



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

SMALL BUSINESS/SELF-EMPLOYED DIVISION

December 20, 2013

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5.19.1

5.8

MEMORANDUM FOR DIRECTOR, FIELD COLLECTION  
DIRECTOR, CAMPUS FILING AND PAYMENT COMPLIANCE (SB)  
DIRECTOR, FILING AND PAYMENT COMPLIANCE (W&I)  
DIRECTOR, EXAMINATION  
DIRECTOR, CUSTOMER ASSISTANCE, RELATIONSHIPS AND  
EDUCATION (W&I)  
DIRECTOR, OFFICE OF APPEALS

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

SUBJECT: Interim Guidance for Installment Agreement User Fees and  
Offer in Compromise Application Fees

This memorandum is to issue interim guidance for installment agreement (IA) user fees and Offer in Compromise (OIC) application fees until the affected sections of the IRM are revised. Please ensure this information is distributed to all affected employees within your organization.

The purpose of this memorandum is to advise of increases to IA user fees for IAs entered into on or after January 1, 2014 and OIC application fees for OICs submitted on or after January 1, 2014.

The user fee for new non-direct debit IAs and payroll deduction agreements entered into on or after January 1, 2014 will increase from \$105 to \$120. The user fee for reinstatement of an existing IA on or after January 1, 2014 will increase from \$45 to \$50. The user fee for direct-debit IAs will remain unchanged at \$52. The reduced IA user fee for eligible low-income taxpayers will remain unchanged at \$43.

The application fees for OICs submitted on or after January 1, 2014 will increase from \$150 to \$186. Low income taxpayers and taxpayers making offers based solely on doubt as to liability will continue to not be required to pay the fee.

This guidance will be incorporated into the following IRM cites within one year from the issue date of this memorandum: 5.14.1.2(8)(b), Installment Agreements-Securing Installment Agreements; 5.19.1 Liability Collection-Balance Due and 5.8, Offer in Compromise.

The fee increases are effective for IAs entered into or reinstated on or after January 1, 2014 and OICs submitted on or after January 1, 2014.

If you have any questions, please contact Diane Morris, Senior Program Analyst (OICs) or Scott Pryde, Program Analyst (IAs).

cc: Office of Chief Counsel  
National Taxpayer Advocate  
[www.irs.gov](http://www.irs.gov)