



APPEALS

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE

April 30, 2019

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Affected IRMs: 8.20.7; 8.22.7

MEMORANDUM FOR APPEALS EMPLOYEES

FROM: Anita M. Hill /s/ *Anita M. Hill*  
Director, Case and Operations Support

SUBJECT: Low-income Installment Agreement Documentation and User  
Fee Reimbursement

**Purpose:** The purpose of this memorandum is to provide interim guidance to Appeals Technical Employees and Account Processing and Support employees on the reimbursement of user fees upon completion of an installment agreement (IA) for qualifying low-income taxpayers who are unable to make electronic payments through a debit instrument. Please ensure that this information is distributed to all affected employees within your organization.

**Background/Source(s) of Authority:** The Bipartisan Budget Act of 2018 (BBA 2018), Section 41105 - Modification of User Fee Requirements for Installment Agreements amended IRC 6159 and limited the IA user fee, under certain circumstances, by providing a waiver or reimbursement of user fees to low-income taxpayers. The IRS has interpreted new section 6159(f) to require that a taxpayer *self-identify* to qualify for a reimbursement of the reduced user fee(s).

**Procedural Change:** Regular IA or Partial Payment Installment Agreements (PPIA) that are secured in Collection Due Process (CDP) and Equivalent Hearings (EH) should indicate if qualified taxpayers are entitled to reimbursement of the IA user fee and follow the guidance included with this memorandum.

**Effect on Other Documents:** This guidance will be incorporated into the above IRM sections within two years of the date of this memorandum.

**Effective Date:** This guidance is effective as of the date of this memorandum.

**Contact:** If you have any questions, please follow established procedures on [How to Contact an Analyst](#).

Attachment: Affected Changes

cc: [www.irs.gov](http://www.irs.gov)

**IRM 8.22.7.5.3 (New Section)**

**Low-income Installment Agreement Documentation and User Fee Reimbursement**

- 1) The Bipartisan Budget Act of 2018 amended IRC 6159, limiting the IA user fee by providing a waiver or reimbursement of user fees to low-income taxpayers under certain circumstances. The IRS has interpreted new section 6159(f) to require that taxpayers **self-identify** that they are unable to make electronic payments through a debit instrument to qualify for a reimbursement of the reduced user fee(s) upon completion of the IA. Newly revised IA forms, including Form [9465](#), Installment Agreement Request, and Form [433-D](#), Installment Agreement, have a taxpayer self-identifier checkbox present. The taxpayer should be considered self-identified if they either check the self-identifier checkbox, or otherwise state that they are unable to make electronic payments through a debit instrument by entering into a DDIA.
- 2) At this point, the **only** mechanism the Service has in place in which the taxpayer may agree to make electronic payments through a debit instrument is a DDIA.
- 3) Refer to IRM update (IPU) [5.19.1.6.4.6.4](#) that posted on January 7, 2019 for the criteria used to qualify for reimbursement of IA user fees and examples of how a taxpayer self-identifies as unable to make electronic payments through a debit instrument by entering into a DDIA.
- 4) When granting a regular IA or PPIA to a low-income taxpayer:

If...	Then...
taxpayer self-identifies as unable to make electronic payments through a debit instrument by entering into a DDIA,	notate “ <b>Unable to enter a DDIA</b> ” in “Remarks” section of closing Form 5402.
taxpayer <b>does not</b> self-identify as unable to make electronic payments through a debit instrument by entering into a DDIA,	notate “ <b>Able to enter a DDIA</b> ” in “Remarks” section of closing Form 5402.

- 5) Beginning in January 2019, IA CCs in IDRS will record a taxpayer’s ability to make electronic payments to identify qualifying low-income taxpayers who may be reimbursed the user fee upon completion of their IA.
- 6) Inform taxpayers that IRS is noting in its records taxpayers’ ability to make electronic payments through a debit instrument by entering into a DDIA.

- 7) **Do not** question or dispute a taxpayer's response to ability to make electronic payments through a debit instrument by entering into a DDIA, even if the account history shows a DDIA in the past.

#### **IRM 8.20.7.40.1**

#### **Installment Agreement (IA) APS General Information**

The current IRM 8.20.7.40.1(6), (7), (8), (9), (10) will be re-numbered to: IRM 8.20.7.40.1(8), (9), (10), (11), (12) respectively.

- 6) In January 2019, a new field was added to IA CCs (*IAGRE, IAORG, IAREV, etc.*) on IDRS to record the ability of qualifying low-income taxpayers to make electronic payments through a debit instrument by entering into a DDIA. The new field shows whether the taxpayer is Unable To Make Electronic Payments (UTMEP).
- 7) Complete the UTMEP field as follows:
  - a. "Y" – if Form 5402 "Remarks" notes "Unable to enter a DDIA".
  - b. "N" – if Form 5402 "Remarks" notes "Able to enter a DDIA".
  - c. BLANK – if Form 5402 "Remarks" does not have a notation.