



# Can someone other than the IRS collect my federal income tax debt?

Yes. The IRS lets 2 private collection agencies collect tax debts. The agencies are:

- CBE Group, Inc. and
- Pioneer Credit Recovery, Inc.

A private collection agency has 12 months to try and collect your tax debt. They are not tax experts. They get paid by the IRS, not from your tax payments.

## How do you know if the IRS gave your case to an agency?

You will get a letter from the IRS (IRS Letter 3998C), It tells you which agency has your case. Within 10 days of the IRS letter, you should get a letter from the agency. It gives you their name, phone and an ID number. When the agency calls you, ask for their name, phone and the ID number. Don't talk to anyone who can't tell you these things.



**Never make out checks or money orders to the agency.** Make all payments out to the "United States Treasury."

You can talk to the IRS about your tax debt. Or you can talk to one of these Companies. **Don't talk to anyone else!** If anyone else calls or writes you about your tax debt, call **1-800-366-4484.**

## What can the agency do?

1. Tell you how much you owe the IRS.
2. Check to see if you filed all tax returns.
3. Work out a monthly payment plan (installment agreement). This gives you 3 years to pay the debt. Is this free? No. It costs up to \$105. The amount you pay depends on your income. What if you can't pay it off in 3

years? The agency can ask the IRS to give you 5 years.

4. Ask the IRS not to collect the tax debt. If you can't make payments, tell the agency. They will look at your income and what you own. They give the information to the IRS. If the IRS thinks it's a hardship, they can decide not to make you pay.

## The agency **can't**:

- Let you settle for less than you owe;
- Help you with a collection hearing;
- Lower your taxes, penalties or interest;
- Get information from banks or other companies without your OK;
- Ask you to send your tax payment to them;
- Ask you to make out a payment to them; and
- Represent or help you in court.

## Do I have to work with the agency?

No. You can ask to have your case sent back to the IRS.

Don't think you owe the tax debt? Or can't pay all the tax debt? Or don't want to work with the agency? Then it is best to have your case sent back to the IRS. Only the IRS can change your tax debt or let you pay less. If you disagree with the tax or can't pay it, call the IRS Referral Unit at **1-866-805-0024.**

You must ask **in writing** to have your case sent back to the IRS. There is a sample letter with this brochure. What if you tell the agency on



the phone to send you case back? They will not contact you for 30 days. If they don't get a letter in 30 days, they will contact you again.

### Can someone work with the agency for me?

Yes. Call a Low Income Taxpayer Clinic. If the Clinic can help you, they may be able to talk to the agency. The Tennessee Taxpayer Project is a Clinic that helps people who live in Tennessee. You can call the Tennessee Taxpayer Project at **1-866-481-3669** for free. Don't live in Tennessee? The Tennessee Taxpayer Project can give you the name of a Clinic in your state.

Your lawyer, accountant or certain family members can talk to the agency for you. You must have this person sign IRS Form 2848 or a Power of Attorney. Send the Power of Attorney to the agency and the IRS. Their addresses are on the letter telling you which agency got your case (IRS Letter 3998C).



Have money problems? Or was the agency unfair to you? Call the IRS Taxpayer Advocate at **1-877-275-8271**.

### Can the agency take my income or property to pay the tax debt?

No and they can't threaten you. While an agency has your case, the IRS can't:

- take your income or property **OR**
- file papers showing they have an interest in your property.

But the IRS can try to collect the debt. Was the IRS taking your income or property **before** they gave your case to an agency? Then the IRS can continue taking your income or property. Don't owe the tax? **Or** can't pay all the tax? Please see our brochure **Got a federal income tax debt you don't owe or can't pay?** It explains what you can do.

Can't pay your monthly living expenses because the IRS is taking your income or property? Call the Tennessee Taxpayer Project at **1-866-481-3669**

for free. Or call the IRS Taxpayer Advocate for free at **1-877-275-8271**.

### Can the agency make threats or call my employer?

No. The agency must follow federal laws like the Fair Debt Collection Practices Act. What if they don't follow this law? You may be able to sue them for damages and your lawyer costs.



Under the Fair Debt law, the agency **can't**:

- Contact you if you ask that your case be sent back to the IRS;
- Contact you if you have a lawyer;
- Call you before 8:00 AM or after 9:00 PM;
- Threaten you, your family or anyone else;
- Take or threaten to take your income or property;
- Call your employer, family or friends; or
- Call you many times in one day.

The agency can't give your information to another person or company. They **can** give your information to the IRS. What if the agency gives your private information to someone else? They can lose their job. They may be charged with a crime. They may have to pay fines.

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## Tennessee Taxpayer Project

A Low Income Taxpayer Clinic

**1-866-481-3669**

It's a free call.

The Tennessee Taxpayer Project (TTP) is a Low Income Taxpayer Clinic funded in part by a grant from the IRS. The TTP is independent from the IRS and Tennessee Department of Revenue. The staff of the Legal Aid Society prepared this brochure.

**L E G A L   A I D   S O C I E T Y**  
OF MIDDLE TENNESSEE AND THE CUMBERLANDS

**Have low income and legal problems?** Call  
Legal Aid Society for free at **1-800-238-1443**.  
Or visit us on the internet at **[www.las.org](http://www.las.org)**

**Note:** This information cannot take the place of  
advice from a lawyer. Each case is different and  
needs individual legal advice. You should contact  
a lawyer if you need representation on a tax  
matter or if you have questions. 2/2008