

FACT SHEET

IRS Private Debt Collection Program



November 2016

This fact sheet provides information for your awareness and for addressing questions from taxpayers at VITA/TCE sites about the IRS Private Debt Collection Program.

Key Messages

- The IRS plans to begin private collection of certain overdue federal tax debts as early as spring of 2017.
- Covers tax debts owed but currently not worked by the IRS.
- Private collection agencies will work with taxpayers and their representatives to resolve unpaid accounts.
- Private collection agencies will be able to identify themselves as contractors of the IRS collecting taxes.
- Private debt collectors are expected to be courteous and respectful of taxpayers' rights; and employees must follow the Fair Debt Collection Practice Act.
- The IRS encourages taxpayers to visit IRS.gov for information including the "[Tax Scams and Consumer Alerts](#)" page.
- To make a complaint about a private collection agency or report misconduct by its employee, call the TIGTA hotline at 800-366-4484 or visit <http://www.tigta.gov/>.

Background

The Internal Revenue Service plans to begin private collection of certain overdue federal tax debts as early as spring of 2017.

This new program, Section 32102 of the Fixing America's Surface Transportation Act (FAST Act), authorized under a federal law enacted by Congress in December 2015, requires the IRS to use private collection agencies for the collection of outstanding inactive tax receivables. The IRS has selected the following contractors to carry out this program:

- Conserve
Fairport, NY
- Pioneer
Horseheads, NY
- Performant
Livermore, CA
- CBE Group
Cedar Falls, IA

Official Notification

Private collection agencies will be able to identify themselves as contractors of the IRS collecting taxes. Employees of these collection agencies must follow provisions of the Fair Debt Collection Practices Act and should be courteous and respectful of taxpayer rights.

These private collection agencies will work on accounts where taxpayers owe money but the IRS is no longer actively working on the account. Several factors contribute to the IRS assigning these accounts to private collection agencies, including older, overdue tax accounts; or lack of resources preventing the IRS from working the cases.

The IRS will give taxpayers and their representative written notice that the accounts are being transferred to a private collection agency. The agency will send a second letter to the taxpayer and their representative confirming this transfer.

The IRS will do everything it can to help taxpayers avoid confusion and understand their rights and tax responsibilities, particularly in light of continual phone scams where callers impersonate IRS agents and request immediate payment.

FACT Sheet – IRS Private Debt Collection Program

Awareness of Scams

Private collection agencies will not ask for payment on a prepaid debit card. Taxpayers will be informed about electronic payment options for taxpayers on [IRS.gov/payments](https://www.irs.gov/payments). Payment by check should be payable to the U.S. Treasury and sent directly to IRS, not the private collection agency.

The IRS will continue to keep taxpayers informed about scams and provide tips for protecting themselves. The IRS encourages taxpayers to visit [IRS.gov](https://www.irs.gov) for information including the “[Tax Scams and Consumer Alerts](#)” page.

If the taxpayer does not wish to work with the assigned private collection agency to settle their overdue tax account, the taxpayer must submit a request in writing to the private collection agency.

Accounts Not Assigned To Private Collection Agencies

IRS will not assign accounts to private collection agencies involving taxpayers who are:

- Deceased
- Under the age of 18
- In designated Combat Zones
- Victims of tax-related identity theft
- Currently under examination, litigation, criminal investigation or levy
- Subject to pending or active Offers in Compromise
- Subject to an Installment Agreement
- Subject to a Right of Appeal
- Classified Innocent Spouse cases
- In presidentially declared disaster area and requesting relief from collection

Private collection agencies will return accounts to the IRS if taxpayers and their accounts fall into any of these 10 situations after assignment to the private collection agency.

For more information visit the [Private Debt Collection](#) page on IRS.gov.