

## Private Debt Collection

The Internal Revenue Service recently implemented a new private debt collection program and will assign certain overdue federal tax debts to private collection agencies.



[Sample Letter Do Not Contact](#)

**Video:**  
[NTA Message to Private Collection Agencies on Protecting taxpayer Rights](#)

**Information on Private Debt Collection**  
on [www.irs.gov](http://www.irs.gov)

**IRS Publications – Publication 4518 - What You Can Expect When the IRS Assigns Your Account to a Private Collection Agency**

### **Why am I getting letters or calls from a private company about a tax debt?**

A federal law enacted by Congress in 2015 requires the IRS to assign certain tax debts to private collection agencies (PCAs). The IRS has entered into contracts with four PCAs: Conserve (NY), Pioneer (NY), Performant (CA), and CBE Group (IA) to collect outstanding tax debts.

### **How do I know if the company contacting me is a scam?**

Before a PCA contacts you, you should receive a Notice CP40 from the IRS with the name of the PCA, the PCA's toll-free telephone number, and a ten-digit Taxpayer Authentication Number (TAN). The PCA should also first send you a letter explaining that your tax debt has been assigned to it and listing the same TAN. At the beginning of every phone contact, the PCA must ask you to provide the first five digits of the TAN and must respond by reading you the last five digits of the TAN. This allows the PCA to verify your identity and allows you to verify that the caller works for the PCA. The PCA cannot continue the conversation with you until your identity has been verified.

### **What if I can't find my Taxpayer Authentication Number?**

You can request that the PCA re-send the letter with the TAN. Alternatively, **if you agree**, the PCA may verify your identity by using your Social Security Number instead of the TAN, as long as you first provide your full name, address, and date of birth. However, the use of your Social Security Number instead of the TAN does not allow you to verify that the caller works for the PCA, so you should consider carefully before agreeing to this.

### **Do I have to work with the private collection agency?**

No. You can send the PCA a written request to stop further communication with you. We recommend your request be sent using certified mail (See "[No Contact Letter](#)").

### **What can (and can't) a private collection agency do?**

The PCA can ask if you can full pay your tax debt within 120 days. If you can't, the statute allows the PCA to offer you a plan known as an "installment agreement" under which you may pay your tax debt in full over 5 years or less. If the PCA obtains IRS approval, it may set up an installment agreement for 6 or 7 years. A PCA may not take collection action (such as file a lien, levy your bank account, or garnish your wages), nor may it issue a summons or report your IRS tax debt to the credit rating agencies.

### **What if I want to explore other alternatives with the IRS?**

You can call the IRS and explain that you do not want to pay in installments, or can't afford to do so. If you orally advise the PCA you plan to contact IRS about collection alternatives, the PCA will place a 60-day hold on your account. If you have not reached an agreement with IRS within those 60 days, the PCA may resume collection activity on your account. Because many actions take longer than 60 days, you may wish to write to the PCA to request that it stop contacting you (See "[No Contact Letter](#)").

### **Can I work with the Taxpayer Advocate Service?**

Yes. The Taxpayer Advocate Service will work with you on private debt collection issues related to your IRS tax debt. You can find contact information for your Local Taxpayer Advocate in IRS Publication 1546, *Taxpayer Advocate Service*, and at <https://www.irs.gov/advocate/local-taxpayer-advocate>.