

CHAPTER 36.—COLLECTION

SUBCHAPTER A.—GENERAL PROVISIONS

- Sec.
3650. Collection districts.
3651. Collection authority.
3652. Establishment by regulation of mode or time of collection.
3653. Prohibition of suits to restrain assessment or collection.
3654. General powers and duties relating to collection.
3655. Notice and demand for tax.
3656. Payment by check and money orders.
3657. Payment by United States notes and certificates of indebtedness.
3658. Fractional parts of a cent.
3659. Receipts for taxes.
3660. Jeopardy assessment.
3661. Enforcement of liability for taxes collected.
3662. Prohibition of suits to replevy property taken under internal revenue laws.
3663. Cross references.

SUBCHAPTER B.—LIEN FOR TAXES

3670. Property subject to lien.
3671. Period of lien.
3672. Validity against mortgagees, pledgees, purchasers, and judgment creditors.
3673. Release of lien.
3674. Partial discharge of property.
3675. Effect of certificates of release or partial discharge.
3676. Single bond covering release of lien and payment of income tax deficiency.
3677. Extended application of provisions relating to release or partial discharge.
3678. Civil action to enforce lien on property.
3679. Civil action to clear title to realty.
1680. Cross references.

SUBCHAPTER C.—DISTRAINT

PART I.—DISTRAINT ON PERSONAL PROPERTY

690. Authority to distrain.
691. Property exempt from distraint.
692. Levy.
693. Proceedings on distraint.
694. Priority of specific tax liability on distrained property.
695. Property for account of the United States.
696. Redemption of property.
697. Certificates of sale.
698. Cross references.

PART II.—DISTRAINT ON REAL ESTATE

700. Authority to distrain.
701. Proceedings on distraint.
702. Redemption of real estate.
703. Certificates of purchase.
704. Deeds of sale.
705. Transmission of certificates and deeds to Commissioner.
706. Records of sale.
707. Cross references.

PART III.—GENERAL PROVISIONS

- Sec.
3710. Surrender of property subject to distraint.
3711. Production of books.
3712. Sale of indivisible property.
3713. Distraint by collector outside his district.
3714. Period of limitation upon distraint.
3715. Successive seizures.
3716. Fees and charges in distraint and seizure cases.
3717. Cross reference.

SUBCHAPTER D.—FORFEITURES

3720. Seizure of forfeitable property.
3721. Custody of seized goods prior to judicial proceedings.
3722. Special disposition of perishable goods.
3723. Judicial proceedings to enforce forfeiture.
3724. Goods valued at \$500 or less.
3725. Stamping, marking, and branding seized goods.
3726. Customs laws applicable.
3727. Cross references.

SUBCHAPTER E.—SUITS BY UNITED STATES

3740. Authorization to commence suit.
3741. Repealed.
3742. Discontinuance or nolle prosequi.
3743. Regulations.
3744. Repealed.
3745. Suits for fines, penalties, and forfeitures.
3746. Suits for recovery of erroneous refunds.
3747. Disposition of judgments and moneys recovered.
3748. Periods of limitation.

SUBCHAPTER F.—CLOSING AGREEMENTS AND COMPROMISES

3760. Closing agreements.
3761. Compromises.
3762. Penalties.

SUBCHAPTER A.—GENERAL PROVISIONS

§ 3650. Collection districts

(a) Establishment and alteration. For the purpose of assessing, levying, and collecting the taxes provided by the internal revenue laws, the President may establish convenient collection districts, and may from time to time alter said districts.

(b) Number. The whole number of collection districts for the collection of internal revenue shall not exceed 65.

(c) Boundaries

(1) Hawaii. The Territory of Hawaii shall constitute a district for the collection of the internal revenue of the United States, with a collector, whose office shall be at Honolulu, and deputy collectors at such other places in the several islands as the Secretary shall direct.

(2) Elsewhere. For the purpose mentioned in subsection (a), the President may subdivide any State, Territory, or the District of Columbia, or may unite two or more States or Territories into one district. 53 Stat. 445.

Historical Note

Change of Name. Subsec. (c) amended by Act June 25, 1948, which substituted "United States attorney" in lieu of "United States attorney" in lieu of section 501 of Title 28, Judiciary and Judicial Procedure.

§ 3725. Stamping, marking, and branding seized goods

Where any whisky or tobacco, or other article of manufacture or produce, requiring brands, stamps, or marks of whatever kind to be placed thereon shall be sold upon distraint, forfeiture (except as provided in section 2805 with respect to distilled spirits), or other process provided by law, the same not having been branded, stamped, or marked, as required by law, the officer selling the same shall, upon sale thereof, fix or cause to be affixed the brands, stamps, or marks, so required. 53 Stat. 460.

§ 3726. Customs laws applicable

The provisions of law applicable to the remission or mitigation by the Secretary of forfeitures under the customs laws shall apply to forfeitures incurred or alleged to have been incurred under the internal revenue laws. 53 Stat. 460.

§ 3727. Cross references

For provisions relating to—
 Destruction of stills and distilling apparatus after judgment of forfeiture, see section 2853.
 Release of seized distillery or distilling apparatus before judgment, see section 2852.
 Disposal of forfeited distilled spirits and equipment and material for distilling, see section 2807.
 53 Stat. 460.

SUBCHAPTER E.—SUITS BY UNITED STATES

§ 3740. Authorization to commence suit

No suit for the recovery of taxes, or of any fine, penalty, or forfeiture, shall be commenced unless the Commissioner authorizes or sanctions the proceedings and the Attorney General directs that the suit be commenced. 53 Stat. 460.

§ 3741. Repealed. May 24, 1949, c. 139, § 142, 63 Stat. 109.

Historical Note

Section, related to continuance, and is now covered by Federal Rules of Civil Procedure, 28 U.S.C.A.

Section Prior to Repeal:
 "§ 3741. Continuance

"It shall be lawful for any court in which any suit or criminal proceeding

arising under the internal revenue laws may be pending to continue the same at any stage thereof for good cause shown on motion by the district attorney. 53 Stat. 460."

§ 3742. Discontinuance or nolle prosequi

For discontinuance or nolle prosequi of prosecutions against distillers for defrauding or attempting to defraud the United States of tax on distilled spirits, see section 2806(f).

53 Stat. 460.

§ 3743. Regulations

It shall be the duty of the Commissioner, with the approval of the Secretary, to establish such regulations, not inconsistent with law, for the observance of revenue officers, respecting suits arising under the internal revenue laws in which the United States is a party, as may be deemed

necessary for the just responsibility of those officers and the prompt collection of all revenues and debts due and accruing to the United States under such laws. 53 Stat. 460.

§ 3744. Repealed. May 24, 1949, c. 139, § 142, 63 Stat. 109.

Historical Note

Section, related to suit for taxes, and is now covered by section 1396 of Title 28, Judiciary and Judicial Procedure.

Section Prior to Repeal:

"§ 3744. Suits for taxes
 "Taxes may be sued for and recovered in the name of the United States in any

proper form of action, before any district court of the United States, for the district within which the liability to such tax is incurred, or where the party from whom such tax is due resides at the time of the commencement of the said action. 53 Stat. 460."

§ 3745. Suits for fines, penalties, and forfeitures

(a) Collector's report to United States attorney. It shall be the duty of every collector of internal revenue having knowledge of any willful violation of any law of the United States relating to the revenue, within thirty days after coming into possession of such knowledge, to file with the United States attorney of the district in which any fine, penalty, or forfeiture may be incurred, a statement of all the facts and circumstances of the case within his knowledge, together with the names of the witnesses, setting forth the provisions of law believed to be so violated on which reliance may be had for condemnation or conviction.

(b)-(d). Repealed. May 24, 1949, c. 139, § 142, 63 Stat. 109. 53 Stat. 460, amended June 25, 1948, c. 646, § 1, 62 Stat. 909; May 24, 1949, c. 139, § 142, 63 Stat. 109.

Historical Note

1949 Amendment. Subsecs. (b)-(d) repealed by Act May 24, 1949. Subsec. (b) was a cross-reference and section referred to is now incorporated in section 507 of Title 28, Judiciary and Judicial Procedure. Subsec. (c), related to plaintiffs, proceedings, and venue, and is now covered by section 1396 of Title 28. Subsec. (d), related to costs, and is now covered by section 2412 of Title 28. Prior to such repeal, said subsecs. provided:

"(b) Prosecutions by United States attorney. For the duty of every United States attorney to whom the collector reports the cases in which such fines, penalties, or forfeitures have been incurred in the district of such attorney to cause proper proceedings to be commenced and prosecuted, when authorized or sanctioned by the Commissioner and directed by the Attorney General, see R.S. 838 as amended by Feb. 27, 1877, c. 69, s. 1, 19 Stat. 241 (U.S.C., Title 28, § 486).

"(c) Plaintiff, proceedings, and venue. All suits for fines, penalties, and forfeitures, where not otherwise provided for, shall be brought in the name of the United States, in any proper form of action, or by any appropriate form of proceeding, qui tam or otherwise, before any district court of the United States for the district within which said fine, penalty, or forfeiture may have been incurred, or before any other court of competent jurisdiction.

"(d) Costs. In case of any suit for penalties or forfeitures brought upon information received from any person, other than a collector, deputy collector, revenue agent, or inspector, the United States shall not be subject to any costs of suit. 53 Stat. 460."

Change of Name. Act June 25, 1948, eff. Sept. 1, 1948 substituted "United States attorney" in lieu of "district attorney". See section 501 of Title 28, Judiciary and Judicial Procedure.

§ 3746. Suits for recovery of erroneous refunds

(a) Refunds after limitation period. Any portion of an internal revenue tax (or any interest, penalty, additional amount, or addition to such tax) refund of which is erroneously made, within the meaning of section 3774, may be recovered by suit brought in the name of the United States, but only if such suit is begun within two years after the making of such refund.

(b) Refunds otherwise erroneous. Any portion of an internal revenue tax (or any interest, penalty, additional amount, or addition to such