

Tax Law Firm Notes Rise in IRS Levy and Passport Restriction Cases

Victory Tax Lawyers identifies a recent shift in IRS enforcement toward collection actions, including levies and passport restrictions, as audits declines.

LOS ANGELES, CA, UNITED STATES, June 22, 2026 /EINPresswire.com/ -- Recent IRS enforcement activity has shifted away from audit-driven case selection

toward collection-focused actions, including [IRS levy](#) issuance and passport restrictions. Victory Tax Lawyers, LLP, a tax resolution firm based in Los Angeles, reports an increase in client matters involving collection notices and passport-related actions during the past several months.

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Many taxpayers discover that their passport has been restricted only when they try to renew it. Recognizing the shift in IRS enforcement helps families prepare and respond.

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Amir Boroumand, Founding Partner, Victory Tax Lawyers, LLP.



VICTORY TAX LAWYERS, LLP

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The shift is a real change in how the IRS reaches taxpayers. While audit activity has historically been the most-discussed IRS function, recent caseload patterns indicate that collections, including levies on wages and bank accounts, federal payment offsets, and passport-related restrictions under the FAST Act, are now the more frequent point of contact for taxpayers with outstanding liabilities.

The Shift From Audits to Collection Enforcement

According to the firm's caseload review, audit-related client matters have decreased relative to collection-driven matters during 2025 and into 2026. [IRS collection actions](#),

particularly levies and lien-related actions, are now how most taxpayers with a balance first hear from the IRS.

The pattern is consistent with the IRS Data Book for fiscal year 2024 and recent reports from the Treasury Inspector General for Tax Administration (TIGTA), which show the agency closing previously assessed liabilities through collection action rather than initiating new audit examinations. For taxpayers with outstanding balances, the practical effect is a higher likelihood of receiving a Notice of Intent to Levy, a wage garnishment notice, or a Notice CP504 indicating

impending collection action.

The firm notes that this trend particularly affects taxpayers who have had unresolved liabilities for two or more years, as collection-priority cases tend to follow patterns of accumulated unpaid balances and unresponsive correspondence.

How Passport Restrictions Now Surface in Tax Cases



Tax collection actions

A separate but related enforcement function, the certification of "seriously delinquent tax debts" to the Department of State under Internal Revenue Code Section 7345, has produced a growing number of cases in which taxpayers learn of passport restrictions only at the point of renewal or new application. Under current rules, the IRS certifies tax debts above the statutory threshold (adjusted annually for inflation) to the State Department, which can then deny passport applications or revoke existing passports.

The challenge for many taxpayers is timing. The IRS issues Notice CP508C when it certifies a debt, but the resulting passport restriction does not always become apparent to the taxpayer until they attempt to use or renew their passport. Sudden disruptions can affect international travel plans, business obligations, and dual-residency arrangements.

Legal Standards Governing IRS Collection Activity

Federal tax collection procedures are governed by the Internal Revenue Manual and Internal Revenue Code Sections 6321 through 6331, which authorize liens, levies, and asset seizure for unpaid tax liabilities. Taxpayers receiving Notice CP504, CP504B, Letter 1058, or Letter LT11 have statutory rights to request a Collection Due Process hearing within 30 days of the notice date.

Victory Tax Lawyers indicates that the most effective response to current enforcement patterns involves prompt action upon receipt of any IRS notice, particularly notices referencing levies, intent to seize, or seriously delinquent debt certification. The firm operates as a [Los Angeles tax attorney](#) practice and represents taxpayers across California in collection-defense, offer-in-compromise, installment agreement, and passport-restriction matters.

The IRS Data Book FY 2024 indicates that this collections-first posture is set to continue through 2026 and into 2027 as the agency works through existing case inventories. Taxpayers with outstanding balances should evaluate their position before a notice becomes a levy, and well before any passport restriction is triggered.

About Victory Tax Lawyers, LLP

Victory Tax Lawyers, LLP is a Los Angeles-headquartered tax controversy firm with a nationwide federal practice. The firm represents taxpayers across all 50 states through admission to the U.S. Tax Court and IRS Power of Attorney filings (Form 2848). The firm's caseload focuses on three areas: collection resolution, including Installment Agreements, Offers in Compromise, Currently Not Collectible status, and penalty abatement; examination defense, covering audits, examination appeals, and audit reconsideration; and statutory deficiency work, including Tax Court petitions, refund litigation, and statute-of-limitations defenses.

Amir Boroumand

Victory Tax Lawyers

+1 866-720-6099

info@victorytaxlaw.com

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