From the desk of
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# IRS Warns of Revocation of Passports for Taxpayers with Significant Tax Debt

The Internal Revenue Service have announced that with travel season here that taxpayers who have significant tax debt that they need to resolve those matters with the Internal Revenue Service before traveling or risk placing their passports in jeopardy, and placed on a restricted travel status by the U.S. State Department.

Anyone who has significant tax liabilities of $52,000.00 or more should contact the IRS to avoid being placed on restricted travel status.

Under the Fixing America’s Surface Transportation (FAST) Act the IRS now notifies the State Department (State) of taxpayers certified as owing a seriously delinquent tax debt which is currently $52,000 or more.

The law requires State to deny passports to those who have been certified by the IRS as being delinquent as to their tax obligations.

A taxpayer who currently has a valid passport will all likely find their passport revoked thereby limiting a taxpayer’s ability to travel outside the United States.

When the IRS certifies a taxpayer to State as owing a seriously delinquent tax debt the taxpayer will receive Notice CP508C from the IRS which will explain what steps the taxpayer needs to take to resolve the debt.

Taxpayers who have significant tax liabilities are then directed to set up a payment plan with the IRS.

The process takes time, therefore taxpayers who find themselves in this situation should act sooner than later to resolve their tax liabilities with the IRS.

It is important for taxpayers with imminent travel plans who have had their passport applications denied by State to call the IRS promptly.

The IRS can help taxpayers resolve their tax issues and expedite reversal of their certification to State.

When expedited the IRS can generally shorten the 30 days processing time by 14 to 21 days.

For expedited reversal of their certification taxpayers will need to inform the IRS that they have travel scheduled within 45 days or that they live abroad.

For expedited treatment taxpayers must provide the following documents to the IRS:

- Proof of travel. This can be a flight itinerary, hotel reservation, cruise ticket, international car insurance or other document showing location and approximate date of travel or time-sensitive need for a passport.

- Copy of letter from State denying their passport application or revoking their passport. State has sole authority to issue, limit, deny or revoke a passport.

Failure to comply with any agreement will result in a revocation of the taxpayer's passport.

The IRS will recommend revocation if the IRS had reversed a taxpayer's certification because of their promise to pay, and they failed to pay.

The IRS may also ask State to revoke a passport if the taxpayer could use offshore activities or interests to resolve their debt but chooses not to.

Before contacting State about revoking a taxpayer's passport the IRS will send Letter 6152, Notice of Intent to Request U.S. Department of State Revoke Your Passport, to the taxpayer to let them know  what the IRS intends to do and give them another opportunity to resolve their debts .

Taxpayers must call the IRS within 30 days from the date of the letter.

Generally the IRS will not recommend revoking a taxpayer's passport if the taxpayer is making a good-faith attempt to resolve their tax debts.

There are several methods taxpayers can avoid having the IRS notify State of their seriously delinquent tax debt.

Those include the following:

- Paying the tax debt in full,
- Paying the tax debt timely under an approved installment agreement,
- Paying the tax debt timely under an accepted offer in compromise,
- Paying the tax debt timely under the terms of a settlement agreement with the Department of Justice,
- Having a pending collection due process appeal with a levy, or
- Having collection suspended because a taxpayer has made an innocent spouse election or requested innocent spouse relief.

Frequently taxpayers qualify for one of several relief programs including the following:

- Payment agreement. Taxpayers can ask for a payment plan with the IRS by filing Form 9465.

Taxpayers can download this form from IRS.gov and mail it along with a tax return, bill or notice.

Taxpayers who are eligible can use the Online Payment Agreement system to set up a monthly payment agreement.

Using the Online Payment Agreement system is quicker, and can save time.

- Offer in compromise. Some taxpayers may qualify for an offer in compromise, an agreement between a taxpayer and the IRS that settles the tax liability for less than the full amount owed.

  The IRS looks at the taxpayer's income and assets to determine the taxpayer's ability to pay.

The IRS also will not act to restrict the passport of a taxpayer as owing a seriously delinquent tax debt, or will act to reverse upon request the certification for a taxpayer:

- Who's in bankruptcy,
- Who's identified by the IRS as a victim of tax-related identity theft,
- Whose account the IRS has determined is currently not collectible due to hardship,
- Who's located within a federally declared disaster area,
- Who has a request pending with the IRS for an installment agreement,
- Who has a pending offer in compromise with the IRS, or
- Who has an IRS accepted adjustment that will satisfy the debt in full.

For taxpayers serving in a combat zone who owe a seriously delinquent tax debt the IRS will postpone notifying the State Department of the delinquency and the taxpayer's passport is not subject to denial during the time of service in a combat zone.

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