

IRS now using private collection of tax debts

The Internal Revenue Service began private collection of certain overdue federal tax debts as early as spring of 2017. They have chosen four agencies to start the new program.

The new program allows these chosen agencies to collect, on the government's behalf, outstanding inactive tax debts. Congress passed a law in December 2015 that requires the IRS to use private collection agencies to collect tax debts.

General Information

The collection agencies must respect taxpayer rights including, among other things, following the consumer protection rules of the Fair Debt Collection Practices Act.

The private collection agencies will work on accounts where taxpayers owe money, but the IRS is no longer actively working them. Several factors lead 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 taxpayers written notice that the accounts are being transferred to the private collection agencies. The agencies will send a second, separate letter to the taxpayer confirming this transfer.

Private collection agencies will identify themselves as working for the IRS collecting taxes. Employees of these collection agencies must follow rules of the Fair Debt Collection Practices Act and should 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, especially since there have been phone scams where callers say they are IRS agents and ask for immediate payment.

Private collection agencies *will not* ask for payment on a prepaid debit card. Taxpayers will be told about electronic payment options for taxpayers on [IRS.gov/Pay Your Tax Bill](https://www.irs.gov/pay-your-tax-bill). Payments 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 tell taxpayers about scams and will give tips for protecting themselves. The IRS encourages taxpayers to visit [IRS.gov](https://www.irs.gov) for information including the “[Tax Scams and Consumer Alerts](#)” page.

Private Collection Agencies Selected

The IRS will assign cases to these private collection agencies:

Conserve - Fairport, New York

Pioneer - Horseheads, New York

Performant - Livermore, California

CBE Group - Cedar Falls, Iowa

If you do not wish to work with the assigned private collection agency to settle your overdue tax account, you must submit a request in writing to the private collection agency.

Accounts Not Assigned To Private Collection Agencies

IRS will not assign accounts to private collection agencies that involve taxpayers who are:

Deceased

Under the age of 18

In designated combat zones

Victims of tax-related identity theft

Currently under examination, litigation, criminal investigation or levy

Subject to pending or active offers in compromise

Subject to an installment agreement

Subject to a right of appeal

Classified as innocent spouse cases

In presidentially declared disaster areas and requesting relief from collection

Private collection agencies will return accounts to the IRS if taxpayers and their accounts fall into any of these 10 situations after assignment to the private collection agencies.

Stay Vigilant Against Scams

The IRS urges you to watch out for unexpected scam phone calls from anyone claiming to be collecting on behalf of the tax agency.

The IRS will do everything it can do to help you avoid confusion and make sure you understand your rights and tax responsibilities when it assigns your case to a private collection agency. This is important because of continuing scams where callers say they are IRS agents and ask for immediate payment.

When people owe tax, the IRS always sends several collection notices through the mail before making phone calls.

Even with private debt collection, you shouldn't receive unexpected phone calls from the IRS demanding payment.

Treasury Inspector General for Tax Administration (TIGTA) Hotline

To make a complaint about a private collection agency or report misconduct by its employee, call the TIGTA hotline at 800-366-4484 or visit www.tigta.gov or write to:

- Treasury Inspector General for Tax Administration Hotline
- Post Office Box 589
- Ben Franklin Station
- Washington, DC 20044-0589

To report a threat, assault or attempted assault by a private collection agency employee, contact the [TIGTA Office of Investigations with responsibility for Kansas](#).

Disputes with the IRS

If you need help in resolving a dispute with the IRS, Kansas Legal Services has the Low Income Taxpayer Clinic (LITC) to help you solve the problem. [Read more about the LITC here](#).

Last updated on August 08, 2022.

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