

810-14-1-.25 Release of Lien Information to Third Parties.

(1) SCOPE. This regulation establishes a procedure whereby third parties may be given information regarding the amount required to release the state tax lien. It further provides for the release of such information to purchasers and sellers of properties, and their agents, on which a state tax lien has attached.

(2) DEFINITIONS. The following terms have the meanings ascribed to them for purposes of this regulation.

(a) Third parties. Any entity or individual which holds a lien on real or personal property of the taxpayer which competes with any lien held by the Department. Such third parties may include mortgagees, the Internal Revenue Service, judgment creditors, and other holders or prospective holders of a security interest in property of the taxpayer. Third parties may also mean any purchaser, closing attorney, escrow agent, or real estate agent who is a party to a transaction in which the real or personal property of a taxpayer is being transferred subject to the Department's lien.

(b) Verifiable electronic request. A request made through telecommunication channels (i.e., facsimile machines or modems) that has some means of verification as to the authority of the party requesting the information.

(3) PURPOSE. The purpose of this regulation is to provide for the orderly determination of the amount of competing liens attaching to property of the taxpayer.

(4) PROCEDURE.

(a) Whenever any third party wishes to secure information regarding an outstanding tax lien, he shall provide the Department with a written or verifiable electronic request for the information.

(b) Each written or verifiable electronic request made by a third party must specify the following:

1. the party making the request;
2. the party's relationship to the taxpayer;
3. the reason for the request;
4. the property which is being purchased or sold; and
5. provide a copy of any instrument giving the third party a competing interest in the property of the taxpayer.

(c) Whenever it is determined that the withholding of such information pending receipt of a written or verifiable electronic request will impair the ability of the taxpayer to close a transaction relating to the transfer of property, such requirement may be waived at the discretion of the Department.

(d) The Department reserves the right to deny any request for information when it has not been adequately established to the Department's satisfaction that the requesting party has a legitimate need for the requested information.

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