6-32/710.00 Time and Amount of Payment

The Sheriff must pay a preferred labor claim from proceeds of the writ in his possession immediately upon establishment of such labor claim, whether upon expiration of the time to dispute the claim or when a court order allowing the claim becomes final. If any claim is allowed by the court, the claimant's costs of suit must be included in such payment. The payments are required whether the proceeds are collected from a writ of execution or writ of attachment. (CCP 1206(e))

In all cases, the Sheriff must first deduct the costs incurred in the action by the attaching creditor before paying labor claims. (CCP 1208; Legg and Shaw v. Worthington, 157 CA 488) Such costs include not only the costs of the levy, but also other costs in the action such as the fees of the clerk of the court.

Internal Revenue tax liens have priority over preferred labor claims where there has been no bankruptcy. (United States v. Labor Law Enforcement, 201 F.2d 857) The Bankruptcy Act governs where the debtor has gone into bankruptcy. (In re Knox-Powell-Stockton, 100 F .2d 979 – cite not available)