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(3) The grounds upon which the issuance of a release is sought.

(g) *Effective date.* The provisions of this section are effective with respect to a notice of Federal tax lien (1) which is filed after December 31, 1982, (2) which is satisfied after December 31, 1982, or (3) with respect to which the taxpayer after December 31, 1982, requests that district director to issue a certificate of release on the grounds that the liability was satisfied or legally unenforceable.

(Secs. 6325(a) and 7805 of the Internal Revenue Code of 1954 (68A Stat. 781, 917; 26 U.S.C. 6325(a), 7805))

[T.D. 7886, 48 FR 17069, Apr. 21, 1983; 48 FR 19878, May 3, 1983]

PART 402 [RESERVED]

PART 403—DISPOSITION OF SEIZED PERSONAL PROPERTY

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AUTHORITY: Sec. 7805, 68A Stat. 917; 26 U.S.C. 7805.

SOURCE: T.D. 7433, 41 FR 39312, Sept. 15, 1976, unless otherwise noted.

Subpart A—Scope of Regulations

§ 403.1 Personal property seized by the Internal Revenue Service.

Regulations in this part relate to personal property seized by officers of the Internal Revenue Service as subject to forfeiture as being involved, used, or intended to be used, as the case may be in any violation of the internal revenue laws other than chapters 51 (distilled spirits), 52 (tobacco) and 53 (firearms), of the Internal Revenue Code of 1954 (I.R.C.).

(Sec. 7325, 68A Stat. 870, as amended (26 U.S.C. 7325, (1), (4)); sec. 7326, 72 Stat. 1429, as amended (26 U.S.C. 7326 (a)))

[T.D. 7433, 41 FR 39312, Sept. 15, 1976, as amended by T.D. 7525, 42 FR 64344, Dec. 23, 1977]

§ 403.2 Personal property seized by the Bureau of Alcohol, Tobacco and Firearms.

Regulations in 27 CFR part 72 relate to personal property seized by officers of the Bureau of Alcohol, Tobacco and Firearms, as subject to forfeiture as being involved, used, or intended to be used, as the case may be, in any violation of chapters 51 (distilled spirits), 52 (tobacco) and 53 (firearms), of the I.R.C., as well as certain other federal

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laws. (Treasury Dept. Order No. 221 (June 6, 1972), 37 FR 11696; Treasury Dept. Order No. 221-3 (December 24, 1974), 40 FR 1084; Treasury Dept. Order No. 221-3 (Revision 2) (Jan. 14, 1977), 42 FR 3725.)

(Sec. 7325, 68A Stat. 870, as amended (26 U.S.C. 7325 (1), (4)); sec. 7326, 72 Stat. 1429, as amended (26 U.S.C. 7326 (a)))

[T.D. 7433, 41 FR 39312, Sept. 15, 1976, as amended by T.D. 7525, 42 FR 64344, Dec. 23, 1977]

§ 403.3 Forms prescribed.

The Commissioner of Internal Revenue or his delegate is authorized to prescribe all forms required by or necessary for the administration of this part. Information required by this part shall be furnished in accordance with the instructions issued with respect thereto.

Subpart B—Definitions

§ 403.5 Meaning of terms.

As used in this part, and unless the context otherwise requires, the following terms shall have the meanings set forth in this section. In this part words in the plural form shall include the singular, and vice versa, and words importing the masculine gender shall include the feminine. The terms “includes” and “including” do not exclude things not enumerated which are in the same general class.

(a) *Appraised value.* The value placed upon seized property by the appraisers pursuant to § 403.26(a)(2) for the purpose of determining whether the property may be forfeited administratively.

(b) *Equity.* For purposes of subpart D of this part, the petitioner’s interest in the subject personal property at the time of final administrative action on the petition, but not including:

- (1) Any unearned finance charges accruing from the later of the date of seizure or the date of default;
- (2) any amount rebatable on account of paid insurance premiums;
- (3) attorney’s fees for collection;
- (4) any amount identified as dealer’s reserve; or
- (5) any amount in the nature of liquidated damages that may have been

agreed upon by the buyer and the petitioner.

Subpart C—Seizures and Forfeitures

§ 403.25 Personal property subject to seizure.

Personal property may be seized by the Commissioner of Internal Revenue or his delegate for forfeiture to the United States when involved, used, or intended to be used, in violation of the internal revenue laws, other than chapters 51 (distilled spirits), 52 (tobacco) and 53 (firearms) of the I.R.C. (Sec. 7321, 68A Stat. 869; 26 U.S.C. 7321.)

(Sec. 7325, 68A Stat. 870, as amended (26 U.S.C. 7325 (1), (4)); sec. 7326, 72 Stat. 1429, as amended (26 U.S.C. 7326(a)))

[T.D. 7433, 41 FR 39312, Sept. 15, 1976, as amended by T.D. 7525, 42 FR 64344, Dec. 23, 1977]

§ 403.26 Forfeiture of seized personal property.

(a) *Administrative forfeiture.* (1) Personal property seized as subject to forfeiture under the internal revenue laws and this part which has an appraised value of \$2,500.00 or less shall be forfeited to the United States in administrative forfeiture proceedings except as otherwise provided in this section.

(2) If the Commissioner or his delegate seizes personal property which is forfeitable under the internal revenue laws and this part and which in his opinion is valued at \$2,500.00 or less, he shall cause a list containing a particular description of the seized property to be prepared in duplicate and an appraisal thereof to be made by three sworn appraisers, selected by the Commissioner or his delegate, who shall be respectable and disinterested citizens of the United States residing within the internal revenue district wherein the seizure was made. Such list and appraisal shall be properly attested by the Commissioner or his delegate and such appraisers.

(3) If such forfeitable personal property is found by the appraisers to be of the value of \$2,500.00 or less, the Commissioner or his delegate shall publish a notice once a week for three consecutive weeks, in some newspaper of the judicial district where property was