



How To Get An IRS Tax Lien Off Your Credit Report

One facet of credit reporting rules that probably causes more hand-wringing than any other is the removal of paid negative listings. Or rather, the lack of removal. If you're like most people, you feel it's logical that once you have paid off an item like a delinquent credit card, collection account, or judgment that it would be taken off your report. However, that generally hasn't been the way credit reporting laws have operated. Paid-off negative items can stay in your credit file for the full amount of time allowed by law even after you have paid them.

In the past, the same was true of IRS tax liens that had been resolved; they were going to stay on your reports for seven years. However, the IRS has taken steps to change that. There is now a process in place to have paid federal tax liens removed from your credit file for good.

Step 1: Complete IRS Form 12277

This [form](#) serves as a request for withdrawal of the original tax lien. Before filling out this form, try to locate the Form 668(Y) you were sent by the IRS as notification of the original tax lien. This can help to expedite the process. However, you can still fill out this form if you don't have the 668(Y).

For questions 11 on the form, select the option that states:

“The taxpayer, or the Taxpayer Advocate acting on behalf of the taxpayer, believes withdrawal is in the best interest of the taxpayer and the government.”

For question 12, enter the words “Fresh Start Program.”

Step 2: Send Form 12277 to the IRS

Use [IRS publication 4235](#) to determine the regional IRS where your form should be mailed. Send your form via certified mail.

Step 3: Wait for response from IRS

After 30-45 days, the IRS will contact the court house where the lien was filed to notify them to withdraw it. You will also be sent a copy of this notification.

Step 4: Dispute the lien with the Credit Reporting Agencies

When you dispute a tax lien with Equifax, Experian or TransUnion, they contact the courthouse where the lien was filed to determine if the information is still accurate. Since the courthouse has been notified that your lien was withdrawn, by disputing the lien with the above Credit Reporting Agencies at their respective websites, you should be able to have the lien removed quickly.

Step 5: Final confirmation

Each of the credit reporting agencies will send you a notification of how your dispute turned out. If the lien was not removed from any or all of your reports, file a second dispute in writing and include a copy of the notification from the IRS that your lien has been withdrawn.

Tax liens on a credit report can not only bring down your credit score significantly, but they can also be a deciding factor in a lender deciding to deny you a loan or credit card. Getting them resolved and off your credit reports as quickly as possible is imperative. If you have unpaid liens, visit IRS.gov to learn more about your options for settlement or payment plan.