

this section shall not apply, except that the taxpayer shall be given the opportunity for the hearing described in this section within a reasonable period of time after the levy.

**(g) Frivolous requests for hearing, etc.**

Notwithstanding any other provision of this section, if the Secretary determines that any portion of a request for a hearing under this section or section 6320 meets the requirement of clause (i) or (ii) of section 6702(b)(2)(A), then the Secretary may treat such portion as if it were never submitted and such portion shall not be subject to any further administrative or judicial review.

**(h) Disqualified employment tax levy**

For purposes of subsection (f), a disqualified employment tax levy is any levy in connection with the collection of employment taxes for any taxable period if the person subject to the levy (or any predecessor thereof) requested a hearing under this section with respect to unpaid employment taxes arising in the most recent 2-year period before the beginning of the taxable period with respect to which the levy is served. For purposes of the preceding sentence, the term “employment taxes” means any taxes under chapter 21, 22, 23, or 24.

(Added Pub. L. 105-206, title III, §3401(b), July 22, 1998, 112 Stat. 747; amended Pub. L. 106-554, §1(a)(7) [title III, §313(b)(2)(A), (d)], Dec. 21, 2000, 114 Stat. 2763, 2763A-642, 2763A-643; Pub. L. 109-280, title VIII, §855(a), Aug. 17, 2006, 120 Stat. 1019; Pub. L. 109-432, div. A, title IV, §407(b), Dec. 20, 2006, 120 Stat. 2961; Pub. L. 110-28, title VIII, §8243(a), (b), May 25, 2007, 121 Stat. 200.)

AMENDMENTS

2007—Subsec. (f)(3). Pub. L. 110-28, §8243(a), added par. (3).

Subsec. (h). Pub. L. 110-28, §8243(b), added subsec. (h).  
 2006—Subsec. (b)(1). Pub. L. 109-432, §407(b)(3), substituted “in writing under subsection (a)(3)(B) and states the grounds for the requested hearing” for “under subsection (a)(3)(B)”.

Subsec. (c)(4)(A), (B). Pub. L. 109-432, §407(b)(2), redesignated subpars. (A) and (B) as cls. (i) and (ii), respectively, of subpar. (A), in cl. (ii) substituted “; or” for period at end, and added subpar. (B).

Subsec. (d)(1). Pub. L. 109-280, §855(a), reenacted heading without change and amended text of par. (1) generally. Prior to amendment, text read as follows: “The person may, within 30 days of a determination under this section, appeal such determination—

“(A) to the Tax Court (and the Tax Court shall have jurisdiction with respect to such matter); or

“(B) if the Tax Court does not have jurisdiction of the underlying tax liability, to a district court of the United States.

If a court determines that the appeal was to an incorrect court, a person shall have 30 days after the court determination to file such appeal with the correct court.”

Subsec. (g). Pub. L. 109-432, §407(b)(1), added subsec. (g).

2000—Subsec. (d)(1)(A). Pub. L. 106-554, §1(a)(7) [title III, §313(d)], substituted “with respect to” for “to hear”.

Subsec. (e)(1). Pub. L. 106-554, §1(a)(7) [title III, §313(b)(2)(A)], inserted at end “Notwithstanding the provisions of section 7421(a), the beginning of a levy or proceeding during the time the suspension under this paragraph is in force may be enjoined by a proceeding in the proper court, including the Tax Court. The Tax

Court shall have no jurisdiction under this paragraph to enjoin any action or proceeding unless a timely appeal has been filed under subsection (d)(1) and then only in respect of the unpaid tax or proposed levy to which the determination being appealed relates.”

EFFECTIVE DATE OF 2007 AMENDMENT

Pub. L. 110-28, title VIII, §8243(c), May 25, 2007, 121 Stat. 200, provided that: “The amendments made by this section [amending this section] shall apply to levies served on or after the date that is 120 days after the date of the enactment of this Act [May 25, 2007].”

EFFECTIVE DATE OF 2006 AMENDMENT

Amendment by Pub. L. 109-432 applicable to submissions made and issues raised after the date on which the Secretary first prescribes a list under section 6702(c) of this title, see section 407(f) of Pub. L. 109-432, set out as a note under section 6320 of this title.

Pub. L. 109-280, title VIII, §855(b), Aug. 17, 2006, 120 Stat. 1019, provided that: “The amendment made by this section [amending this section] shall apply to determinations made after the date which is 60 days after the date of the enactment of this Act [Aug. 17, 2006].”

EFFECTIVE DATE OF 2000 AMENDMENT

Amendment by section 1(a)(7) [title III, §313(b)(2)(A)] of Pub. L. 106-554 effective Dec. 21, 2000, and amendment by section 1(a)(7) [title III, §313(d)] of Pub. L. 106-554, effective as if included in the provisions of the Internal Revenue Service Restructuring and Reform Act of 1998, Pub. L. 105-206, to which such amendment relates, see section 1(a)(7) [title III, §313(f)] of Pub. L. 106-554, set out as a note under section 6015 of this title.

EFFECTIVE DATE

Section applicable to collection actions initiated after the date which is 180 days after July 22, 1998, see section 3401(d) of Pub. L. 105-206, set out as a note under section 6320 of this title.

PART II—LEVY

- Sec. 6331. Levy and distraint.
- 6332. Surrender of property subject to levy.
- 6333. Production of books.
- 6334. Property exempt from levy.
- 6335. Sale of seized property.
- 6336. Sale of perishable goods.
- 6337. Redemption of property.
- 6338. Certificate of sale; deed of real property.
- 6339. Legal effect of certificate of sale of personal property and deed of real property.
- 6340. Records of sale.
- 6341. Expense of levy and sale.
- 6342. Application of proceeds of levy.
- 6343. Authority to release levy and return property.
- 6344. Cross references.

AMENDMENTS

1998—Pub. L. 105-206, title III, §3401(b), July 22, 1998, 112 Stat. 749, added part heading.

1966—Pub. L. 89-719, title I, §104(j), Nov. 2, 1966, 80 Stat. 1138, inserted “and return property” in item 6343.

**§ 6331. Levy and distraint**

**(a) Authority of Secretary**

If any person liable to pay any tax neglects or refuses to pay the same within 10 days after notice and demand, it shall be lawful for the Secretary to collect such tax (and such further sum as shall be sufficient to cover the expenses of the levy) by levy upon all property and rights to property (except such property as is exempt under section 6334) belonging to such person or

on which there is a lien provided in this chapter for the payment of such tax. Levy may be made upon the accrued salary or wages of any officer, employee, or elected official, of the United States, the District of Columbia, or any agency or instrumentality of the United States or the District of Columbia, by serving a notice of levy on the employer (as defined in section 3401(d)) of such officer, employee, or elected official. If the Secretary makes a finding that the collection of such tax is in jeopardy, notice and demand for immediate payment of such tax may be made by the Secretary and, upon failure or refusal to pay such tax, collection thereof by levy shall be lawful without regard to the 10-day period provided in this section.

**(b) Seizure and sale of property**

The term “levy” as used in this title includes the power of distraint and seizure by any means. Except as otherwise provided in subsection (e), a levy shall extend only to property possessed and obligations existing at the time thereof. In any case in which the Secretary may levy upon property or rights to property, he may seize and sell such property or rights to property (whether real or personal, tangible or intangible).

**(c) Successive seizures**

Whenever any property or right to property upon which levy has been made by virtue of subsection (a) is not sufficient to satisfy the claim of the United States for which levy is made, the Secretary may, thereafter, and as often as may be necessary, proceed to levy in like manner upon any other property liable to levy of the person against whom such claim exists, until the amount due from him, together with all expenses, is fully paid.

**(d) Requirement of notice before levy**

**(1) In general**

Levy may be made under subsection (a) upon the salary or wages or other property of any person with respect to any unpaid tax only after the Secretary has notified such person in writing of his intention to make such levy.

**(2) 30-day requirement**

The notice required under paragraph (1) shall be—

- (A) given in person,
- (B) left at the dwelling or usual place of business of such person, or
- (C) sent by certified or registered mail to such persons’s last known address,

no less than 30 days before the day of the levy.

**(3) Jeopardy**

Paragraph (1) shall not apply to a levy if the Secretary has made a finding under the last sentence of subsection (a) that the collection of tax is in jeopardy.

**(4) Information included with notice**

The notice required under paragraph (1) shall include a brief statement which sets forth in simple and nontechnical terms—

- (A) the provisions of this title relating to levy and sale of property,
- (B) the procedures applicable to the levy and sale of property under this title,

(C) the administrative appeals available to the taxpayer with respect to such levy and sale and the procedures relating to such appeals,

(D) the alternatives available to taxpayers which could prevent levy on the property (including installment agreements under section 6159),

(E) the provisions of this title relating to redemption of property and release of liens on property, and

(F) the procedures applicable to the redemption of property and the release of a lien on property under this title.

**(e) Continuing levy on salary and wages**

The effect of a levy on salary or wages payable to or received by a taxpayer shall be continuous from the date such levy is first made until such levy is released under section 6343.

**(f) Uneconomical levy**

No levy may be made on any property if the amount of the expenses which the Secretary estimates (at the time of levy) would be incurred by the Secretary with respect to the levy and sale of such property exceeds the fair market value of such property at the time of levy.

**(g) Levy on appearance date of summons**

**(1) In general**

No levy may be made on the property of any person on any day on which such person (or officer or employee of such person) is required to appear in response to a summons issued by the Secretary for the purpose of collecting any underpayment of tax.

**(2) No application in case of jeopardy**

This subsection shall not apply if the Secretary finds that the collection of tax is in jeopardy.

**(h) Continuing levy on certain payments**

**(1) In general**

If the Secretary approves a levy under this subsection, the effect of such levy on specified payments to or received by a taxpayer shall be continuous from the date such levy is first made until such levy is released. Notwithstanding section 6334, such continuous levy shall attach to up to 15 percent of any specified payment due to the taxpayer.

**(2) Specified payment**

For the purposes of paragraph (1), the term “specified payment” means—

- (A) any Federal payment other than a payment for which eligibility is based on the income or assets (or both) of a payee,
- (B) any payment described in paragraph (4), (7), (9), or (11) of section 6334(a), and
- (C) any annuity or pension payment under the Railroad Retirement Act or benefit under the Railroad Unemployment Insurance Act.

**(3) Increase in levy for certain payments**

Paragraph (1) shall be applied by substituting “100 percent” for “15 percent” in the case of any specified payment due to a vendor of goods or services sold or leased to the Federal Government.

**(i) No levy during pendency of proceedings for refund of divisible tax****(1) In general**

No levy may be made under subsection (a) on the property or rights to property of any person with respect to any unpaid divisible tax during the pendency of any proceeding brought by such person in a proper Federal trial court for the recovery of any portion of such divisible tax which was paid by such person if—

(A) the decision in such proceeding would be res judicata with respect to such unpaid tax; or

(B) such person would be collaterally estopped from contesting such unpaid tax by reason of such proceeding.

**(2) Divisible tax**

For purposes of paragraph (1), the term “divisible tax” means—

(A) any tax imposed by subtitle C; and

(B) the penalty imposed by section 6672 with respect to any such tax.

**(3) Exceptions****(A) Certain unpaid taxes**

This subsection shall not apply with respect to any unpaid tax if—

(i) the taxpayer files a written notice with the Secretary which waives the restriction imposed by this subsection on levy with respect to such tax; or

(ii) the Secretary finds that the collection of such tax is in jeopardy.

**(B) Certain levies**

This subsection shall not apply to—

(i) any levy to carry out an offset under section 6402; and

(ii) any levy which was first made before the date that the applicable proceeding under this subsection commenced.

**(4) Limitation on collection activity; authority to enjoin collection****(A) Limitation on collection**

No proceeding in court for the collection of any unpaid tax to which paragraph (1) applies shall be begun by the Secretary during the pendency of a proceeding under such paragraph. This subparagraph shall not apply to—

(i) any counterclaim in a proceeding under such paragraph; or

(ii) any proceeding relating to a proceeding under such paragraph.

**(B) Authority to enjoin**

Notwithstanding section 7421(a), a levy or collection proceeding prohibited by this subsection may be enjoined (during the period such prohibition is in force) by the court in which the proceeding under paragraph (1) is brought.

**(5) Suspension of statute of limitations on collection**

The period of limitations under section 6502 shall be suspended for the period during which the Secretary is prohibited under this subsection from making a levy.

**(6) Pendency of proceeding**

For purposes of this subsection, a proceeding is pending beginning on the date such proceeding commences and ending on the date that a final order or judgment from which an appeal may be taken is entered in such proceeding.

**(j) No levy before investigation of status of property****(1) In general**

For purposes of applying the provisions of this subchapter, no levy may be made on any property or right to property which is to be sold under section 6335 until a thorough investigation of the status of such property has been completed.

**(2) Elements in investigation**

For purposes of paragraph (1), an investigation of the status of any property shall include—

(A) a verification of the taxpayer’s liability;

(B) the completion of an analysis under subsection (f);

(C) the determination that the equity in such property is sufficient to yield net proceeds from the sale of such property to apply to such liability; and

(D) a thorough consideration of alternative collection methods.

**(k) No levy while certain offers pending or installment agreement pending or in effect****(1) Offer-in-compromise pending**

No levy may be made under subsection (a) on the property or rights to property of any person with respect to any unpaid tax—

(A) during the period that an offer-in-compromise by such person under section 7122 of such unpaid tax is pending with the Secretary; and

(B) if such offer is rejected by the Secretary, during the 30 days thereafter (and, if an appeal of such rejection is filed within such 30 days, during the period that such appeal is pending).

For purposes of subparagraph (A), an offer is pending beginning on the date the Secretary accepts such offer for processing.

**(2) Installment agreements**

No levy may be made under subsection (a) on the property or rights to property of any person with respect to any unpaid tax—

(A) during the period that an offer by such person for an installment agreement under section 6159 for payment of such unpaid tax is pending with the Secretary;

(B) if such offer is rejected by the Secretary, during the 30 days thereafter (and, if an appeal of such rejection is filed within such 30 days, during the period that such appeal is pending);

(C) during the period that such an installment agreement for payment of such unpaid tax is in effect; and

(D) if such agreement is terminated by the Secretary, during the 30 days thereafter (and, if an appeal of such termination is filed within such 30 days, during the period that such appeal is pending).

**(3) Certain rules to apply**

Rules similar to the rules of—

(A) paragraphs (3) and (4) of subsection (i), and

(B) except in the case of paragraph (2)(C), paragraph (5) of subsection (i),

shall apply for purposes of this subsection.

**(I) Cross references**

(1) For provisions relating to jeopardy, see subchapter A of chapter 70.

(2) For proceedings applicable to sale of seized property see section 6335.

(3) For release and notice of release of levy, see section 6343.

(Aug. 16, 1954, ch. 736, 68A Stat. 783; Pub. L. 89-719, title I, §104(a), Nov. 2, 1966, 80 Stat. 1135; Pub. L. 92-178, title II, §211(a), Dec. 10, 1971, 85 Stat. 520; Pub. L. 94-455, title XII, §1209(d)(1), (2), (4), title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1710, 1711, 1834; Pub. L. 97-248, title III, §349(a), Sept. 3, 1982, 96 Stat. 639; Pub. L. 98-369, div. A, title VII, §714(o), July 18, 1984, 98 Stat. 964; Pub. L. 100-647, title VI, §6236(a), (b), (d), Nov. 10, 1988, 102 Stat. 3737, 3739; Pub. L. 105-34, title X, §1024(a), Aug. 5, 1997, 111 Stat. 923; Pub. L. 105-206, title III, §§3433(a), 3444(a), 3462(b), title VI, §6010(f), July 22, 1998, 112 Stat. 759, 762, 765, 814; Pub. L. 106-554, §1(a)(7) [title III, §313(b)(3)], Dec. 21, 2000, 114 Stat. 2763, 2763A-642; Pub. L. 107-147, title IV, §416(e)(1), Mar. 9, 2002, 116 Stat. 55; Pub. L. 108-357, title VIII, §887(a), Oct. 22, 2004, 118 Stat. 1641.)

## REFERENCES IN TEXT

The Railroad Retirement Act, referred to in subsec. (h)(2)(C), is act Aug. 29, 1935, ch. 812, as amended generally by Pub. L. 93-445, title I, §101, Oct. 16, 1974, 88 Stat. 1305, known as the Railroad Retirement Act of 1974, which is classified generally to subchapter IV (§231 et seq.) of chapter 9 of Title 45, Railroads. For further details and complete classification of this Act to the Code, see Codification note set out preceding section 231 of Title 45, section 231t of Title 45, and Tables.

The Railroad Unemployment Insurance Act, referred to in subsec. (h)(2)(C), is act June 25, 1938, ch. 680, 52 Stat. 1094, as amended, which is classified principally to chapter 11 (§351 et seq.) of Title 45, Railroads. For complete classification of this Act to the Code, see section 367 of Title 45 and Tables.

## AMENDMENTS

2004—Subsec. (h)(3). Pub. L. 108-357 added par. (3).

2002—Subsec. (k)(3). Pub. L. 107-147 reenacted heading without change and amended text generally. Prior to amendment, text read as follows: “Rules similar to the rules of paragraphs (3) and (4) of subsection (i) shall apply for purposes of this subsection.”

2000—Subsec. (k)(3). Pub. L. 106-554 substituted “(3) and (4)” for “(3), (4), and (5)”.

1998—Subsec. (h)(1). Pub. L. 105-206, §6010(f), substituted “If the Secretary approves a levy under this subsection, the effect of such levy” for “The effect of a levy”.

Subsec. (i). Pub. L. 105-206, §3433(a), added subsec. (i). Former subsec. (i) redesignated (j).

Subsec. (j). Pub. L. 105-206, §3444(a), added subsec. (j). Former subsec. (j) redesignated (k).

Pub. L. 105-206, §3433(a), redesignated subsec. (i) as (j).

Subsec. (k). Pub. L. 105-206, §3462(b), added subsec. (k). Former subsec. (k) redesignated (l).

Pub. L. 105-206, §3444(a), redesignated subsec. (j) as (k).

Subsec. (l). Pub. L. 105-206, §3462(b), redesignated subsec. (k) as (l).

1997—Subsecs. (h), (i). Pub. L. 105-34 added subsec. (h) and redesignated former subsec. (h) as (i).

1988—Subsec. (d)(2). Pub. L. 100-647, §6236(a)(1), (2), substituted “30-day” for “10-day” in heading and “30 days” for “10 days” in text.

Subsec. (d)(4). Pub. L. 100-647, §6236(a)(3), added par. (4).

Subsec. (e). Pub. L. 100-647, §6236(b)(1), amended subsec. (e) generally. Prior to amendment, subsec. (e) consisted of two pars. relating to effect of continuing levy on salary and wages and release and notice of release of levy.

Subsecs. (f), (g). Pub. L. 100-647, §6236(d), added subsecs. (f) and (g). Former subsec. (f) redesignated (h).

Subsec. (h). Pub. L. 100-647, §6236(b)(2), (d), redesignated subsec. (f) as (h) and added par. (3).

1984—Subsec. (b). Pub. L. 98-369 substituted “subsection (e)” for “subsection (d)(3)”.

1982—Subsec. (d). Pub. L. 97-248 inserted authority to levy upon property other than salary or wages, substituted “person” for “individual” wherever appearing, designated second sentence of former par. (1) as par. (2) and in par. (2)(C) as so designated substituted “certified or registered mail” for “mail”, and redesignated former par. (2) as (3) and former par. (3) as subsec. (e).

Subsec. (e). Pub. L. 97-248 redesignated former subsec. (d)(3) as (e). Former subsec. (e) redesignated (f).

Subsec. (f). Pub. L. 97-248 redesignated former subsec. (e) as (f).

1976—Subsec. (a). Pub. L. 94-455, §1906(b)(13)(A), struck out “or his delegate” after “Secretary” wherever appearing.

Subsec. (b). Pub. L. 94-455, §§1209(d)(2), 1906(b)(13)(A), substituted in second sentence “Except as otherwise provided in subsection (d)(3), a levy” for “A levy” and struck out “or his delegate” after “Secretary”.

Subsec. (c). Pub. L. 94-455, §1906(b)(13)(A), struck out “or his delegate” after “Secretary”.

Subsec. (d)(1). Pub. L. 94-455, §§1209(d)(4), 1906(b)(13)(A), struck out provision that no additional notice shall be required in the case of successive levies with respect to such tax and “or his delegate” after “Secretary”.

Subsec. (d)(2). Pub. L. 94-455, §1906(b)(13)(A), struck out “or his delegate” after “Secretary”.

Subsec. (d)(3). Pub. L. 94-455, §1209(d)(1), added par. (3).

1971—Subsecs. (d), (e). Pub. L. 92-178 added subsec. (d) and redesignated former subsec. (d) as (e).

1966—Subsec. (b). Pub. L. 89-719 inserted sentence providing that a levy shall extend only to property possessed and obligations existing at the time thereof.

## EFFECTIVE DATE OF 2004 AMENDMENT

Pub. L. 108-357, title VIII, §887(b), Oct. 22, 2004, 118 Stat. 1642, provided that: “The amendment made by this section [amending this section] shall take effect on the date of the enactment of this Act [Oct. 22, 2004].”

## EFFECTIVE DATE OF 2002 AMENDMENT

Pub. L. 107-147, title IV, §416(e)(2), Mar. 9, 2002, 116 Stat. 55, provided that: “The amendment made by this subsection [amending this section] shall take effect on the date of the enactment of this Act [Mar. 9, 2002].”

## EFFECTIVE DATE OF 1998 AMENDMENT

Pub. L. 105-206, title III, §3433(b), July 22, 1998, 112 Stat. 760, provided that: “The amendment made by this section [amending this section] shall apply to unpaid tax attributable to taxable periods beginning after December 31, 1998.”

Pub. L. 105-206, title III, §3444(b), July 22, 1998, 112 Stat. 762, provided that: “The amendments made by this section [amending this section] shall take effect on the date of the enactment of this Act [July 22, 1998].”

Pub. L. 105-206, title III, §3462(e), July 22, 1998, 112 Stat. 766, provided that:

“(1) IN GENERAL.—The amendments made by this section [amending this section and sections 6159 and 7122

of this title] shall apply to proposed offers-in-compromise and installment agreements submitted after the date of the enactment of this Act [July 22, 1998].

“(2) SUSPENSION OF COLLECTION BY LEVY.—The amendment made by subsection (b) [amending this section] shall apply to offers-in-compromise pending on or made after December 31, 1999.”

Amendment by section 6010(f) of Pub. L. 105-206 effective, except as otherwise provided, as if included in the provisions of the Taxpayer Relief Act of 1997, Pub. L. 105-34, to which such amendment relates, see section 6024 of Pub. L. 105-206, set out as a note under section 1 of this title.

#### EFFECTIVE DATE OF 1997 AMENDMENT

Section 1024(b) of Pub. L. 105-34 provided that: “The amendment made by subsection (a) [amending this section] shall apply to levies issued after the date of the enactment of this Act [Aug. 5, 1997].”

#### EFFECTIVE DATE OF 1988 AMENDMENT

Section 6236(h) of Pub. L. 100-647 provided that:

“(1) IN GENERAL.—The amendments made by this section (other than subsection (g)) [amending this section and sections 6332, 6334, and 6343 of this title] shall apply to levies issued on or after July 1, 1989.

“(2) SUBSECTION (g).—The amendment made by subsection (g) [amending section 6335 of this title] shall apply to requests made on or after January 1, 1989.”

#### EFFECTIVE DATE OF 1984 AMENDMENT

Amendment by Pub. L. 98-369 effective as if included in the provision of the Tax Equity and Fiscal Responsibility Act of 1982, Pub. L. 97-248, to which such amendment relates, see section 715 of Pub. L. 98-369, set out as a note under section 31 of this title.

#### EFFECTIVE DATE OF 1982 AMENDMENT

Section 349(b) of Pub. L. 97-248 provided that: “The amendment made by subsection (a) [amending this section] shall apply to levies made after December 31, 1982.”

#### EFFECTIVE DATE OF 1976 AMENDMENT

Amendment by section 1209(d)(1), (2), (4) of Pub. L. 94-455 effective only with respect to levies made after Feb. 28, 1977, see section 1209(e) of Pub. L. 94-455 as amended by section 2(c) of Pub. L. 94-528, Oct. 17, 1976, 90 Stat. 2483, set out as a note under section 6334 of this title.

#### EFFECTIVE DATE OF 1971 AMENDMENT

Section 211(b) of Pub. L. 92-178 provided that: “The amendments made by this section [amending this section] shall apply with respect to levies made after March 31, 1972.”

#### EFFECTIVE DATE OF 1966 AMENDMENT

Amendment by Pub. L. 89-719 applicable after Nov. 2, 1966, regardless of when title or lien of United States arose or when lien or interest of another person was acquired, with certain exceptions, see section 114(a)-(c) of Pub. L. 89-719, set out as a note under section 6323 of this title.

### § 6332. Surrender of property subject to levy

#### (a) Requirement

Except as otherwise provided in this section, any person in possession of (or obligated with respect to) property or rights to property subject to levy upon which a levy has been made shall, upon demand of the Secretary, surrender such property or rights (or discharge such obligation) to the Secretary, except such part of the property or rights as is, at the time of such demand, subject to an attachment or execution under any judicial process.

#### (b) Special rule for life insurance and endowment contracts

##### (1) In general

A levy on an organization with respect to a life insurance or endowment contract issued by such organization shall, without necessity for the surrender of the contract document, constitute a demand by the Secretary for payment of the amount described in paragraph (2) and the exercise of the right of the person against whom the tax is assessed to the advance of such amount. Such organization shall pay over such amount 90 days after service of notice of levy. Such notice shall include a certification by the Secretary that a copy of such notice has been mailed to the person against whom the tax is assessed at his last known address.

##### (2) Satisfaction of levy

Such levy shall be deemed to be satisfied if such organization pays over to the Secretary the amount which the person against whom the tax is assessed could have had advanced to him by such organization on the date prescribed in paragraph (1) for the satisfaction of such levy, increased by the amount of any advance (including contractual interest thereon) made to such person on or after the date such organization had actual notice or knowledge (within the meaning of section 6323(i)(1)) of the existence of the lien with respect to which such levy is made, other than an advance (including contractual interest thereon) made automatically to maintain such contract in force under an agreement entered into before such organization had such notice or knowledge.

##### (3) Enforcement proceedings

The satisfaction of a levy under paragraph (2) shall be without prejudice to any civil action for the enforcement of any lien imposed by this title with respect to such contract.

#### (c) Special rule for banks

Any bank (as defined in section 408(n)) shall surrender (subject to an attachment or execution under judicial process) any deposits (including interest thereon) in such bank only after 21 days after service of levy.

#### (d) Enforcement of levy

##### (1) Extent of personal liability

Any person who fails or refuses to surrender any property or rights to property, subject to levy, upon demand by the Secretary, shall be liable in his own person and estate to the United States in a sum equal to the value of the property or rights not so surrendered, but not exceeding the amount of taxes for the collection of which such levy has been made, together with costs and interest on such sum at the underpayment rate established under section 6621 from the date of such levy (or, in the case of a levy described in section 6331(d)(3), from the date such person would otherwise have been obligated to pay over such amounts to the taxpayer). Any amount (other than costs) recovered under this paragraph shall be credited against the tax liability for the collection of which such levy was made.