IRS Wage Levy Release Checklist

Step-by-step procedure to release a wage garnishment under Form 668-W — compliance, financial documentation, grounds for release, and appeal rights.

1. Initial Levy Review (Form 668-W)

- ☐ Obtain complete copy of Form 668-W from taxpayer or employer
- ☐ Verify taxpayer name, SSN, tax years, and total balance shown
- ☐ Record IRS contact phone number and assigned revenue officer (if any)
- ☐ Get employer payroll contact name, phone, and DIRECT fax number
- ☐ Note date employer received the levy and next payroll processing date
- ☐ Have taxpayer complete Statement of Dependents & Filing Status within 3 days
- ☐ Confirm exempt amount using IRS Publication 1494

2. Filing Compliance Check

- ☐ All required individual returns filed (typically last 6 years)
- ☐ All required business returns filed (if applicable)
- ☐ Current payroll tax deposits being made (business)
- ☐ Current estimated tax payments on track
- ☐ Adequate wage withholding for current year
- ☐ Proof of any recently filed returns not yet posted with IRS

3. Financial Documentation (Form 433-F / 433-A / 433-B)

- ☐ Three most recent pay stubs (all wage earners in household)
- ☐ Three months of bank statements (every account)
- ☐ Current mortgage statement or lease agreement
- ☐ Utility bills (electric, gas, water, internet, phone)
- ☐ Vehicle loan / lease statements and insurance
- ☐ Health insurance premiums + out-of-pocket medical expenses
- ☐ Childcare / dependent-care documentation
- ☐ Court-ordered payments (child support, alimony)
- ☐ Recent profit-and-loss statement (self-employed)
- ☐ Documentation of any emergency or unusual expenses

4. Choose Grounds for Release

- ☐ Immediate Economic Hardship — IRC §6343(a)(1)(D) (mandatory release)
- ☐ Installment Agreement — confirm terms include release on approval
- ☐ Currently Not Collectible (CNC) — Status 53 hardship
- ☐ Full Payment — liability paid or already satisfied
- ☐ Collection Statute Expiration (CSED) reached
- ☐ Incorrect assessment or misapplied payment
- ☐ Offer in Compromise — REQUIRES separate hardship request

5. IRS Contact & Release Verification

- ☐ Call number on Form 668-W or most recent notice (ACS or RO)
- ☐ Confirm you are speaking with the office CONTROLLING the levy
- ☐ Provide valid Form 2848 (Power of Attorney) if representing
- ☐ Submit completed financial statement + supporting documents
- ☐ Request immediate release or temporary hold on levy
- ☐ Provide employer payroll fax number for direct transmission
- ☐ Ask WHEN Form 668-D release will be transmitted
- ☐ Record representative name, ID number, call time, and commitments
- ☐ Confirm release covers EVERY tax period listed on the levy
- ☐ Verify payroll received Form 668-D before next payroll cutoff

6. Appeals & Taxpayer Advocate Options

- ☐ Form 12153 — CDP hearing (within LT11/1058 deadline)
- ☐ Collection Appeals Program (CAP) — faster, more limited review
- ☐ Equivalent Hearing — if CDP deadline missed (limits apply)
- ☐ Form 911 — Taxpayer Advocate Service (significant hardship)
- ☐ Publication 1660 — full Collection Appeal Rights reference

7. After the Levy Is Released

- ☐ Do NOT stop — the tax debt remains until fully resolved
- ☐ File all future returns on time
- ☐ Make every agreed installment or resolution payment
- ☐ Maintain adequate wage withholding + estimated payments
- ☐ Make required payroll tax deposits (business)
- ☐ Respond promptly to any new IRS notices
- ☐ Notify IRS of any material change in financial situation

General educational reference — not legal or tax advice. Verify current IRS forms and requirements at irs.gov. For case-specific guidance, contact Milk & Honey Firm at (904) 227-7902.