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# CALIFORNIA RECORDERS AND IRS IN FEE DISPUTE



The IRS has sent a letter to California recorders announcing that effective October 1, the IRS is lowering the fees it will pay for recording Federal Tax Liens and Releases of Federal Tax Liens.



**Interestingly,** it's reported that the fees that are acceptable to the IRS may vary by county. In response some counties have refused to record federal liens and releases unless the IRS pays the California statutory fees.

California law on recording federal liens is found in the Uniform Federal Lien Registration Act that California adopted in 1979. That act provides that the fee charged for recording and indexing each notice of lien or certificate or notice affecting the lien filed with the county recorder shall be the same as those established in the Government Code for the recording and indexing of documents. This fee dispute is apparently is not over the supplemental recording fee added in 2018 for the Building Homes and Jobs Trust Fund. That extra recording fee specifically excludes documents recorded under the Federal Lien Registration Act. For some reason the IRS has decided that it is entitled to pay a fee that only covers the recorders' costs.

What this all means is that liens that might otherwise impart constructive notice are not being recorded, nor are releases necessary to obtain financing or transfer property. In the meantime, title companies and their customers are caught in the crossfire.

Source: <https://www.clta.org/news/473715/California-Recorders-and-IRS-in-Fee-Dispute.htm>