

CHAPTER 20  
FILING AND EXTENSION OF TAX LIENS  
AND CHARGING OFF UNCOLLECTIBLE TAX ACCOUNTS

[Prior to 12/17/86, Revenue Department[730]]

[Prior to 11/2/22, see Revenue Department[701] Ch 9]

**701—20.1(422,423) Definitions.** As used in the rules contained herein the following definitions apply unless the context otherwise requires:

“*Assessment issued*” means the most recent assessment in point of time for tax due from the taxpayer for the tax type and tax period.

“*Charging off*” means deleting an unpaid tax account from records of the department but may not include filing a release of the lien with the office of the recorder in which filed.

“*Defunct corporation*” means a corporation that has dissolved or ceased to exist with no assets remaining.

“*Department*” means the Iowa department of revenue.

“*Director*” means the director of the department or the director’s authorized representative.

“*Lien*” means the claim against personal or real property provided by Iowa Code section 422.26, other Code sections making reference to sections 422.26 and 424.11.

“*Recorder*” means the county recorder of any county in the state of Iowa.

“*Taxes*” means all taxes or charges administered by the department, which include but are not limited to individual income, fiduciary withholding, corporate income, franchise, sales, use, hotel/motel, railroad fuel, equipment car, motor vehicle fuel taxes and the environmental protection charge imposed upon petroleum diminution due and payable to the state of Iowa.

[Editorial change: IAC Supplement 11/2/22]

**701—20.2(422,423) Lien attaches.** If tax is unpaid, a lien shall attach at the time the tax became due and payable.

[Editorial change: IAC Supplement 11/2/22]

**701—20.3(422,423) Purpose of filing.** The notice of lien is filed with the county recorder to establish a priority interest in assets of the taxpayer for unpaid tax, penalty, and interest and to provide constructive notice of an unpaid tax liability as a matter of public record.

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**701—20.4(422,423) Place of filing.** A notice of lien may be filed in the office of the recorder in the county of the taxpayer’s last-known address, as well as with the recorder in any other county in the state of Iowa in which the taxpayer is known to own property.

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**701—20.5(422,423) Time of filing.** A notice of lien will be filed after failure of taxpayer to protest the notice of assessment or to pay the full amount of the assessment within the time periods provided by law. In case a return is not timely filed, or is received without a remittance, or an unhonored check is submitted, or in case a jeopardy assessment is made, a lien may be filed at the time the notice of assessment is issued. Notwithstanding a timely protest of the assessment by the taxpayer, a notice of tax lien may be filed if the director has reason to believe that collection of the taxes may be jeopardized by delay.

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**701—20.6(422,423) Period of lien.** A lien continues in effect for ten years from the date the last assessment in point of time is issued unless extended, released, or discharged as hereinafter provided. Liens attaching prior to January 1, 1969, expire on January 1, 1979, unless extended, released, or discharged as hereinafter provided.

**20.6(1)** A lien may be extended by the director for an additional ten years, from the expiration date of the original lien or prior extension, with no limit on the number of extensions, by filing a written notice of extension with the recorder of the county where the lien was filed. The extension notice shall

be made within ten years from the date the last assessment in point of time is issued or within ten years of a prior extension.

**20.6(2)** A lien will be released by the director when payment of the tax, penalty, interest and costs is made. The release shall be evidenced by a satisfaction of the tax liability filed by the director with the recorder and the proper entry of the satisfaction on the index of the notice of lien on file in the office of the recorder. The satisfaction of the tax, penalty, interest and costs will be filed immediately only if payment is made by cash, cashier's check, or similar guarantee of funds.

**20.6(3)** The director may charge off any account before the lien has lapsed if it meets one or more of the following criteria:

*a.* The taxpayer is deceased and there are no assets in the estate or there are no assets available for the payment of taxes under Iowa Code section 633.425.

*b.* The taxpayer is a defunct corporation.

*c.* The taxpayer is found not to have been properly notified by assessment notice of a tax due for a period outside the statute of limitations for assessment.

*d.* The taxpayer is retired because of age or total disability (see 701—73.12(425) for definition) with income such that it would cause the taxpayer undue financial hardship if the department enforced collection of past due taxes. The director may require an income statement, net worth statement or other evidence to determine when collection of tax would be a hardship on a taxpayer.

*e.* The taxpayer has unpaid tax amounting to less than \$50.

*f.* The taxpayer cannot be found, after diligent inquiry, and has no property upon which the lien can attach.

*g.* The taxpayer is insolvent with no property, real or personal, upon which the lien can attach.

A lien may be released by the director, as provided in subrule 9.6(2), when an account is charged off under “*c*,” “*d*,” “*e*,” “*f*,” or “*g*” above.

**20.6(4)** Liens filed without date of assessment. Notices of liens filed or extensions of liens filed, securing tax, penalty, interest, and fees remaining due and payable on January 1, 1990, and for periods thereafter without the date of the last assessment in point of time, expire ten years from the date the lien attaches, or at the expiration of the most recent ten-year extension, unless the notice of the lien or notice of the extension is refiled to include the date of the last assessment in point of time, in which case the date of the assessment controls the expiration date.

This rule is intended to implement Iowa Code section 422.26.

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**701—20.7(422,423) Fees.** Any fee charged by the recorder for recording a lien or a lien extension will be paid by the department, with the cost added to the unpaid liability of the taxpayer.

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These rules are intended to implement Iowa Code section 422.26 and chapter 424.

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