

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—104.12(425) for definition of total disability) 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 20.6(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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