

6-33/410.00 Procedure After Notice of Tax Lien

Upon receipt of notice of tax lien from the Internal Revenue Service, immediately notify the creditor's attorney by form letter "Internal Revenue Tax -Notice to Creditor" and enclose a copy of the notice, if available. The Office Supervisor or designee shall release property held under attachment or execution to the Internal Revenue Service, or to the debtor if it so directs, under any of the following conditions:

1. Upon receipt of release from the creditor's attorney.
2. Upon failure of the creditor to pay further deposits to cover expenses after demand under [CCP 488.050](#) or [685.100](#).
3. Upon receipt from the Internal Revenue Service of its Final Notice and Demand, in the absence of an objection received from the creditor's attorney in reply to Sheriff's notice to creditor; provided, of course, that the tax lien has apparent priority. However, always allow the creditor's attorney at least 10 days' time after the mailing of the Sheriff's notice within which to dispute any tax priority.

• 6-33/410.10 Priority Disputes

If there is a dispute as to priorities, notify the [Internal Revenue District Director](#) that we hold the property under attachment or execution, giving the date of levy, general description of the property held, name and address of creditor's attorney, and a copy of the writ, if available. Forward a copy of this letter to the creditor's attorney. If the property is not released under as provided above, or sold under execution as authorized below, hold the property until the Internal Revenue Service gives a written release.

When a notice of execution sale has been posted before receiving an Internal Revenue notice of lien, the Internal Revenue Service has agreed that the sale may proceed if the judgment creditor so directs. The costs of such sale, including the costs of the levy, keeper's fees, notices, and conducting of the sale, shall be deducted from the proceeds of the sale, unless otherwise instructed in writing by the Internal Revenue Service prior to the date of sale. The balance of the proceeds shall be held until a final determination as to priorities. Should the judgment creditor be the successful bidder, he must pay cash the same as any other bidder as to any amount in excess of the Sheriff's costs.

No other execution sale shall be conducted after receiving an Internal Revenue notice unless the creditor desires to make a cash bid in an amount sufficient to pay off the tax lien in full or unless specifically authorized by the Internal Revenue Service.
