



# Taxpayer Advocate Office Guide

2025



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# Taxpayer Rights Advocate

The Taxpayer Rights Advocate was established by the 1989 General Assembly to be an employee of the department who is appointed to serve as an advocate to facilitate the resolution of taxpayer complaints and problems that are unable to be resolved through normal procedures within the department.

Indiana Code 6-8.1-11-3 provides:

Sec. 3. (a) The department shall appoint an employee to serve as a taxpayer rights advocate whose office shall act as an intermediary between taxpayers and the department to facilitate the resolution of taxpayer complaints and problems not resolved through the normal administrative channels or operational procedures within the department.

(b) The taxpayer rights advocate office shall perform the following duties:

- (1) Receive and evaluate complaints and make appropriate recommendations to the commissioner.
- (2) Identify statutes and regulations as well as policies and practices of the department that might inhibit the equitable treatment of taxpayers, and recommend alternatives to the commissioner.
- (3) Provide expeditious service to taxpayers whose problems are not resolved through normal channels, including but not limited to:
  - (A) assisting taxpayers with matters that have been pending for an unreasonable length of time;
  - (B) assisting with matters where the taxpayer has been unable to communicate with the department; and
  - (C) working with department personnel to resolve the most complex and sensitive taxpayer problems.

**Pursuant to the statutory authority referenced above, Kevin Gulley, as commissioner of the Indiana Department of Revenue, designated Tamara Wolfe as the department's taxpayer rights advocate, effective for a period of 12 months, beginning on May 22, 2025, and ending on May 21, 2026.**

DOR's designation of the taxpayer rights advocate will be reviewed and updated, if necessary, at least once every year. Should legislation, regulations, or directives change between annual reviews, this procedure shall be updated accordingly.

The Taxpayer Advocate Office (TAO) is a specialized team who manages the following programs:

- Claim for Hardship
- Offer in Compromise
- Governor Office referrals
- Elected Representative referrals
- DOR Executive referrals
- Problem Resolution issues
- Warrant Expungement requests
- Military – **Active Duty Servicemembers** with tax bills
- Assistance to individuals who are, or were, **incarcerated** for at least six months

## Hardship General Information

Financial or medical situations usually do not allow a taxpayer to pay within the normal time limits offered.

### **Taxpayers may qualify for the Hardship Program if:**

- The taxpayer or an immediate family member has a critical or terminal illness or disability
- The taxpayer has experienced recent personal devastation resulting from a natural disaster or uncontrollable event
- The taxpayer is facing financial hardship due to recent unemployment or forced job change
- The taxpayer's livelihood is threatened by the outstanding tax debt

### **What the Hardship Program cannot do for our taxpayers:**

- Cancel or discharge their outstanding liabilities with no payment, or settle for a lesser amount
- Leave a taxpayer's liabilities on an indefinite hold
- Reinstate a revoked Registered Retail Merchant Certificate

### **What the Hardship Program can do for our taxpayers:**

- Establish a payment plan with their special needs in mind, allowing additional time for payment of the taxes due
- Place a temporary hold on their account for a specified time period, with the intention of establishing a payment plan at the end of that time period

## Offer in Compromise General Information

TAO will determine whether the amount offered is the largest possible amount which realistically can be collected and if the offer is in the best interest of the state. The offer may be paid in full within 30 days or a payment plan will be considered if the taxpayer has demonstrated the need. The payment plan length will be established by TAO.

## Problem Resolution (PRP)

The responsibility of the Taxpayer Advocate is to ensure that all Indiana taxpayers are treated fairly. TAO will facilitate a resolution as a final resource for the taxpayer.

Taxpayers should attempt a resolution through the normal channels and/or appropriate divisions within DOR. If taxpayers make their initial contact with TAO, the taxpayer may be advised of this and transferred to the appropriate area.

# Warrant Expungement Requests

A tax warrant is generally issued when a taxpayer does not pay or fails to respond to tax liability notices sent by DOR. An error in agency processing may also result in an erroneous tax warrant being issued. While a tax warrant is not a warrant for arrest, the information does appear on the taxpayer's credit report causing a negative impact. In addition, a tax warrant may result in the denial of certain licenses or in a lien on the taxpayer's property.

Under IC 6-8.1-3 and IC 6-8.1-8-2, DOR will review requests for tax warrant expungements if the warrant was issued in error or if the liabilities have been resolved and expunging the tax warrant may be in the best interest of the state.

To be eligible for a tax warrant expungement, all outstanding tax liabilities must be paid in full or otherwise resolved and the taxpayer must be current on **all** tax filings for the previous five years.

An expungement will not be granted if the warrant was issued based on a taxpayer's fraudulent, intentional, or reckless conduct.

# Active Duty Servicemembers with Tax Debts

TAO assists servicemembers in active-duty status with tax debts. The Indiana Servicemembers Civil Relief Act (SCRA) allows DOR to assist active duty military members with penalty, interest and, if materially affected, the collection activity for outstanding tax debts. To qualify, taxpayers must be:

1. An active duty, full-time, servicemember of the Army, Navy, Air Force, Marine Corps, Space Force, and Coast Guard
2. Commissioned corps of the National Oceanic and Atmospheric Administration (NOAA) and the Public Health Service, if in active-duty service status
  - National Guard, if called to active service for more than 30 consecutive days for purposes of responding to a national emergency and supported by federal funds
  - National Guard members that are ordered to active duty

The Indiana SCRA provides different provisions to those servicemembers who are materially affected and those who are not materially affected. DOR will consider all relevant facts and circumstances in determining whether a servicemember's ability to pay is materially or not materially affected by their active-duty status.

# Incarcerated Individuals

Indiana Code 6-8.1-10-2.1 allows for penalty and interest abatement during the time that taxpayers are incarcerated if more than 180 days. TAO may also place a temporary hold on the account to stop collection activities taking place during incarceration.

## Incarcerated Cases

Indiana Code 6-8.1-10-2.1 provides relief from certain penalties and interest accrued during incarceration. To qualify for this waiver, a taxpayer must provide DOR with documentation showing that they are, or were, incarcerated for at least 180 days.

During the incarceration, collection activity will temporarily stop for the time period between the date of TAO involvement and up to the expected release date, as detailed on the documentation.

On or after the taxpayer's release date, the eligible penalty and interest accrued during incarceration will be determined and waived. TAO will contact the taxpayer at the address on file regarding this waiver and advise on how to proceed.

## Lien Release Requests

DOR's Titles and Clearances division will consider a request for a lien release on vehicles due to specific reasons. The reasons are listed below, including the documentation needed to complete the request. Taxpayers may call 317-232-5977 with questions. Lien release information should be submitted to:

Indiana Department of Revenue  
Returns Processing Operations  
7811 Milhouse Rd., Suite P  
Indianapolis, IN 46241  
[collclearance@dor.in.gov](mailto:collclearance@dor.in.gov)  
Fax: 317-615-2736

**The processing of any title lien release or vehicle title takes 30-45 days.**

**For consideration of an automobile dealership requesting a lien release due to a trade-in:**

- In the normal course of business, these requests will not be approved. The taxpayer should inform the dealership that they must pay the full amount due before a lien will be released.

**For consideration of vehicle title release in case of insurance salvage situations with liens discovered, provide the following documentation:**

- Insurance and/or salvage company letter on letterhead stating the vehicle is no longer operable and is being salvaged, including information regarding a settlement, claim and where the money is being distributed
- Vehicle Identification Number (VIN) from vehicle
- Warrant information from public records

**For consideration of vehicle title release in case of deceased taxpayer, provide the following documentation:**

- **Notarized affidavit** of heirship and Letter of Circumstance
- VIN from vehicle
- Warrant information from public records
- Copy of the death certificate for original owner
- Copy of documentation showing the approximate value of the vehicle and a recent picture of the vehicle (e.g., Kelley Blue Book value)
- Copy of state-issued picture identification or driver's license for individual making the request

**For consideration of vehicle title release in case of privately purchased vehicle with liens discovered:**

- Taxpayers should refer to Title and Clearances

Provide the following documentation:

- Copy of dated sales receipt showing purchase price
- **Notarized affidavit** of purchase circumstance (where did you purchase the vehicle: family or friend, classified advertisement, used car lot, sign on street, etc.)
- VIN from vehicle
- Warrant information from public records
- Copy of documentation showing the approximate value of the vehicle and a recent picture of the vehicle (e.g., Kelley Blue Book value)
- Copy of state-issued picture identification or driver's license for individual making the request

**Important Note:** Tax warrant information is public information.

IC 32-28

ARTICLE 28. LIENS ON REAL PROPERTY

IC 32-28-1

Chapter 1. Record of Liens; Duty to Satisfy Record after Release or Discharge of Liens

IC 32-28-1-1

Debt or obligation paid

Sec. 1. (a) This section applies to a person, a firm, a limited liability company, a corporation, a copartnership, an association, an administrator, an executor, a guardian, a trustee, or another person who is the owner, holder, or custodian of any mortgage, mechanic's lien, judgment, or other lien recorded in Indiana.

(b) When the debt or obligation and the interest on the debt or obligation that the mortgage, mechanic's lien, judgment, or other lien secures has been fully paid, lawfully tendered, and discharged, the owner, holder, or custodian shall:

- (1) release;
- (2) discharge; and
- (3) satisfy of record;

the mortgage, mechanic's lien, judgment, or other lien.

(c) If the release, discharge, or satisfaction is a release, discharge, or satisfaction in part, the instrument must:

- (1) state on its face that the instrument is a:

- (A) partial release;
- (B) partial discharge; or
- (C) partial satisfaction; and

(2) describe what portion of the mortgage, mechanic's lien, judgment, or other lien is released, discharged, or satisfied.

As added by P.L.2-2002, SEC.13.

discharge, and satisfy of record the mortgage, mechanic's lien, judgment, or other lien; and

(2) the owner, holder, or custodian fails, neglects, or refuses to release, discharge, and satisfy of record the mortgage, mechanic's lien, judgment, or other lien as required under section 1 of this chapter not later than fifteen (15) days after the date the owner, holder, or custodian receives the written demand.

(b) An owner, holder, or custodian shall forfeit and pay to the mortgagor or other person having the right to demand the release of the mortgage or lien:

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(1) a sum not to exceed five hundred dollars (\$500) for the failure, neglect, or refusal of the owner, holder, or custodian to:

- (A) release;
- (B) discharge; and
- (C) satisfy of record the mortgage or lien; and

(2) costs and reasonable attorney's fees incurred in enforcing the release, discharge, or satisfaction of record of the mortgage or lien.

(c) If the court finds in favor of a plaintiff who files an action to recover damages under subsection (b), the court shall award the plaintiff the costs of the action and reasonable attorney's fees as a part of the judgment.

(d) The court may appoint a commissioner and direct the commissioner to release and satisfy the mortgage, mechanic's lien, judgment, or other lien. The costs incurred in connection with releasing and satisfying the mortgage, mechanic's lien, judgment, or other lien shall be taxed as a part of the costs of the action. (e) The owner, holder, or custodian, by virtue of having recorded the mortgage, mechanic's lien, judgment, or other lien in Indiana, submits to the jurisdiction of the courts of Indiana as to any action arising under this section.

As added by P.L.2-2002, SEC.13.