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THE TAX LAWYER

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IRS Takes A Bite Out Of Bow Wow



An IRS tax lien is public record and a great source of titillating stories for inveterate newshounds like [TMZ](#). A recent lil celeb tax mauling affected a comparative puppy: Lil Bow Wow. Actually, he's [Bow Wow](#) now, the artist formerly known as Lil Bow Wow. The lien says the rapper (Shad Gregory Moss) owes the IRS \$91,105.61 for 2006. See [Bow Wow Owes the IRS a Lil Money](#).

I like celebrity tax troubles as much as anyone so don't have a dog in this fight. I loved it when Chris Tucker facing an embarrassing \$11.5 million tax lien quipped that he'd better stop getting tax advice from Wesley Snipes! See [IRS To Chris Tucker: We Haven't Forgotten Your \\$11.5 Mil Debt](#). It's not just showbiz types in tax dogfights. Even Republican Hopeful Newt Gingrich was nearly unleashed over tax liens. See [Tax Liens and Newt Gingrich](#).

When you read there's a tax lien you might assume the taxpayer had plenty of notice. But in [30 years](#) as a tax lawyer, I've seen many slip through the cracks. Celebrities have multiple handlers and anyone can move or not receive mail.

In light of our weak economy, the IRS announced more liberal lien rules: [IRS "Fresh Start" for Tax Liens and Installment Deals?](#) The IRS can file a [Notice of Federal Tax Lien](#) only after:

- IRS assesses the liability;
- IRS sends you a Notice and Demand for Payment telling you how much you owe; and
- You fail to fully pay the debt within 10 days after notice.

Once these requirements are met, the IRS **has** a lien. The IRS then files **notice** of the lien to notify creditors. The IRS has a claim against **all** your property even if acquired **after** the lien was filed.

Mistake? Are liens ever filed by mistake when you don't owe it and didn't receive IRS notices? Sure, but not too often. At a minimum, the IRS **thinks** you owe it, suggesting there is a pile of paperwork somewhere you should address.

Releasing a Lien. Getting the IRS to release a lien usually involves: (1) satisfying the tax, interest and penalties by paying it or by having it adjusted; or (2) posting a bond guaranteeing payment. Then the IRS may take 30 days to release it. See [IRS Publication 1450, Request for Release of Federal Tax Lien](#). If the IRS knowingly or negligently fails to release a Notice of Federal Tax Lien when it should be released, you can sue the federal government for damages.

My Advice? Respond to Every IRS Notice! Take tax notices and letters seriously and follow all procedural steps. An IRS lien hurts credit ratings, scares customers and vendors, prevents real estate closings and more. You can try to convince the IRS not to file a Notice of Lien, but it's a tough sell.

If you owe significant amounts and can't pay, expect the lien filing. So don't let it get to the lien filing stage if you can prevent it. With prompt and proper tax representation, you might be able to avoid all the trouble. See [Received An IRS Notice? 10 Simple Tips](#).

For more, see:

[IRS Files Tax Lien against Rapper Bow Wow](#)

[Tax Liens Means IRS Thinks You Owe](#)

[Duke Lacrosse Tax Lien Highlights How Lawsuits Are Taxed](#)

[Got A Tax Notice? Here's What To Do](#)

[Ten Things To Know About Fighting An IRS Bill](#)

[Choose Your Ground In Tax Disputes](#)

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