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Tenth Circuit: No redemption rights following sales to enforce federal tax liens

The U.S. Court of Appeals for the Tenth Circuit today affirmed a federal district court's conclusion that there are no rights of redemption by a delinquent taxpayer following sales to enforce federal tax liens pursuant to section 7403.

The taxpayer amassed over \$18 million dollars in unpaid tax liabilities. The federal government placed liens on properties that the government asserted belonged to the taxpayer's alter egos or nominees. Following a court-ordered sale of these properties, the taxpayer sought to exercise a statutory right to redeem the properties under Utah state law. The federal district court granted summary judgment for the government, concluding that there are no rights of redemption following court-ordered sales under section 7403.

The Tenth Circuit today affirmed, concluding that neither section 7403 nor 28 U.S.C. section 2001 (the statute governing the sale of realty under a court order) explicitly provides for redemption rights.

The case is: *Arlin Geophysical Co. v. United States*, No. 18-4166 (10th Cir. January 14, 2020). Read the Tenth Circuit's [decision](#) [PDF 26 KB]

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