CERTAIN UNPAID TAXES CAN RESULT IN REVOCATION, DENIAL OR LIMITATION OF YOUR PASSPORT

By [Rebecca D. Martin]

The Internal Revenue Service is now authorized under Section 7345 of the Internal Revenue Code to certify seriously delinquent tax debt to the State Department for action with respect to denial, revocation, or limitation of a passport.

Seriously delinquent tax debt is an individual's unpaid, legally enforceable tax debt totaling more than $50,000 for which a notice of federal tax lien has been filed and administrative remedies have lapsed or been exhausted or a levy has been issued.

The authorized certification will not include otherwise seriously delinquent tax debt which is being paid in a timely manner under an approved installment agreement with the IRS, being paid in a timely manner under an offer in compromise accepted by the IRS or a settlement agreement entered with the Justice Department, for which a timely collection due process hearing is requested in connection with a levy to collect the debt, or for which collection is suspended because of a request for innocent spouse relief has been made.

While an individual is serving in an area designated as a combat zone or participating in a contingency operation, certification will be postponed.
The State Department will hold a passport application for 90 days to allow the taxpayer to resolve any erroneous certifications issues, fully pay the tax debt, or enter into a satisfactory payment alternative with the IRS.

The IRS is required to notify a taxpayer at the time the seriously delinquent tax debt is certified to the State Department.

A taxpayer cannot obtain a reversal of certification merely by paying the debt below $50,000.00. Reversals of certification require an installment agreement approved by the IRS, the acceptance of an Offer in Compromise by the IRS, an approved settlement agreement with the Justice Department, suspended collection because of requested innocent spouse relief, or a timely request for a collection due process hearing is made with respect to a levy to collect the debt.

The U.S. Tax Court has the jurisdiction to determine whether the certification is erroneous or the IRS failed to reverse certification when required to do so.
If you have questions regarding the revocation or denial of a passport because of a seriously delinquent debt, please contact Rebecca.