



Statute Of Limitations Run Out The Clock?

December 21, 2022

Highlights



- **IRS debt - is it forever?**
- **Statute Of Limitations - SOL - period of time to take legal action**
- **Ten years to collect**
- **Issues include - when does period begin, are there events that extend the SOL, what if the SOL is expiring - what can the IRS do**

Timing Issues



- **SOL begins on assessment date - not filing date or date return is received by the IRS**
- **Tolling happens when IRS cannot pursue collection**
- **Tolling events include: filing for bankruptcy, filing for a Collection Due Process hearing (CDP), filing an Offer In Compromise (OIC), pending Installment Agreement (IA)**

SOL Considerations



- All collection issues begin - is the debt enforceable - if SOL is expired then no (CSED)
- SOL impacts OIC eligibility
- SOL impacts IA eligibility
- For taxpayers with real property IRS can refer to DOJ to sue - bring lien to a judgement - seize and sell property

Determining The CSED



- **Account transcripts - IRS taxpayer record**
- **Transcript - assessment date - info re: tolling events**
- **Always accurate? - usually yes but can be issues
- usually with pending IA not lifted**

Conclusion / Up Next



- **SOL / CSED - key consideration in all collections matters**
- **Evaluation needed in all situations**
- **Up next - Lien Priorities**