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IRS Releases Mayweather Tax Lien, Here's How IRS Can Release Yours

A new report says that [Floyd Mayweather's \\$3.3 million tax lien has been released](#) by the IRS, even though he appears to *still* owe the IRS a whopping \$29 million. If true, it might make you wonder why the IRS often pushes so relentlessly to collect, but seems to ease off in some cases. In this case, the answer appears to be that Mayweather paid the \$3.3 million tax debt in full, so the IRS didn't have a choice. The Money boxer still owes the IRS more than \$20 million, and he is still suing the IRS to await his Conor McGregor Fight payday for more payments. Mayweather's finances aren't public, but many news sources have tallied the recent \$22.2 million tax lien, plus his still unpaid



2010 IRS debt of \$7.2 million. The total sounds painfully close to \$30 million.

Mayweather may have higher priorities than paying his taxes. After Conor McGregor called him out to pay his taxes, Mayweather lamented

that he *already* had paid the IRS \$26 million:

“While everyone is counting my money and assuming the worst, these are the facts... Uncle Sam, received \$26,000,000.00 from me in 2015! What else could they possibly want? I’m sure I would have been notified much sooner if there were any real discrepancies right? Bottom line, everybody just wants to be a part of the ‘Money May’ show, including the IRS! That’s fine, you can crunch numbers all day but in the end, my empire is rock solid and intact! Now Calculate That!”

[Floyd Mayweather](#) Jr. is worth plenty, of course, but high value assets do not always translate to cash to pay the IRS. Even if you have the cash, writing a check can be, well, tough. Mayweather’s cash-flow at least will change with his upcoming August 26 next fight with MMA’s Conor McGregor. He should be rolling in cash soon. As to tax liens, they are just the IRS’s way of making sure that the IRS gets paid no matter what. Still, they are public and can be embarrassing. IRS tax liens can spoil your credit, prevent real estate closings, and damage your reputation. The IRS files a notice of lien so creditors know. IRS tax liens cover all property, even if acquired after the lien filing.

How do you get a lien removed? You guessed it, you usually have to pay up. Then, the IRS is *supposed* to release the lien so you can get back to normal. Under [Section 6321](#) of the tax code, when you fail to pay a tax liability after notice and demand, a lien attaches to all your property and rights to property. The IRS can seize and sell property subject to a federal tax lien. So, filing a lien is second nature to the IRS, but it doesn’t necessarily mean they will try to seize and sell anything. Unfortunately, though, tax liens are sometimes not promptly removed, even after you have paid off the IRS in full. One government [report](#) says that some IRS lien notices are mishandled, with notices going awry, appeal rights not being explained, and similar gaffes. The report says in most cases, the IRS mailed out the lien notices explaining the taxpayer’s appeal rights.

The IRS can file a [Notice of Federal Tax Lien](#) only after the IRS assesses the liability; sends a Notice and Demand for Payment; and you fail to pay in full within 10 days. The courts use it to establish priority in bankruptcy proceedings and real estate sales. IRS liens last 10 years, and usually release automatically if IRS has not refiled them. However, you’re better off to get them removed immediately. Getting the IRS to *release* a lien usually involves: (1) paying the tax, interest and penalties; or (2) posting a bond guaranteeing payment. Even then, the IRS may take 30 days. State or local government charges to file and release the lien are added to the amount you owe.

The [IRS explains how to request a release of federal tax lien](#). Note that tax liens and seizures are not the same. The lien just makes sure the IRS eventually gets paid. A seizure involves forced collection so the IRS can sell property and get paid. That's usually a bad thing, but if you want to travel, paying the IRS might not be such a bad idea. After all, now the [IRS can revoke passports for tax debts](#), too. The State Department actually does the revoking, if IRS certifies that you have a seriously delinquent tax debt over \$50,000. That could mean no new passport and no renewal. It could even mean the State Department will rescind existing passports. The State Department will act when the IRS tells them, and the list of affected taxpayers will be compiled by the IRS. The IRS will use a threshold of \$50,000 of unpaid federal taxes. But this \$50,000 figure includes penalties and interest. And interest and penalties can add up fast. The rules are not limited to criminal tax cases or where the government thinks you are fleeing a tax debt.

If Mayweather felt he had to file in Tax Court, perhaps it was to make sure that the IRS did not do something rash, like push hard to collect. The IRS does like to get paid. In that sense, maybe the IRS and Mayweather have something in common after all.

For alerts to future tax articles, email me at Wood@WoodLLP.com. This discussion is not legal advice.