

TITLE 4: ECONOMIC RESOURCES
DIVISION 1: REVENUE AND TAXATION

§ 1882. Authority to Release Levy and Return Property.

(a) *Release of Levy and Notice of Release.*

(1) In General. Under regulations prescribed by the Secretary, the Secretary shall release the levy upon all, or part of, the property or rights to property levied upon and shall promptly notify the person upon whom such levy was made (if any) that such levy has been released if:

(A) The liability for which such levy was made is satisfied or becomes unenforceable by reason of lapse of time,

(B) Release of such levy will facilitate the collection of such liability,

(C) The taxpayer has entered into an agreement with the Secretary under § 1854 to satisfy such liability by means of installment payments, unless such agreement provides otherwise,

(D) The Secretary has determined that such levy is creating an economic hardship due to the financial condition of the taxpayer, or

(E) The fair market value of the property exceeds such liability and release of the levy on a part of such property could be made without hindering the collection of such liability.

For purposes of subparagraph (C), the Secretary is not required to release such levy if such release would jeopardize the secured creditor status of the Secretary.

(2) Expedited Determination on Certain Business Property. In the case of any tangible personal property essential in carrying on the trade or business of the taxpayer, the Secretary shall provide for an expedited determination under paragraph (1) if levy on such tangible personal property would prevent the taxpayer from carrying on such trade or business.

(3) Subsequent Levy. The release of levy on any property under paragraph (1) shall not prevent any subsequent levy on such property.

(b) *Return of Property.* If the Secretary determines that property has been wrongfully levied upon, it shall be lawful for the Secretary to return:

(1) The specific property levied upon,

(2) An amount of money equal to the amount of money levied upon, or

(3) An amount of money equal to the amount of money received by the Commonwealth from a sale of such property.

Property may be returned at any time. An amount equal to the amount of money levied upon or received from such sale may be returned at any time before the expiration of 9 months from the date of such levy.

(c) *Interest.* For purposes of this section, interest shall be allowed and paid at the rate established under section 1819:

(1) In a case described in subsection (b)(2), from the date the Secretary receives the money to a date (to be determined by the Secretary) preceding the date of return by not more than 30 days, or

(2) In a case described in subsection (b)(3), from the date of the sale of the property to a date (to be determined by the Secretary) preceding the date of return by not more than 30 days.

Source: PL 14-35, § 4 (1881).