



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

SMALL BUSINESS / SELF-EMPLOYED DIVISION

January 20, 2021

Control Number: SBSE-05-0121-0009  
Expiration Date: April 15, 2021  
Affected IRMs: 5.11.2; 5.19.4

MEMORANDUM FOR ALL COLLECTION EXECUTIVES

FROM: Ronald Takakjy *Ronald Takakjy*  
Acting Director, Collection Policy

SUBJECT: Pre and Post Levy Actions Involving Economic  
Impact Payments (Deviation)

With this memorandum, we are implementing a temporary deviation that provides guidance as to the collection activities that modify release of levy procedures in certain situations.

The Internal Revenue Service and the Treasury Department are delivering a second round of Economic Impact Payments (EIP) to millions of Americans as part of the Coronavirus Response and Relief Supplemental Appropriations Act of 2021. As with the first round of payments under the CARES Act, most recipients will receive these payments by direct deposit while some may receive a paper check or debit card.

The second round of payments, or "EIP 2," is generally \$600 for individuals and \$1,200 for married couples filing a joint return. In addition, those with qualifying children will also receive \$600 for each qualifying child.

**Pre-levy determinations**

- Field employees should use Soft Contact Procedures (IRM 5.1.12.2.7) prior to initiating enforcement actions. If possible, determine if the taxpayer received an EIP 2 payment and in what amount, where the funds were deposited, and when.
- When known, employees should not levy on a bank account that contains EIP 2 funds received within the prior 8 weeks.

**Levy Release Determinations (See IRM 5.11.2.3 & 5.19.4.4.10)**

When EIP 2 funds are levied inadvertently, employees must release the levy on the EIP 2 funds. If an employee believes that exigent circumstances exist to not release the levy, the matter must be elevated to the Area Director

or Campus Director and documented in the case history before communicating any decision to the taxpayer.

- An exigent circumstance involves the final loss of opportunity for the government to collect taxes due, such as the expiration of the statute of limitations, assets that taxpayers place beyond the reach of the government, etc. Generally, the taxpayer's indication that he/she may file for bankruptcy is not an exigent circumstance.

Additional References:

- [Expiration of People First Initiative Suspension of Certain Collection Activities](#), dated July 10, 2020
- [Field Collection Interim Guidance for COVID-19](#), dated July 10, 2020
- [SBSE-05-1020-0090](#), "Pre and Post Levy Actions Involving Paycheck Protection Program (PPP) Funds," dated October 30, 2020
- [SBSE-05-0121-0007](#), "Pre and Post Levy Actions Involving Economic Aid Act Paycheck Protection Program (PPP) Funds (Deviation)," dated January 13, 2021.

If you have any questions, a member of your staff may contact Collection Policy Enforcement Program Analysts James Maslanka, Michael Williams, or Suzanne Wolfe.

cc: Director, Collection  
Director, Headquarters Collection  
Director, Campus Collection  
Director, Field Collection  
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