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HOW TO STOP THE IRS FROM TAKING YOUR PASSPORT!

Owe back taxes?
A 2015 bill gave the IRS the power
to revoke your passport. Find out how
to protect yourself from the IRS and resolve
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Can the IRS Really Take My Passport?

Yes. Per a 2015 tax bill, the IRS now has the right to certify to the State Department that a taxpayer has a “seriously delinquent” tax debt. Americans with seriously delinquent overdue tax bills will be denied passports or passport renewals if they do not pay their tax bill or make arrangements to pay.

Once the State Department receives certification of a tax debt from the IRS, it forces the State Department to discontinue issuing or renewing the taxpayer’s U.S. passport.

But that’s just the tip of the iceberg! The State Department may also fully revoke your existing passport!

What Is A “Seriously Delinquent” Tax Debt?

A seriously delinquent tax debt is defined as an outstanding IRS tax liability in which:

- (1) You owe the IRS more than \$51,000 in back taxes, penalties and interest and,
- (2) a Notice of Federal Tax Lien has previously been filed, and the period to dispute it has lapsed, or the IRS has issued a levy with respect to the tax debt.

Upon receiving certification, the State Department will deny your passport application and/or may revoke your current passport.





Your passport can be revoked both when you are in the country and when you are traveling overseas. For example, you could be on a trip to Europe and the government could revoke your passport not allowing you to return to the United States.

This new collection method was put into place as part of a larger effort to collect unpaid debt. Last year, the IRS reported over \$400 billion owed in assessed taxes, interest and penalties, also known as the Tax Gap. This significant amount of delinquent debt has contributed to the overall national debt leading the IRS to get repeatedly cited.

The new bill dates back to 2012, when the Government Accountability Office first reported on potentially using passports to collect taxes. When the idea was first proposed, it created some controversy within Congress; however, when the bill was presented this time, it was packaged within a larger highway funding bill and passed without any issues.

Some people find the new bill to be controversial, as passports may be required for domestic travel beginning soon. After September 11th, 2001 the United States issued the Real ID Act, which was put into place to tighten access to federal facilities. Part of the Real ID Act created a national standard for state-issued IDs; however, four states, Louisiana, Minnesota, New Hampshire and New York did not comply, potentially making their IDs no longer valid for domestic flights.

This means individuals from these states must use their passports to fly within the United States, which creates an issue if passports are revoked for tax debt issues. In addition to





the four states listed above, the Los Angeles Times reported that 26 states, including California, do not meet the federal ID regulations. These states have must comply with the new regulations or residents from those states may also need passports to travel domestically.

Taxpayers are starting to feel the change. At least one person paid \$1 million in overdue taxes to avoid having their passport denied, according to a recent Wall Street Journal article. As of June 2018, at least 220 people have paid a total of \$11.5 million in overdue debts, according to the Journal.

So, What Can I Do?

The IRS won't count your back taxes as seriously delinquent if your tax debt is:

- Being paid timely with an IRS-approved installment agreement.
- Being paid timely with an offer-in-compromise accepted by the IRS.
- Under protection due to a properly filed appeal.
- Temporarily under a collection hold because a request for innocent spouse relief has been made.

Additionally, a passport won't be at risk under this program for any taxpayer:

- Who is in bankruptcy
- Who is 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 is 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
- Who has an IRS accepted adjustment that will satisfy the debt in full

Also, certification will be postponed while an individual is serving in a designated combat zone or participating in a contingency operation.



Before denying a passport, the State Department will hold your application for 90 days to allow you to:

- Resolve any erroneous certification issues
- Make full payment of the tax debt
- Enter a satisfactory payment arrangement with the IRS

What If I Have Already Been Certified?

The IRS will reverse a certification when:

- The tax debt is fully satisfied or becomes legally unenforceable.
- The tax debt is no longer seriously delinquent.
- The certification is erroneous.

The IRS will make this reversal within 30 days and provide notification to the State Department as soon as practicable.

A previously certified debt is no longer seriously delinquent when:

- You and the IRS enter into an installment agreement allowing you to pay the debt over time.
- The IRS accepts an offer-in-compromise to satisfy the debt.
- The Justice Department enters into a settlement agreement to satisfy the debt.
- Collection is suspended because you request innocent spouse relief.
- You make a timely request for a collection due process appeal hearing regarding a levy to collect the debt.

The IRS will not reverse certification where a taxpayer requests a collection due process hearing or innocent spouse relief on a debt that is not the basis of the certification. Also, the IRS will not reverse the certification because the taxpayer pays the debt below \$50,000





But Not So Fast!

You Cannot Sue If The IRS Makes a Mistake

The State Department is held harmless in these matters and cannot be sued for any erroneous notification or failed decertification under IRC § 7345.

IRC § 7345 does not provide the court authority to release a lien or levy or award money damages in a suit to determine whether a certification is erroneous. You are not required to file an administrative claim or otherwise contact the IRS to resolve the erroneous certification issue before filing suit in the U.S. Tax Court or a U.S. District Court.

If you need your U.S. passport to keep your job, once your seriously delinquent tax debt is certified, you must fully pay the balance, or make an alternative payment arrangement to have your certification reversed.

Once you've resolved your tax problem with the IRS, the IRS will reverse the certification within 30 days of resolution of the issue and provide notification to the State Department as soon as practicable.

How TheCPATaxProblemSolver Can Help

If you have received a balance due letter from the IRS, it is imperative that you seek professional IRS representation in a timely manner. As our client, we will immediately take over all communications with the IRS and review the IRS Collection process with you to ensure your rights are being protected and your passport and other assets are not in jeopardy. We will arrange to take your place in the Collection process and will present your options to you throughout every stage. In the event you disagree with the IRS at any time, we will explain your appeal rights and then prepare and submit an effective appeal on your behalf. As IRS- licensed Enrolled Agents, and former IRS Collection Officers, we know how the IRS Collection process works and how to protect you and your assets. Our goal is to ensure your passport, income and assets are fully protected, and to negotiate



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the most favorable outcome allowed by law. We are experts in helping taxpayers who find themselves in IRS Collections. Since we specialize exclusively in resolving back tax issues with the IRS, we spend 100% of our time dealing with cases exactly like yours. We don't also dabble in tax preparation, tax planning, accounting, bookkeeping or payroll – just IRS Collections 24 hours a day, 7 days a week. This is exactly why taxpayers all over the country call TheCPATaxProblemSolver for help with the IRS back taxes. .

To schedule a FREE and CONFIDENTIAL case analysis:

SCHEDULE MY CALENDAR



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**We look forward to serving you and helping to
put your tax matter behind you!**





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