

Statement, to Form 9465-FS in order to determine the monthly payment amount.

Request an extension of time to pay using the IRS Online Payment Agreement application at www.irs.gov. Instead of filing Form 9465 or 9465-FS, you may set up an installment agreement online. The terms of the IRS Online Payment Agreement are similar to the terms for Form 9465 and 9465-FS.

You are eligible to apply online if:

- You owe no more than \$50,000 in combined taxes, interest, and penalties, and
- You have filed all required tax returns.

Keep your Installment Agreement.

- Make your payments on time.
- Stay current in your tax filings.

Consider making an Offer in Compromise.

After you have considered all payment options, you may find that you cannot pay your tax debt or that doing so will create financial hardship.

• **Offer in compromise (OIC).** An offer in compromise allows you to settle (compromise) your tax debt for less than the full amount you owe. The IRS considers your unique set of facts and circumstances, including:

- Your true ability to pay,
- Your income and expenses, and
- Your equity in your assets.

Generally, the IRS will not accept an offer if you can pay your tax debt in full with an installment agreement or lump sum payment.

• **Eligibility.** In order for the IRS to consider your offer in compromise, you must be current with all tax filing and payment requirements and may not be in any open bankruptcy proceedings.

• **Making an offer.** A completed offer includes:
- Detailed financial disclosure on Form 433-A (OIC), *Collection Information Statement for Wage Earners and Self-employed Individuals*. This form is used to calculate an appropriate offer amount based on your assets, income, expenses, and future earning potential.

- Form 656, *Offer in Compromise*. Form 656 identifies the tax years, type of tax you would like to compromise, your offer amount, and the payment terms.
- \$150 non-refundable application fee. The fee may be waived for low-income taxpayers.
- Your initial payment, either 20% of the total offer or the first month's payment. The initial payment is nonrefundable, but may be waived for low-income taxpayers.

Contact Us

There are many events that occur during the year that can affect your tax situation. Preparation of your tax return involves summarizing transactions and events that occurred during the prior year. In most situations, treatment is firmly established at the time the transaction occurs. However, negative tax effects can be avoided by proper planning. Please contact us in advance if you have questions about the tax effects of a transaction or event, including the following:

- Pension or IRA distributions.
- Significant change in income or deductions.
- Job change.
- Marriage.
- Attainment of age 59½ or 70½.
- Sale or purchase of a business.
- Sale or purchase of a residence or other real estate.
- Retirement.
- Notice from IRS or other revenue department.
- Divorce or separation.
- Self-employment.
- Charitable contributions of property in excess of \$5,000.

This brochure contains general information for taxpayers and should not be relied upon as the only source of authority.

Taxpayers should seek professional tax advice for more information.

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What Should You Do if You Can't Pay Your Taxes?

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