



News Release

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Tax Time Guide: Electronic Payment/Payment Agreement Options Available to Those Who Owe Taxes

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WASHINGTON — The Internal Revenue Service today reminded taxpayers that it's easier than ever to pay taxes electronically. For those unable to pay on time, several quick and easy solutions are available.

This is the seventh in a series of 10 IRS tips called the [Tax Time Guide](#). Taxpayers can use these tips to find solutions to common tax issues as the April 18 tax deadline approaches.

Taxpayers who owe taxes can now choose among several quick and easy electronic payment options, including the following:

- [Electronic Funds Withdrawal](#) allows taxpayers to e-file and pay from their bank account when using tax preparation software or a tax professional. EFW is only available when electronically filing a tax return.
- [Direct Pay](#). Available at IRS.gov/directpay, this free online tool allows taxpayers to securely pay their taxes directly from checking or savings accounts without any fees or preregistration. Taxpayers can schedule payments up to 30 days in advance. Those using the tool will receive instant confirmation when they submit their payment.
- [Credit or Debit Card](#). Taxpayers can pay online, by phone or with their mobile device through any of the authorized debit and credit card processors. The processor charges a fee. The IRS doesn't receive or charge any fees for payments made with a debit or credit card. Go to <https://www.irs.gov/payments> for authorized card processors and phone numbers.
- [IRS2Go](#). The IRS2Go mobile app is free and offers taxpayers the option to make a payment with Direct Pay for free or by debit or credit card through an approved payment processor for a fee. Download IRS2Go free from Google Play, the Apple App Store or the Amazon App Store.
- [Electronic Federal Tax Payment System](#). This free service gives taxpayers a safe and convenient way to pay individual and business taxes by phone or online. To enroll or for more information, call 800-555-4477, or visit eftps.gov.
- [Cash](#). Taxpayers paying with cash can use the PayNearMe option. Payments are limited to \$1,000 per day, and a \$3.99 fee applies to each payment. The IRS urges taxpayers choosing this option to start early, because PayNearMe involves a four-step process.

Initiating a payment well ahead of the tax deadline will help taxpayers avoid interest and penalty charges. The IRS offers this option in cooperation with [OfficialPayments.com/fed](https://www.irs.gov/officialpayments) and participating 7-Eleven stores in 34 states. Details, including answers to frequently asked questions, are at [IRS.gov/paywithcash](https://www.irs.gov/paywithcash).

Taxpayers can electronically request an extension of time to file. An extension of time to file is not an extension to pay. Taxes are still due by the original due date. Taxpayers can get an automatic extension when making a payment with Direct Pay, Electronic Federal Tax Payment System or by debit or credit card. Select "Form 4868" as the payment type to receive the automatic extension.

Taxpayers who choose to pay by check or money order should make the payment out to the "United States Treasury." To help ensure that the payment gets credited promptly, also enclose a [Form 1040-V](https://www.irs.gov/form1040-v) payment voucher. Also, print on the front of the check or money order: "2016 Form 1040"; name; address; daytime phone number; and Social Security number.

Taxpayers can view their federal tax account balances online. It's safe, secure and available on the "[Finding out How Much You Owe](https://www.irs.gov/findingout)" page on IRS.gov. They can also access payment options or apply for an installment agreement on this page.

The IRS advises taxpayers to file either an income tax return or a request for a tax-filing extension by this year's April 18 deadline to avoid late-filing penalties. This penalty can be ten times as costly as the penalty for paying late.

Taxpayers who owe, but can't pay the balance in full, do have options. Often they qualify for one of several relief programs, including:

- **Payment Plans, Installment Agreements** -- Most people can set up a payment plan with the IRS online in a matter of minutes. Those who owe \$50,000 or less in combined tax, penalties and interest can use the [Online Payment Agreement](https://www.irs.gov/online-payment-agreement) application to set up a short-term payment plan of 120-days or less, or a monthly payment agreement for up to 72 months. With the Online Payment Agreement, no paperwork is required, there is no need to call, write or visit the IRS and qualified taxpayers can avoid the IRS filing a Notice of Federal Tax Lien unless it previously filed one. Alternatively, taxpayers can request a payment agreement by filing [Form 9465](https://www.irs.gov/form9465). This form can be downloaded from IRS.gov and mailed along with a tax return, IRS bill or notice.
- **Offer In Compromise** -- Some struggling taxpayers may qualify for an [offer-in-compromise](https://www.irs.gov/offer-in-compromise). This is an agreement between a taxpayer and the IRS that settles the taxpayer's tax liabilities for less than the full amount owed. The IRS looks at the taxpayer's income and assets to make a determination on their ability to pay. To help determine eligibility, use the [Offer in Compromise Pre-Qualifier](https://www.irs.gov/offer-in-compromise-pre-qualifier), a free online tool available on IRS.gov.

Other tips in the [Tax Time Guide](https://www.irs.gov/tax-time-guide) series are available on IRS.gov.