



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
Washington, DC 20224

SMALL BUSINESS / SELF-EMPLOYED DIVISION

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IRM 5.14.10

MEMORANDUM FOR DIRECTORS, COLLECTION AREA OPERATIONS

FROM: Scott D. Reisher /s/ **Scott D. Reisher**
Director, Collection Policy

SUBJECT: Streamlined Installment Agreements

This interim guidance memorandum is being issued to Collection Field function employees to implement policy changes to Streamlined Installment Agreements. These changes are effective immediately and will be placed into the next revisions of the IRMs 5.14.5 and 5.14.10.

The primary changes to the Streamlined IA criteria are:

- The dollar threshold increases from \$25,000 to \$50,000 aggregate unpaid balance of assessment(SUMRY balance); and,
- The timeframe to full pay increases from 60 months to 72 months.

Based on these new criteria, when working accounts where the aggregate unpaid balance of assessment (SUMRY balance) is **\$25,000 or less**, the **ONLY** criterion that changes is that the taxpayer now has 72 months instead of 60 months to full pay. All of the other criteria remain the same:

- CSED protected
- Type of Entity
 - IMF
 - Out of Business BMF
 - BMF Income Tax ONLY (Form 1120)
- No lien determination required
- No managerial approval required
- No CIS required

However, when working accounts where the aggregate unpaid balance of assessment (SUMRY balance) is **\$25,001 - \$50,000**, the streamlined IA criteria become more specific. The criteria for these accounts are:

- Payable within 72 months
- CSED protected
- No lien determination or managerial approval required
- Type of Entity
 - IMF
 - Out of Business Sole- Proprietors
- Agreement **must** be established as a Direct Debit Installment Agreement (DDIA); **and**
- Ability to pay verified by securing a Collection Information Statement (CIS) per IRM 5.1.10.3.2 and IRM 5.15.1 **or** use of the Streamlined IA Calculator (SLIAC).

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.

The key changes in treatment for a Streamlined IA when the aggregate unpaid balance of assessment (SUMRY balance) is **\$25,001 - \$50,000**:

- Type of taxpayer can **ONLY** be an individual (IMF) or an Out of Business – Sole Proprietor;
- Agreement **must** be established as a DDIA; **and**
- Ability to pay verified by securing a Collection Information Statement (CIS) per IRM 5.1.10.3.2 and IRM 5.15.1 **or** use of the SLIAC.

The new SLIAC will use the base Allowable Living Expenses (ALE) standards to determine whether the taxpayer has sufficient income to sustain the minimal IA payment at a particular debt level for 72 months.

The "Streamlined IA Calculator" is the verification tool that validates whether the taxpayer has adequate income to support the proposed IA payment. If the SLIAC indicates a higher payment can be made, the proposed payment amount will still be accepted.

The SLIAC is a selection within the Installment Agreement menu on ICS. When this option is selected, you will navigate to the [Streamlined IA Calculator link](#). When the SLIAC is used, copy the results to the ICS history.

If you have any questions, please contact me or a member of your staff may contact Harry Clemson or David Beach.

cc: Director, Field Collection
Director, Campus Compliance Services (SB)
Director, Compliance (W&I)
Directors, Filing and Payment Compliance (W&I/SB)