IRS Revokes Passports for Taxpayers with Unpaid Taxes

The Internal Revenue has begun to enforce the ban on foreign travel by delinquent taxpayers under legislation passed and signed into law by the President, Obama, not Trump which was signed in 2015.

For taxpayers who are delinquent in paying their tax liabilities the IRS now informs the State Department who will then either deny or not issue, or not renew passports after receiving notification from the IRS.

The criteria for those who will be denied passports, or placed upon the national watch list are:

- Taxpayers with over $50,000.00 in total unpaid taxes, interest, and penalties;
- A federal tax lien has been filed;
- A federal levy has been issued.

Those not subject to the travel ban include those who:

- have entered into an installment agreement which they have kept current as to terms and payments;
- those who have entered into an approved Offer In Compromise which has been approved by the Department of Justice, or accepted by the IRS, and the terms and payments are current;
- where a Collection in Due Process has been timely filed in connection to any taxes that maybe due;
- have filed an innocent spouse request

Prior to denying the issuance of a passport the State Department will hold any application for 90 days to allow for anyone who the IRS has notified the State Department to:
• resolve any erroneous issues reported by the IRS;
• the tax debt no longer is considered to qualify under the criteria above (i.e. this does not include sufficient payments to reduce the amounts due below $50,000.00 inclusive of penalties and interest)
• full payment of the tax debt;
• enter into an installment arrangement satisfactory with the IRS;

Taxpayers who have substantial unpaid taxes are also are subject to being denied boarding aircraft bound for destinations outside the country as the TSA also have been issued watch lists for those who the IRS has notified the State Department.

We here at Muffoletto & Company believe that the more informed you are in regards to the rules and regulations that affect you the more we can be of service.

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