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IRS Poised to Revoke U.S. Passports for Unpaid Taxes



In January of 2016, the State Department will start blocking Americans with ‘seriously delinquent’ tax debts. Administrative details about how all this will work are scant. But in all likelihood, it will mean no new passport and no renewal. It could even mean the State Department will rescind existing passports of people who fall into that category. That’s what Robert W. Wood, an attorney who focuses on U.S. tax and litigation issues says in an contributing article at Forbes. Wood says this idea has been kicking around for several years.

“The law says the State Department can revoke, deny or limit passports for anyone the IRS certifies as having a seriously delinquent tax debt in an amount in excess of \$50,000. Administrative details are scant. It could mean no new passport and no renewal. It could even mean the State Department will rescind existing passports. The State Department will evidently act when the IRS tells them...”

The list of affected taxpayers will be compiled by the IRS. The IRS will use a threshold of \$50,000 of unpaid federal taxes. But this \$50,000 figure includes penalties and interest. And as everyone knows, interest and penalties can add up fast. Notably, if you are contesting a proposed tax bill administratively with the IRS or in court, that should not count. That is not yet a tax debt.

There is also an administrative exception, allowing the State Department to issue a passport in an emergency or for humanitarian reasons. But how that will work isn’t clear, nor is the amount of time it will take to get special dispensation. You would still be able to travel if your tax debt is being paid in a timely manner, as under a signed installment agreement.

Not everyone is happy about giving the IRS power over passports. A group called American Citizens Abroad ACA has urged Congress to reject tying tax collection to passports. Their press release is worth reading. But Congress is poised to pass H.R.22, which has already passed both the House and the Senate. It is in conference, but is not expected to change. So, get ready for new section 7345 of the tax code, called “Revocation or Denial of Passport in Case of Certain Tax Delinquencies.”

[Forbes](#), by [Robert W. Wood](#), an attorney who focuses on U.S. tax and litigation issues.