

IRS News Release

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IRS Offers Tax Payment Options

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WASHINGTON — The Internal Revenue Service today reminded taxpayers to file their federal tax returns and pay any taxes they owe by the April 15 deadline.

Aware that the economic downturn has affected many people, the agency urged taxpayers in difficult financial situations to file a tax return, pay what they can and work with the IRS to establish a payment plan that will keep them compliant.

Filing and Paying on Time Saves Money

The IRS cautioned that there is a failure-to-file penalty for taxpayers who don't file their tax returns by April 15 and who owe taxes. Filing by the deadline allows taxpayers to avoid this penalty, even if they can't pay all or some of their taxes by the deadline. Taxpayers who can't meet the filing deadline can request an [extension of time to file](#). However, an extension of time to file is not an extension of time to pay.

Taxpayers who can't pay the full amount would still benefit from filing their return and paying as much as they can by April 15. Interest and failure-to-pay penalties are due on any unpaid balance and increase the amount that the taxpayer owes.

Members of the military and some others serving in combat zones, or in support, can wait until after April 15 to file and pay. As a general rule, [those eligible](#) get the extra time penalty-free and interest-free without having to ask for it. Normally, the filing and payment deadline is postponed until 180 days after the service member leaves the combat zone.

Electronic Options

IRS offers various electronic payment options to taxpayers to make it as easy as possible to make a full or partial payment with their return.

Taxpayers can make payments online, by phone using a credit or debit card, or through the Electronic Federal Tax Payment System. Taxpayers who e-file their return may use the electronic funds withdrawal option for submitting an electronic payment. They can e-file before April 15 but schedule their payment for withdrawal on April 15.

Information on these options, including any fees involved, may be found on the IRS Web site, IRS.gov, on the [Electronic Payment Options Home Page](#).

Some taxpayers who itemize may now deduct the convenience fee charged for paying individual income taxes with a credit or debit card as a miscellaneous itemized deduction. The deduction is subject to the 2 percent limit on [Form 1040, Schedule A](#).

Taxpayers may also pay any taxes owed by check made out to the “United States Treasury” using [Form 1040-V](#), Payment Voucher, which must be included along with the payment and tax return. Taxpayers who have already submitted their tax return, but still need to pay all or some of their taxes, may mail the check to the IRS with Form 1040-V.

Installment Agreements and Online Applications

Taxpayers who find they can’t make a full payment by the April 15 deadline may consider applying for an [installment agreement](#).

An installment agreement allows taxpayers to pay any remaining balance in monthly installments. Taxpayers who owe \$25,000 or less may apply for a payment plan electronically, using the [Online Payment Agreement application](#). Or they may attach [Form 9465](#), Installment Agreement Request, to the front of their tax return. Taxpayers must show the amount of their proposed monthly payment and the date they wish to make their payment each month. The IRS charges \$105 for setting up the agreement or \$52 if the payments are deducted directly from the taxpayer’s bank account (\$43 for qualified lower-income taxpayers).

The IRS will automatically give taxpayers the low income installment agreement fee if they qualify. The taxpayer does not have to request it. Taxpayers are required to pay interest plus a late payment penalty on the unpaid taxes for each month or part of a month after the due date that the tax is not paid. A taxpayer who does not file the return by the due date — including extensions — may have to pay a failure-to-file penalty.

For more information about filing and paying taxes, visit IRS.gov and choose “[1040 Central](#)” or refer to the [Form 1040 Instructions](#) or IRS [Publication 17](#), Your Federal Income Tax. Taxpayers can download forms and publications from IRS.gov or request a free copy by calling toll free 800-TAX-FORM (800-829-3676).