



MASSACHUSETTS COLLECTIONS ENFORCEMENT

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Massachusetts Department of Revenue (DOR)

- Enforces child support
- Works with municipalities on finance management
- Collects Taxes for the Commonwealth:
 - Personal Income Taxes
 - Sales Taxes
 - Business Taxes
 - Estate Taxes (over \$1,000,000)

Questions for Evaluating a New Client

- Is there a parallel IRS issue?
- Are there differences between state and federal credits/deductions?
- Is the client up to speed with filing requirements?
- Has the client received DOR notices?
- Is the client in the audit or assessment or active collections stage?
- Is there an opportunity to abate taxes? Or must the client seek a collections alternative?
- Is there an issue for the Problem Resolution Office?
- Has the IRS abated a liability?
- M2848 Power of Attorney

DOR Audit

- 3 years to assess
- Desk Audit - via correspondence
- Field Audits - via meeting with the DOR
- Can be represented/accompanied in the audit by an attorney or anyone else qualified to be on the M2848
- Can notify IRS if audit raises issues that may impact federal taxes
- If audit determines a tax due, will send a Notice of Intent to Assess (NIA). Can be appealed to DOR Office of Appeals. Taxpayer will owe interest if they lose the appeal
- DOR will pay interest if taxpayer wins appeal and is due a refund

DOR Collections

- Notice of Assessment after audit or a failure to file; 30 days to pay or appeal.
- Followed by a Statement of Account
- Enforcement options (after notice): Bank levy; Wage levy; Liens; Suspension of Professional Licenses; Suspension/Revocation of Driver's License or Learner's Permit; Public Disclosure (owe >\$25K and no effort to pay for 6 months); Private Collections.
- Practical Collections Alternatives: Hardship Program; Payment Agreement.

Driver's License Revocation

- "Upon receipt of notice from the commissioner, the registrar shall promptly suspend or revoke, or prohibit issuance or renewal, of the license, learner's permit, right to operate a motor vehicle or certificate of motor vehicle registration of the taxpayer." – Mass. G. L. 62C sec. 47B
- Must bring certificate of good standing to the RMV once tax and related penalties and interest are paid.
- No statutory minimum dollar amount owed.

Main Takeaways

- Research liability sooner rather than later
- Establish contact with the DOR
- Determine if client is at risk for enforcement
- Explore abatement options vs. collections alternatives
- Help client get up to speed on filing