BRADFORD TAX INSTITUTE

CLICK HERE to return to the home page

Internal Revenue Manual Section 1.2.1.6.9

Policy Statement 5-35 (Rev. 1), Establishment of Minimum Price in Distraint Sales

1. **Establishment of minimum price in distraint sales**

2. The minimum price required by the Code to be established in distraint sales should be set by the Property Appraisal and Liquidation Specialist conducting the sale at an amount which could be readily realized from a subsequent sale in the event the seized property was declared purchased by the United States. Consideration should be given to conserving the equity of the taxpayer as well as protecting the Service from unrealistically high valuations. The minimum bid price should ordinarily be computed at 80% or more of the forced sale value of the property less encumbrances having priority over the Federal tax lien. However, the minimum bid price should not exceed the amount necessary to recover the lien interest in the property plus costs.

3. **Minimum price of listed securities**

4. The minimum price of listed securities to be sold will be fixed at no less than 95% of the closing market price as of the day preceding the sale.

5. Signed: Douglas W. O’Donnell, Deputy Commissioner for Services and Enforcement