Dr. Friday.

TAX & FINANCIAL FIRM, INC.

QUICK CHECKLIST

IRS Liens, Levies, and Wage Garnishments 10-Minute Checklist

A 10-Minute Checklist for Understanding What the IRS Notice May Mean

An IRS collection notice can feel scary, especially when words like lien, levy, or garnishment show up. Those words do not all mean the same thing.

DR. FRIDAY, EA

TAX YEAR & ADVICE NOTICE

Tax laws and IRS guidance can change and may differ by tax year. This guide provides general educational information, not personalized tax advice. Confirm the rules and deadlines for the tax year of your return, and consult a qualified tax professional about your situation.

This checklist helps you sort out what may be happening, what to save, what deadline to watch for, and when the situation is too risky to handle alone.

> **Key Takeaway:** A lien is a claim against property. A levy is when the IRS takes money or property. A wage garnishment is an ongoing levy against paychecks. The faster you identify which one applies, the better your next step usually becomes.

Dr. Friday Free Resource

Lien, Levy, or Garnishment?

Know which IRS collection word applies before choosing a response.

1. **Lien**
   A legal claim against property because tax debt is unresolved.
2. **Levy**
   The IRS takes money or property after required notice steps.
3. **Garnishment**
   A wage levy that keeps affecting paychecks.
4. **Deadline**
   Watch for final notice, hearing, appeal, or response dates.
5. **Next proof**
   Save notices, balances, pay stubs, bank letters, and IRS mail.

Small win: a lien is a claim; a levy is a taking; garnishment hits wages.

Lien Levy Garnishment Quick Check infographic for Dr. Friday resource guide.

Educational only. Check rules for your return's tax year.

Quick Answer

If the IRS says it filed a lien, it may be protecting its legal claim against your property because a tax debt has not been resolved.

If the IRS says it may levy, it may be warning that it can take money or property if the issue is not addressed.

If your employer receives a wage levy, part of your paycheck may be sent to the IRS until the levy is released or the tax debt is resolved another way.

Who This Checklist Is For

Use this checklist if you:

- [ ] Received an IRS notice about unpaid taxes.
- [ ] Saw the words lien, levy, seizure, garnishment, or Final Notice of Intent to Levy.
- [ ] Are worried the IRS may take money from a bank account or paycheck.
- [ ] Need a simple way to organize the notice before deciding what to do next.

Educational only. Check rules for your return's tax year.

The Three Words People Mix Up

IRS collection word	Plain-English meaning	Why it matters
Tax lien	The government's legal claim against property because tax debt remains unpaid	It can affect property, credit, refinancing, selling property, or future assets
Levy	The IRS actually takes money or property to pay the debt	Bank accounts, investment accounts, income, and other assets may be affected
Wage garnishment	A continuing levy sent to an employer	Part of each paycheck may be sent to the IRS until the issue changes

Simple Rule: A lien is a claim. A levy is a taking. A wage garnishment is a levy that keeps affecting paychecks.

Your 10-Minute IRS Notice Check

Before you call anyone, throw anything away, or assume the worst, answer these questions.

- [ ] What is the notice number or letter name?
- [ ] What tax year or years are listed?
- [ ] What amount does the IRS say is owed?
- [ ] Does the notice mention a lien?
- [ ] Does the notice mention a levy?
- [ ] Does the notice say Final Notice of Intent to Levy?
- [ ] Does the notice mention a right to a hearing or appeal?
- [ ] What date is printed on the notice?
- [ ] What deadline does the notice give?
- [ ] Is the IRS asking you to call, pay, appeal, or provide information?
- [ ] Do you already have a payment plan or other IRS arrangement?
- [ ] Has any bank account, paycheck, or other income already been affected?

Watch the Date: Some collection notices involve appeal deadlines. If a notice says you have a right to request a hearing, do not wait until the deadline is close.

What To Save First

Create one folder for the collection issue. Save:

- Every page of the IRS notice.
- The envelope, if you still have it.
- Prior IRS notices about the same tax year.
- Proof of payments already made.
- Any installment agreement or IRS payment plan confirmation.
- Recent paystubs.
- Recent bank statements.
- A copy of the tax return for the year listed.
- Notes from any phone calls with the IRS.

> **Document Note:** Do not rely on memory. Collection cases often turn on dates, notice numbers, tax years, balances, and what the IRS already sent.

First Safe Steps

Use these steps before choosing a bigger response.

01 Read the notice from top to bottom.

02 Circle the tax year, balance, notice date, and deadline.

03 Save the notice and envelope.

04 Check whether any bank account or paycheck has already been affected.

05 Gather proof of payments or payment plans.

06 Write down what changed, if anything, since the IRS first contacted you.

07 Decide whether this is still safe to organize yourself or whether you need help before the deadline.

Common Mistakes To Avoid

- Ignoring the notice because you cannot pay in full.
- Assuming a lien means the IRS already took property.
- Waiting until a bank account is frozen to ask what options exist.
- Thinking a wage levy affects only one paycheck.
- Calling without the notice in front of you.
- Missing an appeal deadline because the notice looked confusing.
- Throwing away older notices that explain how the case reached this point.

When To Stop and Get Professional Help

Consider getting qualified help before acting if:

- A bank account has already been levied.
- Your employer received a wage levy.
- The notice gives a short appeal deadline.
- More than one tax year is involved.
- You cannot tell whether the balance is correct.
- You have payroll taxes, business taxes, trust fund issues, or missing returns.
- You are trying to sell or refinance property while a lien is filed.
- You cannot afford basic living expenses if the IRS collects.
- You received a notice and do not understand what action is required.

> **Ask Before It Gets Worse:** If collection has already started, timing matters. A qualified tax professional can help you understand whether a payment plan, levy release request, appeal, or hardship review may be appropriate.

Educational only. Check rules for your return's tax year.

Public IRS Resources

- IRS Publication 594, The IRS Collection Process: https://www.irs.gov/pub/irs-pdf/p594.pdf
- IRS federal tax lien information: https://www.irs.gov/businesses/small-businesses-self-employed/understanding-a-federal-tax-lien
- IRS levy information: https://www.irs.gov/businesses/small-businesses-self-employed/levy
- IRS payment plan information: https://www.irs.gov/payments/payment-plans-installment-agreements
- IRS Offer in Compromise information: https://www.irs.gov/payments/offer-in-compromise

Educational Disclaimer

This resource is for general educational purposes only and is not personalized tax advice. Tax situations vary. Before acting on information in this guide, consult a qualified tax professional about your specific facts and circumstances.

Next Step: Build Your IRS Collection Case File

If this checklist helped you identify a lien, levy, wage garnishment, or urgent notice deadline, the next step is to organize the full situation before you respond.

The **IRS Collection Response Workbook** helps you build a case file, read the notice, track deadlines, compare possible resolution paths, prepare a call log, and decide when the issue is no longer safe to handle alone.

It is a good fit if you:

- Have more than one IRS notice.
- Are worried about a levy or wage garnishment.
- Need to sort out lien, levy, payment plan, hardship, or appeal questions.
- Want your facts organized before contacting the IRS or Dr. Friday's office.

For help reviewing an IRS collection notice or deciding whether professional help is needed, contact Dr. Friday Tax and Financial Firm, Inc.

Contact item	Details
Website	https://drfriday.com
Phone	615-367-0819
Email	friday@drfriday.com
Office	205 Powell Place, Suite 223, Brentwood, TN 37027

Explore the companion workbook

drfriday.com/resources/irs-collections/#workbook

Educational only. Check rules for your return's tax year.