, if so, the reason why the levy was issued erroneously. We discussed our determinations with IRS representatives.

Using our sample results, we estimated the number of erroneously levied taxpayers in a universe of 448,200 delinquent taxpayers who had assets levied as a result of accounts sent to ACS during fiscal year 1986. (See app. I for a detailed discussion of sample selection and universe estimates.)

To evaluate the adequacy of IRS' controls for avoiding erroneous levies or mitigating their effects, we used the 787 sample cases to determine whether IRS' policies and procedures were being followed. We also obtained information on the levy verification programs at the Kansas City, Memphis, and Philadelphia Service Centers, the only service centers with such programs. We cannot generalize information on IRS' controls obtained from the sample cases to the universe because there were not a sufficient number of erroneous levies in the sample to permit reliable universe estimates.

Our work was done between July 1989 and March 1990 in accordance with generally accepted government auditing standards. We did our audit work at IRS' headquarters in Washington, D.C.; IRS Service Centers in Kansas City, Missouri; Memphis; and Philadelphia; and IRS' Midwest Regional and District Offices in Chicago. IRS provided written comments on a draft of this report. These comments are incorporated where appropriate and are included in appendix II.

been a major problem for IRS. This is particularly true for business taxpayers, who can have as many as 10 separate accounts per year.<sup>11</sup>

Once payments are posted to the master files, MCC creates new computer tapes that are sent to the service centers to update ACS and other collection computer systems. Thus, there is a built-in delay of up to 7 days between the time IRS receives payments and the time collection computer systems are updated. However, according to an IRS study completed in 1988, delays of up to 4 weeks are not uncommon. In the interim, IRS' IDRS terminals will show payments received after the last ACS update as pending transactions (i.e., payments not yet posted) until the updated tapes from MCC are received and used to update ACS. The IDRS terminals are located at each service center.

The posting delays in our sample ranged from 7 days to 3 years. Information was not available to determine the reasons for delays in posting payments to the accounts of the taxpayers in our sample whose assets were erroneously levied because of such delays. However, on the basis of our discussions with IRS officials, we believe some of the longer delays could have occurred because of insufficient information to associate the payments with specific taxpayers. These payments may have been initially posted to suspense accounts and later transferred to appropriate taxpayer accounts as additional information became available.<sup>12</sup>

## Controls to Prevent or Mitigate the Effects of Erroneous Levies

IRS had notified, by certified mail, all of the 787 taxpayers in our sample of its intention to initiate levies. However, from the information IRS maintains, we were unable to determine whether the taxpayers received and responded to these notices.

We found information indicating that IRS had released about half of the erroneous levies in our sample. Information on the release of levies was not shown in the other case files we reviewed, but not all erroneous levies require IRS action to be explicitly released. Levies on wages generally remain in effect until the delinquency is satisfied or IRS releases the levy. However, levies on bank accounts apply to funds in the account only at the time the bank receives the levy. Therefore, if IRS levies a taxpayer's bank account and that account has no funds, IRS would not

<sup>11</sup>Businesses can be required to file four quarterly employment tax returns, four quarterly excise tax returns, one unemployment tax return, and one corporate tax return each year.

<sup>12</sup>Suspense accounts are accounts in which incoming payments are temporarily recorded when IRS does not know to which taxpayer account the payment pertains.

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as pending transactions at the time IRS levied the taxpayer's assets. However, on the basis of discussions with IRS officials about the manual levy verification programs in place at three service centers, we believe that the majority of these pending payments would have appeared on IDRS, and IRS could have avoided issuing these erroneous levies.

To further assess the potential benefits of the manual levy verification programs in preventing erroneous levies, we obtained available IRS information on the results of its verification of over 117,000 levy notices at the three service centers in late 1989 and early 1990. This information showed that IRS identified approximately 5,600, or 4.7 percent, of the 117,000 levy notices as incorrect. The percentages of incorrect notices ranged from about 4.4 percent at the Philadelphia Service Center to approximately 12.7 percent at the Memphis Service Center. Upon identification of the incorrect notices, IRS researched and corrected them, and when appropriate, did not issue them.

The reasons for incorrect levies at the three service centers indicated that a levy verification program would reduce the number of erroneous levies caused by IRS' delays and errors in recording taxpayers' payments and by changes in taxpayers' account status. Statistics obtained from these service centers showed that over 70 percent of the 5,600 incorrect levy notices were due to pending payments on IDRS that had not been posted to ACS, overpayments in other accounts of the taxpayers, or changes in the status of taxpayers' accounts.

Currently, the Philadelphia Service Center is developing an automated system to match taxpayer information on the levy notice with the most recent IDRS information. The planned automated system is designed to identify (1) overpayments in other accounts of the taxpayer, (2) pending payments, and (3) changes in the status of the taxpayer's account. The Philadelphia Service Center plans to test this program locally. If successful, it will be proposed for nationwide testing and implementation.

Precise cost information on manual levy verification was not available. Officials at the Kansas City and Memphis Service Centers estimated that costs are about 1 staff year; officials at the Philadelphia Service Center estimated between 3 and 4 staff years. However, these local IRS officials said that they believe the costs of their programs were clearly justified by the benefits they would give both taxpayers and IRS.

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Until the computer modernization effort is completed, a levy verification program would provide needed safeguards for both taxpayers and IRS.

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## Recommendation to the Commissioner of Internal Revenue

We recommend that the Commissioner of Internal Revenue establish a nationwide levy verification program that would determine whether there are (1) overpayments in the taxpayer's other accounts, (2) pending payments, and (3) changes in the status of the taxpayer's account.

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## IRS Comments

IRS agrees with our recommendation and expects to implement it by December 31, 1990.

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As arranged with the Committee, we are sending copies of this report to the Commissioner of Internal Revenue and other interested parties. We will make copies available to others upon request. Major contributors to this report are listed in appendix III. If you have questions about this report, please call me at (202) 272-7904.



Paul L. Posner  
Associate Director, Tax Policy and  
Administration Issues

**Appendix I  
Sampling Methodology**

**Table I.1: Estimates and Associated Sampling Errors of the Extent of Erroneous Levies**

<b>Description</b>	<b>Type of taxpayer</b>	<b>Estimate</b>	<b>Sampling error at the 95-percent confidence level (plus or minus)</b>
Taxpayers with accounts sent to ACS with information on collection actions	Individual	514,175	23,588
	Business	369,106	13,235
	Combined	883,281	27,134
Cases in which IRS used levies to attempt collection	Individual	312,371	19,071
	Business	135,800	10,798
	Combined	448,171	21,915
Number of cases in which erroneous levies were used	Individual	4,639	3,682
	Business	7,801	3,160
	Combined	12,440	4,852
Percent of cases in which erroneous levies were used	Individual	1.5	1.2
	Business	5.7	2.3
	Combined	2.8	1.1
Total number of levies used to attempt collection	Combined	850,346	34,404
Number of erroneous levies	Combined	16,114	7,284
Erroneous levies due to IRS recording errors and delays	Combined	12,666	5,470



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# Comments From the Internal Revenue Service



COMMISSIONER

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

SEP 28 1990

Mr. Richard L. Fogel  
Assistant Comptroller General  
United States General Accounting Office  
Washington, DC 20548

Dear Mr. Fogel:

We have reviewed your recent draft report entitled "Tax Administration: Extent and Cause of Erroneous Levies."

We agree with the recommendation in the draft report, that we establish a verification program for notices of levy issued by the Automated Collection System (ACS).

We plan to evaluate the procedures of the three service centers that have levy verification programs and to develop a uniform, nationwide program. We expect to have a system in place by December 31, 1990.

We believe this action will further improve the quality of ACS notices of levy by ensuring that we are alerted to recent overpayments, pending payments and changes in the status of the taxpayer's account.

Best regards.

Sincerely,

*Michael J. Murphy*  
Fred T. Goldberg, Jr.

# Sampling Methodology

To develop information on the extent and causes of erroneous levies and the adequacy of IRS' controls to prevent erroneous levies or mitigate their effects, we used a random sample of delinquent taxpayers. This sample was stratified by individual and business taxpayers, which allowed us to make separate statistical estimates of the number of taxpayers who were erroneously levied and the number of levies that were erroneous.

## Sample Selection

Our sample, developed during previous work, was drawn from IRS computer tapes containing the universe of 1.4 million taxpayers with accounts classified as delinquent during fiscal year 1986. We initially sampled 2,652 delinquent taxpayers—1,052 individuals and 1,600 businesses. Of these, we did not review 946 cases—387 individuals and 559 businesses—either because they had been sent to revenue officers in the field or because IRS was otherwise unable to provide information on the collection actions taken. Accordingly, we reduced the sample size to 1,706, resulting in an adjusted universe of 883,281 delinquent taxpayers. Of the 1,706 cases reviewed, we identified 787—404 individuals and 383 businesses—in which IRS used levies to attempt collection. This represents an adjusted universe of 448,171 taxpayers—312,371 individuals and 135,800 businesses. To develop our results, we analyzed taxpayer account data from IRS' individual and business master files and ACS case files.

We do not cite numbers for the cases in which IRS refunded money and bank charges (see p. 8). This is because IRS records were insufficient to determine whether refunds were made in all cases.

## Sampling Errors for Results on Extent of Erroneous Levies

Because we reviewed a statistical sample of cases in which IRS used levies to collect delinquent taxes, each estimate developed from the sample has a measurable precision, or sampling error. The sampling error is the amount by which the estimate obtained from a statistical sample can be expected to differ from the true universe value at a given level of confidence. Sampling errors are usually stated at a certain confidence level; in this case it is 95 percent. This means the chances are 19 out of 20 that if we reviewed all taxpayers with accounts sent to ACS during fiscal year 1986 and for which information on collection actions was available, the results would differ from the estimates obtained from our sample by no more than the sampling errors of such estimates. Table I.1 shows our estimates and sampling errors.

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## IRS' Computer Modernization Initiatives May Help in the Long Run

IRS' computer modernization effort may address problems associated with erroneous levies over the long term by providing more accurate, up-to-date information. Improvements in computer hardware and programs may result in payments being posted more quickly to accounts, thereby reducing the number of erroneous levies caused by posting delays. At the present time, however, we do not know the full effect computer modernization will have on reducing erroneous levies. These improvements may take up to 10 years to complete, according to IRS.

IRS has several more near-term, narrowly focused automation efforts, in progress now. The efforts, to be completed soon, may provide IRS with additional information that could reduce errors and delays in recording taxpayers' payments. For example, in some instances, the On Line Entity Project should provide IRS employees with taxpayer identification information that could be used to associate payments with the correct taxpayer accounts. IRS officials estimate that this information could reduce by 3 to 4 weeks the time it takes to properly record some unidentifiable payments. However, we do not know whether the reduction in recording time will be sufficient to significantly reduce erroneous levies. In addition, the Connectivity Project, which will allow operators to simultaneously access ACS and IDRS, could provide ACS personnel ready access to the most current information on delinquent taxpayers. However, the Connectivity Project cannot reduce erroneous levies unless it is used as part of a systematic verification program in which analysts use the linked IDRS-ACS to verify levies before issuance.

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## Conclusions

Although IRS is following its procedures and the Internal Revenue Code provisions to provide taxpayers with opportunities to resolve discrepancies, erroneous levies still occur. They are costly for affected taxpayers and IRS. The majority of the erroneous levies in our sample were caused by IRS' delays and errors in recording taxpayers' payments. The levy verification program used at the three service centers should prevent most of the erroneous levies that result from such delays and errors.

We believe that such a program should be adopted by IRS nationwide. The benefits in terms of reducing erroneous levies are substantial, while the costs, which are estimated to be between 1 and 4 staff years at each of the three service centers, appear to be small. While IRS' computer modernization effort may eventually address the erroneous levies problem, we believe it will not resolve the problem in the near term.

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need to release the levy for it to be no longer in effect. We could not determine from IRS' records whether the erroneous levies in our sample for which no release information was found were levies on zero-balance bank accounts.

For most of the erroneous levies in our sample that resulted in collections, IRS' records showed that the amounts erroneously collected were refunded with interest. IRS' records did not contain sufficient information on the others for us to determine whether IRS made refunds. We were also unable to determine whether taxpayers received reimbursements for bank charges incurred in connection with any of the erroneous levies in our sample. The 21-day freeze requirement of the Taxpayer Bill of Rights is not applicable to the levies in our sample because they were initiated before July 1, 1989.

To help minimize the number of erroneous levies, IRS' Kansas City, Memphis, and Philadelphia Service Centers instituted manual levy verification programs. Although the procedures and criteria used to identify incorrect levies differed slightly among the three programs, they all included the basic features that should eliminate many of the types of erroneous levies we identified. Each of the three levy verification programs relies on IDRS (which, as we noted earlier, has more up-to-date information than ACS) to determine whether the status of the taxpayer's account has changed, if there are pending payments that would affect the amount of the levy, and whether the taxpayer has overpayments in other tax accounts. IRS compares information on the notice of levy with taxpayer account information on IDRS to identify discrepancies. If discrepancies exist, IRS determines whether it is still appropriate to levy the taxpayer's assets. If the taxpayer has made a payment, a change in the dollar amount of the levy may be all that is needed to issue the levy.

Our analysis of the causes of the erroneous levies in our sample and information on the procedures and results of the levy verification programs indicated that at least one-third and as many as two-thirds of the erroneous levies could have been avoided by using this type of levy review. For example, by checking the taxpayers' other accounts on IDRS, IRS could have identified overpayments in these other accounts and avoided erroneous levies caused by payments it incorrectly applied to these accounts. Also, we believe some of the erroneous levies caused by IRS delays in recording taxpayers' payments might have been prevented if, while IRS staff were verifying the amounts of the levies, these payments had appeared on IDRS as pending transactions. Information was not available to show whether the payments actually appeared on IDRS



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## Extent and Causes of Erroneous Levies

On the basis of our analysis of IRS' use of levies to collect from the taxpayers in our sample, we estimate that IRS erroneously levied the assets of 12,400, or 2.8 percent, of the 448,200 taxpayers who had assets levied as a result of accounts sent to ACS during fiscal year 1986. An estimated 7,800, or 5.7 percent, of the 135,800 businesses and 4,600, or 1.5 percent, of the 312,400 individual taxpayers had assets erroneously levied. We estimate that a total of 16,100 erroneous levies were issued for business and individual taxpayers.

Erroneous levies have adverse effects on both the taxpayer and IRS. The taxpayer can be deprived of his or her money. Erroneous levies are also costly to IRS because they can damage its image and require staff time and money to correct. When IRS discovers an erroneous levy, it must release the levy and refund any money erroneously collected plus interest. In situations in which taxpayers' actions or inactions did not contribute to the erroneous levies, IRS must pay the taxpayers' associated bank expenses.

We estimate that 12,700 of the 16,100 erroneous levies were caused by errors and delays by IRS in recording payments in taxpayers' accounts.<sup>9</sup> Errors we identified included applying payments to wrong tax periods, to wrong tax returns, or to accounts of other taxpayers. The remaining erroneous levies had other, less frequently occurring causes. These included levying the assets of taxpayers who had entered into installment agreements prior to the levies and levying the wrong taxpayers.<sup>10</sup>

Because IRS maintains multiple accounts for each taxpayer, a payment must be posted not only to the records of the appropriate taxpayer but also to the taxpayer's proper account. Tax information is maintained on magnetic tape master files at IRS' Martinsburg Computing Center (MCC) in West Virginia. For each individual and business taxpayer, separate accounts are maintained for each tax period for which a tax return is required and for each type of tax. Generally, tax returns and payments are initially processed at IRS' 10 service centers, and computer tapes reflecting payment information are shipped weekly to MCC to update the master files. Errors in posting payments to the correct account have

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<sup>9</sup>Sampling error is greater than 5 percent. However, we are 95 percent confident that at least 7,200 of the erroneous levies we identified were due to errors and delays in posting payments to taxpayer accounts.

<sup>10</sup>Unlike the erroneous levies discussed above, which were caused by IRS misapplying payments, in these cases IRS levied the wrong taxpayer.

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collection of the tax is in jeopardy. It must also inform the taxpayer of available alternatives that could prevent the levy. IRS generally satisfies this requirement by sending the final service center notice (during the first stage of the collection process) by certified mail. IRS procedures state that if the certified letter is returned as undeliverable, IRS is not to attempt a levy until the taxpayer is properly notified. ACS personnel are required to verify that the final notice was sent before a levy is issued by the service center.

IRS procedures also require that levy notices be reviewed for completeness and readability prior to mailing. This process, however, is normally limited to a check of the name and address appearing on the levy. Although there are no other IRS-wide verification requirements, 3 of IRS' 10 service centers—the Kansas City, Memphis, and Philadelphia Service Centers—have established local procedures to manually review all levies to help ensure that the amount is correct and the taxpayer's delinquency status has not changed. In these manual reviews, IRS staff compare the information on the levy notice with account information contained in IRS' Integrated Data Retrieval System (IDRS)—a computer system that has more up-to-date information than ACS.

If IRS erroneously levies a taxpayer's assets, its procedures require the immediate release of the levy. A release of a levy is a notification to a bank or other third party that the levy is no longer valid and should not be honored. If money has already been sent to IRS, the money will usually be refunded with interest to the taxpayer. In addition, the taxpayer can also file a claim with IRS for reimbursement of bank expenses related to erroneous levies.

In 1988, in an effort to better protect taxpayers, Congress passed the Taxpayer Bill of Rights.<sup>8</sup> One provision of this law requires that beginning July 1, 1989, financial institutions freeze the taxpayer's account for the amount of the levy for 21 days before sending the money to IRS. During the 21-day period, the taxpayer cannot withdraw the amount of the levy from the account. This provision was enacted to provide taxpayers an opportunity to resolve any differences with IRS before any money is sent to IRS.

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<sup>8</sup>Technical and Miscellaneous Revenue Act of 1988 (Public Law 100-647).

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## Results in Brief

IRS initiated levies on the assets of an estimated 448,200 taxpayers<sup>3</sup> whose delinquent accounts were sent to ACS during fiscal year 1986.<sup>4</sup> We estimate that IRS erroneously levied the assets of 12,400, or 2.8 percent, of those taxpayers. IRS erroneously levied the assets of businesses to a much greater extent than those of individuals—5.7 percent for businesses and 1.5 percent for individuals. IRS initiated 16,100<sup>5</sup> erroneous levies on the assets of these 12,400 taxpayers. Delays and errors in recording taxpayers' payments were the two primary causes of the erroneous levies.

IRS can improve its controls and significantly reduce the number of erroneous levies by instituting a levy verification program nationwide. As of March 1990, when we completed our work, 3 of IRS' 10 service centers were using a manual levy verification program before issuing levies. This program helps ensure that the amount of each levy is correct by searching for changes in the taxpayer's delinquency status, unrecorded payments received from the taxpayer that could affect the amount of the levy, and overpayments in the taxpayer's other accounts that would reduce the taxpayer's liability. This type of verification program, if properly implemented, could have eliminated at least one-third, and possibly as many as two-thirds, of the erroneous levies we identified. IRS officials agreed with our recommendation to establish a levy verification program nationwide and expect to implement it by December 31, 1990.

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## Background

IRS' process for collecting delinquent taxes consists of three stages, which afford taxpayers several opportunities to satisfy their tax obligations and resolve any discrepancies before levy action is taken. In the first stage, a service center attempts to collect unpaid taxes, penalties, and interest by sending a series of computer-generated notices, or bills, to the taxpayer. (The notices are usually sent at 5-week intervals.) Depending on the type and amount of delinquent taxes owed, a taxpayer can receive up to five notices. The final notice is sent by certified mail alerting the taxpayer that if payment is not received within 30 days, IRS can levy the taxpayer's assets without further notification. Each notice

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<sup>3</sup>All numbers reported are estimates based on our sample results. Estimates are made at the 95 percent confidence level, plus or minus 5 percent, unless otherwise noted. Estimates are rounded to the nearest 100. See app. 1

<sup>4</sup>Although these taxpayer accounts were sent to ACS in fiscal year 1986, we monitored IRS' activity, including the issuance of levies on these accounts, through mid-1988.

<sup>5</sup>Sampling error is greater than 5 percent. However, we are 95 percent confident that IRS initiated at least 8,800 erroneous levies and may have initiated as many as 23,400.

