

How to prepare a Collection Information Statement (Form 433-B)



Who should use Form 433-B?

Form 433-B is used to obtain current financial information necessary for determining how a business can satisfy an outstanding tax liability.

The following business entities need to complete Form 433-B:

- Partnerships
- Corporations
- Exempt Organizations
- S Corporations
- Limited Liability Companies (LLC) classified as a corporation
- Other LLCs

Section 1 Business Information

Complete items 1 through 6. For items 4 and 5, include information for mobile commerce and mobile accounts such as *PayPal Mobile* or *Paymate*. Answer all questions in this section or write N/A if a question is not applicable. Include attachments if additional space is needed to respond completely to any question.

Section 2 Business Personnel and Contacts

Enter information about all persons responsible for collecting, paying and depositing withheld income and employment taxes, or for paying collected excise taxes. These persons could be officers, employees, partners, major shareholders, etc. Include attachments if additional space is needed to respond completely to the question.

Section 3 Other Financial Information

Complete items 8 through 15 and attach copies of all applicable documentation. Answer all questions in this section or write N/A if a question is not applicable. Include attachments if additional space is needed to respond completely to any question.

Section 4 Business Asset and Liability Information

Item 16 – Cash on Hand

Enter the amount of cash on hand which includes cash in a safe, cash register and petty cash.

If the business has a safe, list the contents.

Items 17 – Business Bank Accounts

Enter all accounts, even if there is currently no balance. Include online bank accounts, money market accounts, savings accounts, checking accounts, mobile payment accounts and stored value cards such as a payroll cards and government benefit cards. Also, list all safety deposit boxes including location, box number and value. Attach a list of contents. Do not enter bank loans.

Item 18 – Accounts/Notes Receivable

Enter the name, address and phone number of the receivable. Include e-payment accounts and factoring companies, as well as any bartering or online auction accounts. Include Federal Government Contracts. List all contracts separately, including contracts awarded, but not started. Include attachments if additional space is needed.

Item 19 – Investments

Include any investments including stocks, bonds, mutual funds, stock options, certificates of deposit, and commodities such as gold, silver, copper, etc.

Item 20 – Available Credit

Include all lines of credit and credit cards issued by a bank, credit union, or savings and loan (*MasterCard*, *Visa*, overdraft protection, etc.).

Items 21, 22 and 23 – Real Property, Vehicles and Business Equipment and Intangible Assets

Current Fair Market Value – Indicate the amount you could sell the asset for today.

Date of Final Payment – Enter the date the loan or lease will be fully paid.

Item 21 – Real Property

List locations of all property that is leased, owned or is being purchased by the business. If the business is leasing or renting, list lessor or landlord. If the business is purchasing, list lender. Include attachments if additional space is needed.

Item 22 – Vehicles, Leased and Purchased

List all vehicles owned and leased (cars, boats, RVs, motorcycles, all-terrain and off-road vehicles, trailers, mobile homes, etc.). If the business is leasing, list the lessor. If the business is purchasing, list the lender. Include attachments if additional space is needed.

Item 23 – Business Equipment and Intangible Assets

List all machinery, equipment, merchandise inventory, and other assets in 23a through 23d. List intangible assets in 23e through 23g. Intangible assets include licenses, patents, logos, domain names, trademarks, copyrights, software, mining claims, goodwill and trade secrets. Include attachments if additional space is needed.

Item 24 - Business Liabilities

Include notes and judgments not listed previously on this form (e.g., if equipment is secured by a note and the note was listed in Item 23, it would not be included in Item 24).

Section 5 Monthly Income/Expense Statement for Business

Identify a time period that reflects your typical business income and expenses (e.g., 3, 6, 9 or 12 months). Complete the average monthly income/expense statement for the stated time period. The business information should reconcile with your business profit and loss statement.

Do not complete lines 47, 48 and 49 (For IRS use only).

Total Monthly Business Income**Item 25 – Gross Receipts from Sales/Services**

Enter the amount of money received by the business from all sources for the goods sold or services rendered. This figure is the total before any costs or expenses are subtracted.

Item 26 – Gross Rental Income

Enter the amount of gross rents which represent payments received for the use of business assets and may be in the form of monies, services, assets, bartering or any combination of these.

Item 27 - Interest Income

Enter the amount of interest received by the business from loans, notes, mortgages, bonds, bank deposits, tax refunds, etc.

Item 28 - Dividends

Enter the amount of dividends received by the business from U.S. and foreign sources.

Item 29 – Cash Receipts

Include cash received from customers that is not included in income items 25 through 28.

Items 30 through 34 – Other Income

Other income represents items that do not fit into one of the specific categories on Form 433-B or listed in other income on the business tax return.

For example:

- A construction company may have income from scrap construction materials.
- A legal firm may have referral fees.
- A Medical Professional Corporation may have expert witness fees associated with a trial.

Total Monthly Business Expenses

Enter total monthly expenses for the business. Allowable business expenses are the cost of carrying on a business or trade. Generally, they must be necessary for the operation of the business. Do not include "non-cash" expenses, such as depreciation, bad debts or depletion. Interest cannot be deducted as a separate expense if it is already included in any other allowable installment payments.

Attachments Required

Include attachments if additional space is needed to respond completely to any question. You may be asked to provide additional verification after we review the completed Form 433-B.

Certification for Signature Line

The partner, corporate officer, or LLC member must sign Form 433-B, *Collection Information Statement for Businesses*, under penalties of perjury. The signature certifies that the information is accurate and complete. Any changes made after signing the form should be initialed and dated.

Distributions from Businesses

Distributions from partnerships and subchapter S corporations reported on Schedule K-1 and from limited liability companies reported on Form 1040, Schedule C, D, or E, should be included in the total distributions on Line 25, page 4 of the Form 433-A, *Collection Information Statement for Wage Earners and Self-Employed Individuals*.