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THE TAX LAWYER

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### Lionel Richie To IRS: ‘Hello Is It Me You’re Looking For?’

A \$1.1 million tax debt would be a lot to most people. If you’re Lionel Richie and worth around \$200 million? Not so much. See [IRS files tax lien against Lionel Richie.](#)

Still, saying hello to an IRS tax lien is an embarrassment and can mean the IRS can start more serious collection activity like levying on accounts and property. IRS liens hurt credit ratings, scare customers and vendors, prevent real estate closings and more. And it can seem like IRS liens last [All Night Long](#) for 10 long years. See [Homes and Pensions Now On IRS Hit List.](#)



The Definitive Collection (Lionel Richie album) (Photo credit: Wikipedia)

Before there’s a tax lien you might assume you’d have plenty of notice. But in [30 years](#) as a tax lawyer, I’ve seen many slip through the cracks. Anyone can move or simply not receive mail. Celebrities have multiple handlers so may be especially at risk.

**Lien Mistakes?** Richie’s lien could be a mistake and he might not owe the taxes. But even if it is, there is probably a pile of paperwork somewhere he should address to straighten out the confusion. See [Got A Tax Notice? Here’s What To Do.](#) Usually there’s no mistake and IRS liens are valid.

The IRS can file a [Notice of Federal Tax Lien](#) only after:

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

The IRS automatically **has** a lien and files **notice** so creditors know. IRS tax liens cover **all** your property even that acquired **after** the lien filing. The courts use it to establish priority in bankruptcy proceedings and real estate sales.

**Liens Last 10 Years.** 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.

**Releasing a Lien.** 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. See [IRS Publication 1450, Request for Release of Federal Tax Lien](#).

**Suit?** If the IRS knowingly or negligently fails to release a Notice of Federal Tax Lien when it should be released, you may sue the federal government for damages.

**Respond to Every IRS Notice!** Take tax notices and letters seriously, and follow the procedural steps outlined. With prompt and proper tax representation of tax notices and bills, the IRS might agree no taxes (or smaller taxes) are due, thus avoiding all the trouble. See [Received An IRS Notice? 10 Simple Tips](#).

**Kinder Gentler IRS?** Given the tough economy the IRS has liberalized some lien rules. See [IRS "Fresh Start" for Tax Liens and Installment Deals?](#) If possible, don't let it get to the lien filing stage. If you have cash-flow problems you can try to convince the IRS not to file a Notice of Lien. That's a tough sell, so if you owe significant amounts, expect the lien filing.

Tax problems are not restricted to entertainers. Even Newt Gingrich was nearly unleashed over tax liens. See [Tax Liens and Newt Gingrich](#).

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](#)

[Follow Three Simple Tax Rules](#)

[When Fighting IRS, Should You Pay To Stop Interest?](#)

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

[Choose Your Ground In Tax Disputes](#)

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