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[Compliance & Enforcement](#)**Issue Number: IR-2016-125**

Inside This Issue

New Private Debt Collection Program to Begin Next Spring; IRS to Contract with Four Agencies; Taxpayer Rights Protected

WASHINGTON - The Internal Revenue Service announced today that it plans to begin private collection of certain overdue federal tax debts next spring and has selected four contractors to implement the new program.

The new program, authorized under a federal law enacted by Congress last December, enables these designated contractors to collect, on the government's behalf, outstanding inactive tax receivables. As a condition of receiving a contract, these agencies must respect taxpayer rights including, among other things, abiding by the consumer protection provisions of the Fair Debt Collection Practices Act. The IRS has selected the following contractors to carry out this program:

CBE Group 1309 Technology Pkwy Cedar Falls, IA 50613

Conserve 200 CrossKeys Office park Fairport, NY 14450

Performant 333 N Canyons Pkwy Livermore, CA 94551

Pioneer 325 Daniel Zenker Dr Horseheads, NY 14845

These private collection agencies will work on accounts where taxpayers owe money, but the IRS is no longer actively working their accounts. Several factors contribute to the IRS assigning these accounts to private collection agencies, including older, overdue tax accounts or lack of resources preventing the IRS from working the cases.

The IRS will give each taxpayer and their representative written notice that their account is being transferred to a private collection agency. The agency will then send a second, separate letter to the taxpayer and their representative confirming this transfer.

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Private collection agencies will be able to identify themselves as contractors of the IRS collecting taxes. Employees of these collection agencies must follow the provisions of the Fair Debt Collection Practices Act and must be courteous and respect taxpayer rights.

The IRS will do everything it can to help taxpayers avoid confusion and understand their rights and tax responsibilities, particularly in light of continual phone scams where callers impersonate IRS agents and request immediate payment.

Private collection agencies will not ask for payment on a prepaid debit card. Taxpayers will be informed about electronic payment options for taxpayers on IRS.gov/Pay Your Tax Bill. Payment by check should be payable to the U.S. Treasury and sent directly to IRS, not the private collection agency.

The IRS will continue to keep taxpayers informed about scams and provide tips for protecting themselves. The IRS encourages taxpayers to visit [IRS.gov](#) for information including the “[Tax Scams and Consumer Alerts](#)” page.

For more information visit the [Private Debt Collection](#) page on IRS.gov.

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