



Tax Forum

IRS Nationwide

2018

Working with Collection Balance Due Options



Objectives

At the end of this presentation, you will be able to explain to clients:

- Available options for resolving tax debts
 - Payment plans
 - Unable to pay options
 - Offer In Compromise (OIC)
- Collection actions if tax debt is not addressed



Payment Plans

- Eligibility criteria
- Methods for requesting a payment plan
 - Online Payment Agreement
 - Other methods



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Payment Plan Setup Fees

- Setup fees (user fees)
- Reduced user fees
 - Online payment agreement
 - Direct debit agreement
- Low-income user fees
 - Waiver of fees for direct debit agreements
 - Reimbursement of fees for certain taxpayers unable to use direct debit



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Payment Methods

- Direct debit
- Payroll deduction (individuals only)
- Electronic Federal Tax Payment System (EFTPS)
- Other methods



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Payment Plans

- Guaranteed payment plans (individuals only)
- Streamline payment plans
 - Individuals
 - Businesses (out of business; income tax only)
 - Streamline Payment Plan Pilot
- Non-streamline/routine payment plans



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Payment Plans Trust Fund Taxpayers

- In business trust fund express
 - Total assessed balance \$25,000 or less
 - \$10,000 to \$25,000 must be direct debit
- In business trust fund (non-express)



Payment Plan Resources

- Paying Your Taxes: www.irs.gov/payments
- Additional Information on Payment Plans: www.irs.gov/payments/payment-plans-installment-agreements
- Online Payment Agreement: www.irs.gov/opa
- Streamline Processing of Installment Agreements Pilot
 - IRS.gov, search for:
streamline processing of installment agreements



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Collection Information Statement

- Form 433-F, Collection Information Statement (CIS)
- Form 433-A, Collection Information Statement for Wage Earners and Self-Employed Individuals
- Form 433-B, Collection Information Statement for Businesses



Preparing CIS

- Answer all the questions completely
- Provide current financial information
- Provide necessary verification
- Sign and date the CIS



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Currently Not Collectible – Hardship

- Payment would cause undue hardship
- Does not forgive the liability
- Collection suspended
- Account can be reactivated



Offer in Compromise

- Settles tax debt for less than the amount owed
- Explore all other payment options first
- Offer amount based on the taxpayer's reasonable collection potential



Potential OIC Candidate

- OIC Pre-Qualifier Tool
 - Individuals
 - Doubt as to collectibility offers
- Current with filing and estimated tax and FTD payments
- Trust fund portion of tax paid or addressed
- No open bankruptcy, audit, innocent spouse claim



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What to Expect

- Making the offer
 - User fee and initial offer payment, if applicable
- After the offer is filed
- After the offer is accepted



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Collection Actions

- Notice of Federal Tax Lien
- Actions affecting passports
- Levy: seizure of property
- Trust Fund Recovery Penalty