

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Centers for Medicare & Medicaid Services



**April is Alcohol Awareness Month** - Seniors and others covered by Medicare can be screened for alcohol misuse under *the Screening and Behavioral Counseling Interventions in Primary Care to Reduce Alcohol Misuse* benefit. [Read more](#) to learn about coverage for this service.

MLN Matters® Number: MM9154

Related Change Request (CR) #: CR 9154

Related CR Release Date: April 10, 2015

Effective Date: June 19, 2015

Related CR Transmittal #: R1486OTN

Implementation Date: June 19, 2015

## Increasing Tax Withholding to 30 Percent for the Internal Revenue Service (IRS) Federal Payment Levy Program (FPLP)

### Provider Types Affected

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This MLN Matters® Article is intended for physicians, providers, and suppliers who submit claims to Medicare Administrative Contractors (MACs) for services provided to Medicare beneficiaries.

### What You Need to Know

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Change Request (CR) 9154 instructs the Healthcare Integrated General Ledger Accounting System (HIGLAS) system maintainer to make necessary programming changes to increase the tax withhold percentage from 15 percent to 30 percent. If you owe back taxes to the IRS and those taxes are eligible to be withheld from payments due you from Medicare, the withhold rate will increase from the current 15 percent to 30 percent on June 19, 2015.

#### Disclaimer

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## Background

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In July 2000, the IRS, in conjunction with the Department of the Treasury, Financial Management Service (FMS), started the FPLP which is authorized by the Internal Revenue Code Section 6331 (h) (see <http://www.gpo.gov/fdsys/pkg/USCODE-2011-title26/pdf/USCODE-2011-title26-subtitleF-chap64-subchapD-partII-sec6331.pdf>), as prescribed by the Taxpayer Relief Act of 1997 Section 1024 (see <http://www.gpo.gov/fdsys/pkg/PLAW-105publ34/html/PLAW-105publ34.htm>).

Through the FPLP, authority is provided to the Centers for Medicare & Medicaid Services (CMS) to collect overdue taxes through a levy on certain federal payments. This includes federal payments made to Medicare providers.

Consistent with this authority, CMS introduced CR 6125 in October of 2008, which reduced federal payments subjected to the levy by the required 15 percent, or the exact amount of the tax owed if it is less than 15 percent of the payment. You can review the MLN Matters® Article (MM6125) corresponding to CR 6125 at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/mm6125.pdf> on the CMS website.

In December 2014, the Internal Revenue Code Section 6331 (h) was amended by the Tax Increase Prevention Act of 2014 Section 209 (a) (see <http://www.gpo.gov/fdsys/pkg/BILLS-113hr5771enr/html/BILLS-113hr5771enr.htm>), which mandated an increase of the tax levy to 30 percent.

**Note:** The tax levy is continuous until the overdue taxes are paid in full, or other arrangements are made to satisfy the debt.

## Additional Information

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The official instruction, CR 9154, issued to your MAC regarding this change is available at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R1486OTN.pdf> on the CMS website.

If you have any questions, please contact your MAC at their toll-free number. That number is available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/index.html> under - How Does It Work.

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