



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

February 21, 2014

Control Number: SBSE-05-0214-0017
Expiration Date: May 15, 2014
Impacted: IRM 5.14.5.2

MEMORANDUM FOR DIRECTORS, FIELD COLLECTION AREA OPERATIONS
DIRECTOR, CAMPUS FILING AND PAYMENT COMPLIANCE (SB)
DIRECTOR, FILING AND PAYMENT COMPLIANCE (W&I)

FROM: Dretha Barham /s/ *Dretha Barham*
Director, Collection Policy

SUBJECT: Interim Guidance Update to Streamlined Installment Agreement
Criteria

Effective immediately, this interim guidance supersedes Interim Guidance Memorandum SBSE 05-0112-013 dated January 20, 2012 (reissued March 1, 2013 as Interim Guidance Memorandum SBSE 05-0313-021). The purpose of this memorandum is to reiterate the Streamlined Installment Agreement criteria.

Please distribute this information to all affected employees within your organization.

The Streamlined IA criteria are:

SUMRY Balance (Unpaid Balance of Assessment (UBA)) is **\$25,000 or less**

- The minimum payment amount is determined by dividing the SUMRY balance by 72
- The IA must resolve all balances due prior to the expiration of the CSED
- No NFTL determination required
- No managerial approval required
- No CIS required
- Type of Entity
 - IMF
 - Out of Business BMF
 - BMF Income Tax ONLY (Form 1120, Form 1065 - Late Filing Penalty)

SUMRY Balance (UBA) is **\$25,001 - \$50,000**

- The minimum payment amount is determined by dividing the SUMRY balance by 72
- The IA must resolve all balances due prior to the expiration of the CSED
- No NFTL determination required
- No managerial approval required
- Agreement **must** be established as a Direct Debit Installment Agreement (DDIA) or a Payroll Deduction Installment Agreement (PDIA)
- Type of Entity
 - IMF
 - Out of Business Sole- Proprietors

Note: The requirement to verify the taxpayer's ability to pay by securing a CIS or use of the SLIAC has been suspended except as noted below.

Generally, if the taxpayer agrees to a payment meeting streamlined criteria, his ability to make a proposed payment amount is not required to be verified unless he has defaulted on an installment agreement within the past 12 months. If the taxpayer has defaulted on an installment agreement within the past 12 months for missing a payment and owes \$25,001-\$50,000, use the SLIAC or CIS to validate that the taxpayer has adequate income to support the proposed installment agreement amount before reinstating or granting a new agreement.

Streamlined IAs may not be granted where the first payment on the agreement is a lump sum payment that is made to pay down the balance to meet the \$50,000 or less aggregate unpaid balance of assessment (SUMRY balance) threshold. Taxpayers must meet the \$50,000 aggregate unpaid balance of assessment (SUMRY balance) threshold at the time the Streamlined IA is granted. However, for a Streamlined IA, taxpayers with a liability greater than \$50,000 can be considered if they pay down the liability to \$50,000 or less prior to the agreement being granted.

Note: All streamlined installment agreements up to \$50,000 and 72 months will use 36 in the YY position of the Agreement Locator Number.

If you have any questions, please contact me, or a member of your staff may contact David Beach, Senior Program Analyst.

cc: Director, Field Collection
 Director, Enterprise Collection Strategy
 Director, Campus Compliance Services
 Director, Compliance (W&I)
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