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# Working with Collection Balance Due Options



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# Objectives

At the end of this presentation, you will be able to explain to clients:

- Available options for resolving tax debts
  - Payment plans
  - Unable to pay options
  - Offer In Compromise (OIC)
- Collection actions if tax debt is not addressed



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# Payment Plans

- Eligibility criteria
- Methods for requesting a payment plan
  - Online Payment Agreement
  - Other methods



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# Payment Plan Setup Fees

- Setup fees (user fees)
- Reduced user fees
  - Online payment agreement
  - Direct debit agreement
- Low-income user fees
  - Waiver of fees for direct debit agreements
  - Reimbursement of fees for certain taxpayers unable to use direct debit



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# Payment Methods

- Direct debit
- Payroll deduction (individuals only)
- Electronic Federal Tax Payment System (EFTPS)
- Other methods



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# Payment Plans

- Guaranteed payment plans (individuals only)
- Streamline payment plans
  - Individuals
  - Businesses (out of business; income tax only)
  - Streamline Payment Plan Pilot
- Non-streamline/routine payment plans



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# Payment Plans Trust Fund Taxpayers

- In business trust fund express
  - Total assessed balance \$25,000 or less
  - \$10,000 to \$25,000 must be direct debit
- In business trust fund (non-express)



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# Payment Plan Resources

- Paying Your Taxes: [www.irs.gov/payments](http://www.irs.gov/payments)
- Additional Information on Payment Plans: [www.irs.gov/payments/payment-plans-installment-agreements](http://www.irs.gov/payments/payment-plans-installment-agreements)
- Online Payment Agreement: [www.irs.gov/opa](http://www.irs.gov/opa)
- Streamline Processing of Installment Agreements Pilot
  - IRS.gov, search for streamline processing of installment agreements



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# Collection Information Statement

- Form 433-F, Collection Information Statement (CIS)
- Form 433-A, Collection Information Statement for Wage Earners and Self-Employed Individuals
- Form 433-B, Collection Information Statement for Businesses



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# Preparing CIS

- Answer all the questions completely
- Provide current financial information
- Provide necessary verification
- Sign and date the CIS



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# Currently Not Collectible – Hardship

- Payment would cause undue hardship
- Does not forgive the liability
- Collection suspended
- Account can be reactivated



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# Offer in Compromise

- Settles tax debt for less than the amount owed
- Explore all other payment options first
- Offer amount based on the taxpayer's reasonable collection potential



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# Potential OIC Candidate

- OIC Pre-Qualifier Tool
  - Individuals
  - Doubt as to collectibility offers
- Current with filing and estimated tax and FTD payments
- Trust fund portion of tax paid or addressed
- No open bankruptcy, audit, or innocent spouse claim



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# What to Expect

- Making the offer
  - User fee and initial offer payment, if applicable
- After the offer is filed
- After the offer is accepted



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# Collection Actions

- Notice of Federal Tax Lien
- Actions affecting passports
- Levy: seizure of property
- Trust Fund Recovery Penalty



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Hot Topics on IRS.gov	Search Word(s)
Dirty Dozen Tax Scams	Dirty Dozen
E-Services – Online Tax Tools	eservices
Identity Theft Info for Tax Pros	Identity Protection Prevention
Installment Agreement User Fees	Payment Plan Fees
Offer in Compromise	Offers
Payment Options for Taxpayers	Payment Options
Sharing Economy	Sharing Economy
Tax Reform	Tax Reform
Tax Scams and How to Report Them	Scams
Withholding Calculator	Withholding