Note: *The draft you are looking for begins on the next page.*

Caution: *DRAFT—NOT FOR FILING*

This is an early release draft of an IRS tax form, instructions, or publication, which the IRS is providing for your information. **Do not file draft forms** and do **not** rely on draft forms, instructions, and publications for filing. We do **not** release draft forms until we believe we have incorporated all changes (except when explicitly stated on this coversheet). However, unexpected issues occasionally arise, or legislation is passed—in this case, we will post a new draft of the form to alert users that changes were made to the previously posted draft. Thus, there are never any changes to the last posted draft of a form and the final revision of the form. Forms and instructions generally are subject to OMB approval before they can be officially released, so we post only drafts of them until they are approved. Drafts of instructions and publications usually have some changes before their final release.

Early release drafts are at IRS.gov/DraftForms and remain there after the final release is posted at IRS.gov/LatestForms. All information about all forms, instructions, and pubs is at IRS.gov/Forms.

Almost every form and publication has a page on IRS.gov with a friendly shortcut. For example, the Form 1040 page is at IRS.gov/Form1040; the Pub. 501 page is at IRS.gov/Pub501; the Form W-4 page is at IRS.gov/W4; and the Schedule A (Form 1040/SR) page is at IRS.gov/ScheduleA. If typing in a link above instead of clicking on it, be sure to type the link into the address bar of your browser, not a Search box.

If you wish, you can submit comments to the IRS about draft or final forms, instructions, or publications at IRS.gov/FormsComments. We cannot respond to all comments due to the high volume we receive and may not be able to consider many suggestions until the subsequent revision of the product.

If you have comments on reducing paperwork and respondent (filer) burden, with respect to draft or final forms, please respond to the relevant information collection through the Federal Register process; for more info, click here.

Form **1127**
(Rev. December 2020)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time for Payment of Tax Due to Undue Hardship

▶ **Go to *www.irs.gov/Form1127* for the latest information.**

OMB No. 1545-2131

Before you begin: Use the Determination Chart later in the instructions to see if you should file this form.

Name(s) shown on return | **Identifying number**

Number, street, and apt., room, or suite no. If you have a P.O. box, see instructions.

City, town, or post office, state, and ZIP code. If you have a foreign address, see instructions.

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Part I Request for Extension

I request an extension from _____, 20 _____, to _____, 20 _____, to pay tax of $ _____.

Check only one box. This request is for:

☐ The tax shown or required to be shown on Form _____.

☐ An amount determined as a deficiency on Form _____.

This request is for calendar year 20 _____, or fiscal year ending _____, 20 _____.

Part II Reason for Extension

Undue hardship. Enter below a detailed explanation of the undue hardship that will result if your application is denied. (If more space is required, please attach a separate sheet.) To establish undue hardship, you must show that you would sustain a substantial financial loss if forced to pay a tax or deficiency on the due date. For a complete definition of "undue hardship," see *Who Should File*, later, in the instructions.

Part III Supporting Documentation (You must check **both** boxes, or your application will **not** be accepted.)

To support my application, I certify that I have attached:

☐ A statement of my assets and liabilities at the end of last month (showing book and market values of assets and whether securities are listed or unlisted), **and**

☐ An itemized list of my income and expenses for each of the 3 months prior to the due date of the tax.

Signature and Verification

Under penalties of perjury, I declare that I have examined this application, including any accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete; and, if prepared by someone other than the taxpayer, that I am authorized to prepare this form.

Signature of taxpayer ▶ _____ Date ▶ _____

Signature of spouse ▶ _____ Date ▶ _____

Signature of preparer other than taxpayer ▶ _____ Date ▶ _____

FOR IRS USE ONLY (Do not detach)

This application is ☐ Approved ☐ Denied ☐ Returned:

Reason(s): _____

Signature of authorized official | Date

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

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Section references are to the Internal Revenue Code.

General Instructions

What's New

Where to file. If the tax due is a gift tax reportable on Form 709, United States Gift (and Generation-Skipping Transfer) Tax Return, send your Form 1127 to the updated address under *Where To File*, later.

Purpose of Form

Use Form 1127 to request an extension of time under section 6161 for payment of the following amounts.

- The tax shown or required to be shown on a return.
- An amount determined as a deficiency (an amount you owe after an examination of your return).

Determination Chart

Use this chart to determine if Form 1127 is the correct form for you to file.

IF you . . .	THEN . . .
Are requesting to postpone payment of the full amount of tax shown or required to be shown on your return or an amount determined as a deficiency	**File Form 1127.** See *When To File*, later, for due dates.
Are seeking an extension of time to file your income tax return	File Form 4868, Application for Automatic Extension of Time To File U.S. Individual Income Tax Return, or Form 2350, Application for Extension of Time To File U.S. Income Tax Return. **Do not file Form 1127.**
Are seeking an extension of time to pay estate (and generation-skipping transfer) taxes	File Form 4768, Application for Extension of Time To File a Return and/or Pay U.S. Estate (and Generation-Skipping Transfer) Taxes. **Do not file Form 1127.**
Are requesting a monthly installment payment plan	See Form 9465, Installment Agreement Request, or go to Online Payment Agreement Application at *www.irs.gov/OPA*. **Do not file Form 1127.**
Owe any tax and are not requesting, or do not qualify for, either a monthly installment payment plan or an extension of time to pay the full amount	Call, write, or visit your local IRS office to discuss your situation. For more information, see Pub. 594, The IRS Collection Process. **Do not file Form 1127.**

Who Should File

You can file Form 1127 if you will owe any of the following, and paying the tax at the time it is due will cause an undue hardship.

- Income taxes.
- Self-employment income taxes.
- Withheld taxes on nonresident aliens and foreign corporations.
- Taxes on private foundations and certain other tax-exempt organizations.
- Taxes on qualified investment entities.
- Taxes on greenmail.
- Taxes on structured settlement factoring transactions.
- Gift taxes.

Form 1127 can also be filed if you receive a notice and demand for payment (or tax bill) for any of the taxes shown below and paying them at the time they are due will cause an undue hardship.

- Normal taxes and surtaxes.
- Taxes on private foundations and certain other tax-exempt organizations.
- Taxes on qualified investments.
- Gift taxes.

Undue hardship. The term "undue hardship" means more than an inconvenience. You must show you will have a substantial financial loss (such as selling property at a sacrifice price) if you pay your tax on the date it is due.

When To File

Form 1127, and its supporting documentation, should be filed as soon as you are aware of a tax liability or a tax deficiency you cannot pay without causing undue hardship.

If you are requesting an extension of time to pay the full amount of tax shown or required to be shown on an upcoming return, Form 1127 must be received on or before the due date of that return, not including extensions.

If you are requesting an extension of time to pay an amount determined as a deficiency, Form 1127 must be received on or before the due date for payment indicated in the tax bill.

Where To File

File Form 1127 with the Internal Revenue Service (Attn: Advisory Group Manager) for the area where you maintain your legal residence or principal place of business. See Pub. 4235, Collection Advisory Group Numbers and Addresses, to find the address for your local advisory group.

However, if the tax due is a gift tax reportable on Form 709, send Form 1127 to:

Department of the Treasury
Internal Revenue Service
Stop 824G
7940 Kentucky Drive
Florence, KY 41042-2915

Extension Period

An extension of more than 6 months generally will not be granted to pay the tax shown on a return. However, except for taxes due under sections 4981, 4982, and 5881, an extension for more than 6 months may be granted if you are out of the country.

An extension to pay an amount determined as a deficiency is generally limited to 18 months from the date payment is due. However, in exceptional circumstances, an additional 12 months may be granted.

Note: An extension to pay a deficiency will not be granted if the deficiency is due to negligence, intentional disregard of rules and regulations, or fraud with intent to evade tax.

Payment Due Date

You must pay the tax before the extension runs out. **Do not** wait to receive a bill from the IRS.

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Interest. You will owe interest on any tax not paid by the due date of the return, or the due date of any amount determined to be a deficiency, regardless of whether an extension of time to pay the tax has been obtained. The interest runs until you pay the tax.

Penalties. Penalties may be imposed if you fail to pay the tax within the extension period granted.

Specific Instructions

Name, Address, and Identification Number

Individuals. Enter your name, address, and social security number (SSN) or individual taxpayer identification number (ITIN). If this application is for the tax shown on a joint return or a joint tax liability for an amount determined as a deficiency, include both spouses' names in the order in which they appear or will appear on your return, and enter the SSN or ITIN of the spouse whose name appears first.

Corporations. Enter your company's name, address, and employer identification number.

P.O. box. Enter your box number only if your post office does not deliver to your street address.

Foreign address. Enter the information in the following order: city, province or state, and country. Follow the country's practice for entering the postal code. Do not abbreviate the country name.

Part I

Request for extension. Enter the due date of your return (not including extensions) or the due date for paying the amount determined as a deficiency. Enter the date you propose to pay the tax and the amount of tax you owe. The date you propose to pay the tax can be up to:

- 6 months from the due date of your return (not including extensions), if your request is for payment of the tax shown on your return (the date you propose can be more than 6 months if you are out of the country); or
- 18 months from the date payment is due, if your request is for payment of an amount determined as a deficiency (an additional 12 months can be requested for a deficiency in exceptional circumstances).

Check the applicable box and enter the form number to which the tax you owe relates. Enter the tax year, if the tax you owe is figured on a calendar year; if the tax you owe is figured on a fiscal year, enter the ending month, day, and year.

Part II

Reason for extension. In order for your application to be considered, you must provide a detailed explanation of the undue hardship that will result if you pay the tax on or before the due date. An extension will not be granted if you provide only a general statement of hardship.

Part III

Supporting documentation. You must attach:

- A statement(s) of your assets and liabilities, and
- An itemized list of your income and expenses for each of the 3 months prior to the due date of the tax.

Note: Once your request has been reviewed, additional conditions may have to be met.

Signature and Verification

This form must be signed and dated.

Individuals. If this application is for the tax shown on a joint return or a joint tax liability for an amount determined as a deficiency, both you and your spouse must sign and date this form. If your spouse cannot sign, see Pub. 501, Exemptions, Standard Deduction, and Filing Information.

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. We need this information to ensure compliance with these laws and to properly grant extensions of time to pay tax. Applying for an extension of time for the payment of tax is voluntary. However, providing the requested information is mandatory if you apply for the extension. Our legal right to ask for the information requested on this form is based in sections 6001, 6011, 6109, and 6161 and their regulations. If you fail to provide all or part of the information requested, your application may be denied. If you provide false or fraudulent information, you may be subject to penalties.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103. However, section 6103 allows or requires the Internal Revenue Service to disclose the information to others as described in the Code. For example, we may disclose this information to the Department of Justice for enforcement of civil or criminal tax laws; to cities, states, the District of Columbia, and U.S. commonwealths or possessions to administer their tax laws; to other countries under a tax treaty; to federal and state agencies to enforce non-tax criminal laws; or to federal law enforcement and intelligence agencies to combat terrorism.

Estimates of taxpayer burden. The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual taxpayers filing this form is approved under OMB control number 1545-0074 and is included in the estimates shown in the instructions for their individual income tax return. The estimated burden for all other taxpayers who file this form is shown below.

Recordkeeping	X hr., X min.
Learning about the law or the form	XX min.
Preparing and sending the form to the IRS	X hr., XX min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return for which this form is filed.

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