



Partial Pay Installment Agreement

An Under-Employed Option

American Society of
Tax Problem Solvers

ASTPS A Non-Profit Professional Association
www.astps.org

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Excellence in Tax Problem Resolution Education

Partial Pay
Installment Agreement

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Lawrence M. Lawler
CPA, EA, CTRS, NTPI Fellow
National Director ASTPS

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IRM 5.14.2.1



American Jobs Creation Act 2004
amended IRC Sec. 6159 to provide
authority for the Partial Pay
Installment Agreement

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PPIA and Equity in Assets



Prior to granting a Partial Pay Installment Agreement equity must be addressed and, if appropriate, be used to pay the liability.

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Collection Information Statement Required



443-A and/or 433-B

- IRS Compares to current tax return
- If income ↓ 20% or more, or assets are discovered to be missing from CIS...
- Taxpayer to explain

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Certain Unpaid Balance of Assessments (UBA)



When assets cannot be liquidated and UBA exceeds (*undisclosed threshold*), RO is to secure real property records, DMV records, and a full credit report.

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2-Year Review



PPIA terms are to be reviewed every 2 years

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Conditional Expenses



Not allowed for Partial Pay
Installment Agreements

IRS will only allow minimal
amount of time to adjust
expenses.

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Upon Default



Back to collection for
financial review before
Currently Not Collectible

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Previous Default



Defaulted an IA in the past 24 months - required to pay via DDIA or PDIA with some exceptions.

In-Business Employment Taxes RO Is To:



- 1 Verify income & expenses
- 2 Document anything questionable
- 3 Run records check on real and personal property ownership
- 4 If appropriate, request sale of, or borrowing on assets
- 5 Ensure ability to pay current taxes, operating expenses, and PPIA.

If not a full-pay,
out-of-business,
and Trust Funds
are Due



RO is to assess the Trust Fund
Recovery Penalty unless there is
no collection potential from
responsible person(s)

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Trust Funds are
Due and Taxpayer
Works for Liable
Entity



Can IRS require installment
payments from both the entity
and the responsible person?

Yes, they are to pay the maximum
monthly payment based upon the
taxpayer's ability to pay.

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Trust Funds are Due and Taxpayer Works for Liable Entity



Consider having the responsible person(s) working for the liable entity reduce their salary by the amount of their ability to pay in order to increase the monthly payment of the business.

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Asset Case Defenses



1

Minimal equity or too little for loan

2

Cannot access equity. Or, if loan were to be secured, taxpayer could not make payment

3

Asset has value, but unmarketable

4

Asset used for POI to pay PPIA

5

Undue economic hardship

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Statute of Limitation waiver on collection



Taxpayer will be coming into possession of an asset 2 years after CSED and that asset would be best case resolution. Request waiver?

RO should request waiver.

Statute of Limitation waiver on collection



Taxpayer is financially capable of continuing making PPIA payments after CSED expires. Request waiver?

RO should allow CSED to expire.

Statute of Limitation waiver on collection



Appears taxpayer will have an increase in income in the foreseeable future, but will not sign a waiver. Now what?

RO should allow PPIA and note the file for 2-year review.

Statute of Limitation waiver on collection



Waiver can *only* be secured at inception of PPIA, not during the 2-year review, unless a new PPIA is executed at the same time.

Extension of SOL on collection may not exceed 5 years, plus 1 year for administrative purposes

Statute of Limitation waiver on collection



Taxpayer is financially capable of continuing making PPIA payments after CSED expires. Request waiver?

RO should allow CSED to expire.

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Securing Approval of the PPIA



Compliance required for current filing, withholding, federal tax deposits, and estimated taxes.

Group Manager must review financials, consider alternatives, evaluate rationale for allowing taxpayer to retain assets with equity, and must assure RO didn't request taxpayer take any actions that would result in economic hardship to t/p.

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Steps to Request PPIA



Step 1

Prepare form 433-F - Do not use conditional expenses

Step 2

Review for planning opportunities: Equity & Excess Income and make appropriate adjustments

Step 3

Determine remaining Statute of Limitations on Collection

Step 4

Multiply excess income per 433-F *times* months remaining on SOL

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Steps to Request PPIA



Step 5

Combine Step 4 with **realizable** equity in assets

Step 6

If Step 5 exceeds liability: not a PPIA candidate

Step 7

If not, prepare form 9465 and submit with 433-F & cover letter requesting a Partial Pay Installment Agreement

Step 8

Schedule review with taxpayer 2-years hence.

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Sample Computation



Monthly excess income	\$ 200
Remaining months in CSED	x 50
Available from income	\$10,000
Plus: <i>Realizable</i> equity	15,000
Total	<u>\$25,000</u>

Liability \$24,000

Conclusion: Not a PPIA

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Sample Cover Letter



4C-4 Inability to Pay - Installment Agreement (Over \$25M)

Randy Roe, EA-CPA
Federally Authorized Tax Practitioner
1000 Main Street - Suite 100
Central City, GA 39900

Internal Revenue Service Center
Atlanta, GA 39901

Attention: ACS Operations Manager

Gentlemen:

Regarding: Robert Doe 123-45-6789

I am writing on behalf of the taxpayer referred to above under power of attorney. The taxpayer has received notice and demand for tax due (A copy of the letter is enclosed with this letter).

The taxpayer is unable to pay the tax due in full and is requesting an installment agreement as contemplated by Section 6159 of the Internal Revenue Code and IRM section 5.19.1.2.6.3. Since the unpaid tax is in excess of \$25,000.00 and/or the taxpayer is unable to pay sufficiently large installments to pay in full within six years, I am enclosing Form 9465 - Request for Installment Payment Agreement and Form 433A - Collection Information Statement.

The taxpayer is current in all filing, withholding, and estimating requirements. Please notify me that the proposed installment agreement has been established within thirty (30) day as contemplated by IRS Policy 21-3.

If you require substantiating or verifying documents, please contact me at the telephone number or mail address shown above.

Sincerely,

Randy Roe, EA-CPA
(Signed under POA - copy enclosed)


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4C-4

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Sample Cover Letter

I am writing on behalf of the taxpayer referred to above under power of attorney. The taxpayer has received notice and demand for tax due (A copy of the letter is enclosed with this letter).

The taxpayer is unable to pay the tax due in full and is requesting an installment agreement as contemplated by Section 6159 of the Internal Revenue Code and IRM section 5.19.1.2.6.3 Since the unpaid tax is in excess of \$25,000.00 and/or the taxpayer is unable to pay sufficiently large installments to pay in full within six years, I am enclosing Form 9465 - Request for Installment Payment Agreement and Form 433A - Collection Information Statement.

The taxpayer is current in all filing, withholding, and estimating requirements. Please notify me that the proposed installment agreement has been established within thirty (30) day as contemplated by IRS Policy 21-3.

If you require substantiating or verifying documents, please contact me at the telephone number or mail address shown above.

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An Under-Employed Option

There you have it!

Partial Pay Installment Agreement

The End



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Key
Take-Away



In some scenarios the partial-pay installment agreement is a viable lower-cost solution. Best practice is to consider the PPIA v. OIC and other solutions.

Installment Agreement Request

► Go to www.irs.gov/Form9465 for instructions and the latest information.
► If you are filing this form with your tax return, attach it to the front of the return.
► See separate instructions.

OMB No. 1545-0074

Tip: If you owe \$50,000 or less, you may be able to avoid filing Form 9465 and establish an installment agreement online, even if you haven't yet received a tax bill. Go to www.irs.gov/OPA to apply for an Online Payment Agreement. If you establish your installment agreement using the Online Payment Agreement application, the user fee that you pay will be lower than it would be with Form 9465.

Part I Installment Agreement Request

This request is for Form(s) (for example, Form 1040 or Form 941) ►

Enter tax year(s) or period(s) involved (for example, 2018 and 2019, or January 1, 2019, to June 30, 2019) ►

1a Your first name and initial	Last name	Your social security number
If a joint return, spouse's first name and initial	Last name	Spouse's social security number
Current address (number and street). If you have a P.O. box and no home delivery, enter your box number.		Apt. number
City, town or post office, state, and ZIP code. If a foreign address, also complete the spaces below (see instructions).		
Foreign country name	Foreign province/state/county	Foreign postal code

1b If this address is new since you filed your last tax return, check here ☐

2 Name of your business (must no longer be operating) Employer identification number (EIN)

3	4
Your home phone number	Your work phone number
Best time for us to call	Ext.
	Best time for us to call

5 Enter the total amount you owe as shown on your tax return(s) (or notice(s))	5
6 If you have any additional balances due that aren't reported on line 5, enter the amount here (even if the amounts are included in an existing installment agreement)	6
7 Add lines 5 and 6 and enter the result	7
8 Enter the amount of any payment you're making with this request. See instructions	8
9 Amount owed. Subtract line 8 from line 7 and enter the result	9
10 Divide the amount on line 9 by 72.0 and enter the result	10

11a Enter the amount you can pay each month. Make your payment as large as possible to limit interest and penalty charges, **as these charges will continue to accrue until you pay in full.** If you have an existing installment agreement, this amount should represent your total proposed monthly payment amount for all your liabilities. **If no payment amount is listed on line 11a, a payment will be determined for you by dividing the balance due on line 9 by 72 months**

11a \$

b If the amount on line 11a is less than the amount on line 10 and you're able to increase your payment to an amount that is equal to or greater than the amount on line 10, enter your *revised* monthly payment

11b \$

- If you can't increase your payment on line 11b to more than or equal to the amount shown on line 10, check the box. Also, complete and attach Form 433-F, Collection Information Statement ☐
- If the amount on line 11a (or 11b, if applicable) is more than or equal to the amount on line 10 and the amount you owe is over \$25,000 but not more than \$50,000, then you don't have to complete Form 433-F. However, if you don't complete Form 433-F, then you must complete either line 13 or 14.
- If the amount on line 9 is greater than \$50,000, complete and attach Form 433-F.

12 Enter the date you want to make your payment each month. **Don't** enter a date later than the 28th **12**

13 If you want to make your payments by direct debit from your checking account, see the instructions and fill in lines 13a and 13b. This is the most convenient way to make your payments and it will ensure that they are made on time.

► **a** Routing number **b** Account number

I authorize the U.S. Treasury and its designated Financial Agent to initiate a monthly ACH debit (electronic withdrawal) entry to the financial institution account indicated for payments of my federal taxes owed, and the financial institution to debit the entry to this account. This authorization is to remain in full force and effect until I notify the U.S. Treasury Financial Agent to terminate the authorization. To revoke payment, I must contact the U.S. Treasury Financial Agent at 1-800-829-1040 no later than 14 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payments of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payments.

c Low-income taxpayers only. If you're unable to make electronic payments through a debit instrument by providing your banking information on lines 13a and 13b, check this box and your user fee will be reimbursed upon completion of your installment agreement. See instructions ☐

14 If you want to make payments by payroll deduction, check this box and attach a completed Form 2159. ☐

By signing and submitting this form, I authorize the IRS to contact third parties and to disclose my tax information to third parties in order to process this request and administer the agreement over its duration. I also agree to the terms of this agreement, as provided in the instructions, if it's approved by the IRS.

Your signature	Date	Spouse's signature. If a joint return, both must sign.	Date
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Part II Additional Information

Complete this Part only if all three conditions below apply:

1. You defaulted on an installment agreement in the past 12 months;
2. You owe more than \$25,000 but not more than \$50,000; and
3. The amount on line 11a (or 11b, if applicable) is less than line 10.

Note: If you owe more than \$50,000, also complete and attach Form 433-F.**15** In which county is your primary residence? _____**16a** Marital status:

- ☐ Single. Skip question 16b and go to question 17.
- ☐ Married. Go to question 16b.

b Do you share household expenses with your spouse?

- ☐ Yes.
- ☐ No.

17 How many dependents will you be able to claim on this year's tax return? **17** | _____**18** How many people in your household are 65 or older? **18** | _____**19** How often are you paid?

- ☐ Once a week.
- ☐ Once every 2 weeks.
- ☐ Once a month.
- ☐ Twice a month.

20 What is your net income per pay period (take home pay)? **20** | \$ _____**Note:** Complete lines 21 and 22 only if you have a spouse and meet certain conditions (see instructions). If you don't have a spouse, go to line 23.**21** How often is your spouse paid?

- ☐ Once a week.
- ☐ Once every 2 weeks.
- ☐ Once a month.
- ☐ Twice a month.

22 What is your spouse's net income per pay period (take home pay)? **22** | \$ _____**23** How many vehicles do you own? **23** | _____**24** How many car payments do you have each month? **24** | _____**25a** Do you have health insurance?

- ☐ Yes. Go to question 25b. ☐ No. Skip question 25b and go to question 26a.

b Are your health insurance premiums deducted from your paycheck?

- ☐ Yes. Skip question 25c and go to question 26a. ☐ No. Go to question 25c.

c How much are your monthly health insurance premiums? **25c** | \$ _____**26a** Do you make court-ordered payments?

- ☐ Yes. Go to question 26b. ☐ No. Go to question 27.

b Are your court-ordered payments deducted from your paycheck?

- ☐ Yes. Go to question 27. ☐ No. Go to question 26c.

c How much are your court-ordered payments each month? **26c** | \$ _____**27** Not including any court-ordered payments for child and dependent support, how much do you pay for child or dependent care each month? **27** | \$ _____

Instructions for Form 9465

(Rev. October 2020)



Department of the Treasury
Internal Revenue Service

Installment Agreement Request (For use with Form 9465 (Rev. September 2020))

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest developments related to Form 9465 and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form9465](https://www.irs.gov/Form9465).

What's New

Clarification and expansion of terms of Form 9465 installment agreements. Additional text has been added to Form 9465 regarding your payment of the tax and your provision of updated financial information when requested. See [Requests to modify or terminate an installment agreement](#), later.

Termination. We have added text clarifying when the IRS may terminate the installment agreement. See [What happens if the taxpayer doesn't comply with the terms of the installment agreement](#), later.

Reminder

Reduced user fees for certain installment agreements. Beginning January 1, 2019, the user fee is \$10 for installment agreements reinstated or restructured through an online payment agreement (OPA). You must have established the reinstatement or restructuring of the installment agreement through an OPA to qualify for the reduced user fee. Low-income taxpayers may be reimbursed this fee under certain conditions. See [Requests to modify or terminate an installment agreement](#), later.

Apply online at reduced fee. If the total amount you owe isn't more than \$50,000 (including any amounts you owe from prior years), you don't need to file Form 9465; you can request an installment agreement online for a reduced fee. For more information, see [Applying online for an installment agreement and other payment plans](#), later.

Waiver and reimbursement of user fees for low-income taxpayers. For installment agreements entered into by taxpayers with adjusted gross income, for the most recent tax year available, at or below 250% of the federal poverty guidelines, the IRS will waive or reimburse user fees if certain conditions are met. For details, see [User fee waivers and reimbursements](#), later.

General Instructions

Purpose of Form

Use Form 9465 to request a monthly installment agreement (payment plan) if you can't pay the full amount you owe shown on your tax return (or on a notice we sent you). Most installment agreements meet our streamlined

installment agreement criteria. The maximum term for a streamlined agreement is 72 months. In certain circumstances, you can have longer to pay or you can establish an agreement for an amount that is less than the amount of tax you owe.

However, before requesting a payment plan, you should consider other alternatives, such as getting a bank loan or using available credit, which may be less costly. If you have any questions about this request, call 800-829-1040.

Use Form 9465 if you're an individual:

- Who owes income tax on Form 1040 or 1040-SR,
- Who is or may be responsible for a Trust Fund Recovery Penalty,
- Who owes employment taxes (for example, as reported on Forms 941, 943, or 940) related to a sole proprietor business that is no longer in operation, or
- Who owes an individual shared responsibility payment under the Affordable Care Act (this payment won't be assessed for months beginning after December 31, 2018). See section 5000A.

Don't use Form 9465 if:

- You can pay the full amount you owe within 120 days (if you plan to pay the taxes, interest and penalties due in full within 120 days, you can save the cost of the set up fee—see [Can you pay in full within 120 days](#), later);
- You want to request a payment plan online, including an installment agreement (see [Applying online for an installment agreement and other payment plans](#), later); or
- Your business is still operating and owes employment or unemployment taxes. Instead, call the telephone number on your most recent notice to request an installment agreement.

Guaranteed installment agreement. You're eligible for a guaranteed installment agreement if the tax you owe isn't more than \$10,000 and:

- During the past 5 tax years, you (and your spouse if filing a joint return) have timely filed all income tax returns and paid any income tax due, and haven't entered into an installment agreement for the payment of income tax;
- You agree to pay the full amount you owe within 3 years and to comply with the tax laws while the agreement is in effect; and
- You're financially unable to pay the liability in full when due.

Can you pay in full within 120 days? If you can pay the full amount you owe within 120 days, you can avoid paying the fee to set up an installment agreement. You can apply for a short-term payment plan if you can pay in full within 120 days by using the OPA application at [IRS.gov/OPA](https://www.irs.gov/OPA) or calling the IRS at 800-829-1040.

Applying online for an installment agreement and other payment plans. If your balance due isn't more

than \$50,000, you can apply online for a payment plan instead of filing Form 9465. To do that, go to [IRS.gov/OPA](https://www.irs.gov/opa). If you establish your installment agreement using the OPA application, the user fee that you pay will be lower than it would be otherwise.

Bankruptcy or offer-in-compromise. If you're in bankruptcy or we have accepted your offer-in-compromise, don't file this form. Instead, call 800-829-1040 to get the number of your local IRS Insolvency function for bankruptcy or Technical Support function for offer-in-compromise.

How the Installment Agreement Works

We will usually let you know within 30 days after we receive your request whether it is approved or denied. However, if this request is for tax due on a return you filed after March 31, it may take us longer than 30 days to reply. If we approve your request, we will send you a notice detailing the terms of your agreement and requesting a user fee.

Each month, we will send you a notice showing the remaining amount you owe, and the due date and amount of your next payment. But if you choose to have your payments automatically withdrawn from your checking account (also known as a direct debit), you won't receive a notice. Your checking account statement is your record of payment. We will send you an annual statement showing the amount you owed at the beginning of the year, all payments made during the year, and the amount you owe at the end of the year.

By approving your request, we agree to let you pay the tax you owe in monthly installments instead of immediately paying the amount in full. In return, you agree to make your monthly payments on time. You also agree to meet all your future tax obligations. This means that you must have enough withholding or estimated tax payments so that your tax obligation for future years is paid in full when you timely file your return. Your request for an installment agreement will be denied if any required tax returns haven't been filed. Any refund will be applied against the amount you owe. If your refund is applied to your balance, you're still required to make your regular monthly installment payment.

Installment agreement user fees. We charge a user fee to set up an installment agreement. The amount of the user fee can vary depending on whether you use the online payment application and how you propose to make your monthly payments. For details, see the table below.

Payment Method	Applicable Fee	
	Using the online payment application	Not using the online payment application
Direct debit	\$31*	\$107*
Check, money order, credit card, or debit card	\$149**	\$225**

* Low-income taxpayers should see *User fee waivers and reimbursements*, later.

** Low-income taxpayers should see *Reduced installment agreement user fee* and *User fee waivers and reimbursements*, later.

Note. If you request a payroll deduction agreement using Form 2159, your user fee will be \$225. If you're a low-income taxpayer, see *Reduced installment agreement user fee*, later, for more details.

TIP If the total amount you owe isn't more than \$50,000 (including any amounts you owe from prior years), then you may request an installment agreement online and pay a lower fee. For more information, see [Applying online for an installment agreement and other payment plans](#), earlier.

Reduced installment agreement user fee. If you establish an installment agreement that is not paid by direct debit, you may qualify to pay a reduced fee of \$43 or for a reimbursement of your fee if you are a low-income taxpayer, as defined below. See *User fee waivers and reimbursements* next. The IRS will let you know whether you qualify for the reduced fee. If the IRS doesn't say you qualify for the reduced fee, you can request that the IRS consider you for "low-income" status using Form 13844, Application For Reduced User Fee For Installment Agreements.

User fee waivers and reimbursements. For installment agreements entered into on or after April 10, 2018, by low-income taxpayers, defined next, the IRS will waive or reimburse the user fees if certain conditions are met. If you're a low-income taxpayer and you agree to make electronic payments through a debit instrument by entering into a direct debit installment agreement (DDIA), the IRS will waive the user fees for the installment agreement. See [Lines 13a, 13b, and 13c](#), later, for further details. If you're a low-income taxpayer and you're unable to make electronic payments through a debit instrument by entering into a DDIA, the IRS will reimburse the user fee that you paid for the installment agreement upon completion of the installment agreement. See [Line 13c](#), later, for more details.

Definition of low-income taxpayer. A low-income taxpayer is a taxpayer with adjusted gross income, for the most recent tax year available, at or below 250% of the federal poverty guidelines. For more information on how to determine if your adjusted gross income is at or below 250% of the federal poverty guidelines, see the instructions for Form 13844.

Which payment method qualifies a low-income taxpayer for a waiver of the user fee? If you're a low-income taxpayer and agree to make payments through a direct debit (from a checking account), you

qualify for a waiver of the installment agreement user fee. A low-income taxpayer who is unable to make electronic payments through a debit instrument by entering into a DDIA is eligible to receive a reimbursement of the reduced \$43 user fee upon completion of the installment agreement. See [Line 13c](#), later, for further details.



The only payment option that will qualify the low-income taxpayer for a waiver of the installment agreement user fee is their agreement to make electronic payments through a debit instrument by entering into a DDIA. See [Lines 13a, 13b, and 13c](#), later, for more details.

Other costs. You will be charged interest and a late payment penalty on any tax not paid by its due date, even if your request to pay in installments is granted. Interest and any applicable penalties will be charged until the balance is paid in full. But see Topic 653, *IRS Notices and Bills, Penalties, and Interest Charges*, at [IRS.gov/TaxTopics/TC653](#) for additional information. To limit interest and penalty charges, file your return on time and pay as much of the tax as possible with your return or notice. All payments received under the installment agreement will be applied to your account in the best interests of the United States.

Note. The shared responsibility payment (SRP) amount that you owe is the assessed payment for not having minimum essential health coverage for you and, if applicable, your dependents per section 5000A. The SRP won't be assessed for months beginning after December 31, 2018. However, even after that date, you may continue to owe SRP assessed for months that began before December 31, 2018. The SRP amount that you owe isn't subject to penalties or to Notice of Federal Tax Lien (NFTL) or levy enforcement actions. However, interest will continue to accrue until you pay the total SRP balance due. We may apply your federal tax refunds to the SRP amount that you owe until it's paid in full.

Payment methods. You can make your payments by direct debit, check or money order, credit card, debit card, or one of the other accepted payment methods. To be charged a lower fee, you may want to set up an OPA and/or agree to make your payments by direct debit. For more information on the accepted payment methods, go to [IRS.gov/Payments](#).

For details on how to pay, see your tax return instructions, visit [IRS.gov](#), or call 800-829-1040.

Requests to modify or terminate an installment agreement. After an installment agreement is approved, you may submit a request to modify or terminate an installment agreement. You may modify your payment amount or due date by going to [IRS.gov/OPA](#). You may also call 800-829-1040 to modify or terminate your agreement.

Generally, the fee is \$89 to modify your installment agreement (\$43 if you are a low-income taxpayer). However, starting January 1, 2019, the user fee is \$10 for installment agreements reinstated or restructured through an OPA. This user fee applies only if the reinstatement or restructuring of the installment agreement was established through an OPA.

The IRS will waive or reimburse the fee for low-income taxpayers if certain conditions are met. See [User fee waivers and reimbursements](#), earlier.

By approving your request, we agree to let you pay the tax you owe in monthly installments instead of immediately paying the amount in full. In return, you agree to make your monthly payments on time. You agree to provide updated financial information when requested.

You also agree to meet all your future tax obligations. This means that you must have enough withholding or estimated tax payments so that your tax obligation for future years is paid in full when payment is due. And you agree to timely file your return.

What happens if the taxpayer doesn't comply with the terms of the installment agreement? If you don't make your payments on time or don't pay a balance due on a return you file later, you will be in default on your agreement and we may terminate the agreement. Before we terminate the agreement, you may be entitled to file an appeal under the Collection Appeals Program (CAP). We may take enforcement actions, such as filing an NFTL or an IRS levy action, to collect the entire amount you owe. To ensure that your payments are made timely, you should consider making them by direct debit. See [Lines 13a, 13b, and 13c](#), later.



An installment agreement may be terminated if you provide materially incomplete or inaccurate information in response to an IRS request for a financial update or if you provide such information to obtain the installment agreement. For more information about what you need to do if your installment agreement is terminated, go to [IRS.gov/CP523](#).

Note. We may have filed an NFTL against your property. If so, you may be able to get the notice of lien withdrawn. To learn more about lien withdrawals and to see if you qualify, go to [IRS.gov/businesses/small-businesses-self-employed/understanding-a-federal-tax-lien](#).



An NFTL may be filed to protect the government's interests until you pay in full. However, an NFTL generally isn't filed with a Guaranteed Installment Agreement or Streamlined Installment Agreement, but can be in certain situations. We won't file an NFTL for the individual shared responsibility payment under the Affordable Care Act.

You may be entitled to file an appeal through the Collection Appeals Program (CAP) before and after the NFTL is filed. You are entitled to file an appeal through Collection Due Process (CDP) after an NFTL is filed.

IRS collection process and taxpayer rights. For additional information on the IRS collection process and what to do if you cannot pay your taxes in full, see Pub. 594, *The IRS Collection Process*. You can find more information about the collection process, taxpayer rights, and appealing a collection decision at [IRS.gov/businesses/small-businesses-self-employed/collection-procedures-for-taxpayers-filing-and-or-paying-late](#).

Where To File

Attach Form 9465 to the front of your return and send it to the address shown in your tax return booklet. If you have already filed your return or you're filing this form in response to a notice, file Form 9465 by itself with the Internal Revenue Service Center using the address in the table below that applies to you.

For all taxpayers except those filing Form 1040 or 1040-SR with Schedule(s) C, E, or F for any tax year for which this installment agreement is being requested

IF you live in . . .	THEN use this address . . .
Alaska, Arizona, Colorado, Connecticut, Delaware, District of Columbia, Hawaii, Idaho, Illinois, Maine, Maryland, Massachusetts, Montana, Nevada, New Hampshire, New Jersey, New Mexico, North Dakota, Oregon, Rhode Island, South Dakota, Tennessee, Utah, Vermont, Washington, Wisconsin, Wyoming	Department of the Treasury Internal Revenue Service 310 Lowell St. Stop 830 Andover, MA 01810
Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Texas, Virginia	Department of the Treasury Internal Revenue Service P.O. Box 47421 Stop 74 Doraville, GA 30362
Arkansas, California, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, New York, Ohio, Oklahoma, Pennsylvania, West Virginia	Department of the Treasury Internal Revenue Service Stop P-4 5000 Kansas City, MO 64999-0250

For taxpayers filing Form 1040 or 1040-SR with Schedule(s) C, E, or F for any tax year for which this installment agreement is being requested

IF you live in . . .	THEN use this address . . .
Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, Vermont	Department of the Treasury Internal Revenue Service P.O. Box 480 Stop 660 Holtsville, NY 11742-0480
Alabama, Arkansas, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Jersey, North Dakota, Ohio, Oklahoma, Pennsylvania, South Dakota, Tennessee, Texas, West Virginia, Wisconsin	Department of the Treasury Internal Revenue Service P.O. Box 69 Stop 811 Memphis, TN 38101-0069
Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming	Department of the Treasury Internal Revenue Service P.O. Box 9941 Stop 5500 Ogden, UT 84409
District of Columbia, Delaware, Florida, Maryland, North Carolina, South Carolina, Virginia	Department of the Treasury Internal Revenue Service Stop 4-N31.142 Philadelphia, PA 19255-0030

For all taxpayers living outside the 50 states, for any tax year for which the installment agreement is being requested

IF you live in . . .	THEN use this address . . .
A foreign country, American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, Puerto Rico (or are excluding income under section 933), the U.S. Virgin Islands, or use an APO or FPO address, or file Form 2555 or 4563, or are a dual-status alien	Department of the Treasury Internal Revenue Service 3651 South I-H 35 5501AUSC Austin, TX 78741

For all taxpayers who are bona fide residents of the Commonwealth of the Northern Mariana Islands, Guam, Puerto Rico, or the U.S. Virgin Islands, see Pub. 570, Tax Guide for Individuals With Income From U.S. Possessions.

Specific Instructions

Part I

Line 1a

If you're making this request for a joint tax return, show the names and social security numbers (SSNs) in the same order as they appear on your tax return.

If you have a foreign address, enter the city name on the appropriate line. Don't enter any other information on that line, but also complete the spaces below that line. Don't abbreviate the country name. Follow the country's practice for entering the postal code and the name of the province, county, or state.

Line 1b

If the address you provided on line 1a is new since you filed your last tax return, check the box on line 1b.

Line 2

Show the name and employer identification number (EIN) of your business (which must no longer be operating).

Line 5

Enter the total amount you owe as shown on your tax return(s) or notice(s). The amount you owe could include amounts from more than 1 tax year.

Line 6

If you have additional balances due that are not reflected on line 5, list the total here (even if they are included in an existing installment agreement). Any adjustments or other charges that are not reported on a tax return or notice should be listed on this line.

Line 7

Add lines 5 and 6 and enter the result.



If the total amount you owe isn't more than \$50,000 (including any amounts you owe from prior years), you don't need to file Form 9465; you can request an installment agreement online. For more information, see [Applying online for an installment agreement and other payment plans](#), earlier.

Line 8

Even if you can't pay the full amount you owe now, you should pay as much as possible to limit the penalty and interest charges. If you're filing this form with your tax return, make the payment with your return. For details on how to pay, see your tax return instructions.

If you're filing this form by itself, such as in response to a notice, attach a check or money order payable to "United States Treasury." Don't send cash. Be sure to include the following.

- Your name, address, SSN/EIN, and daytime phone number.
- The tax year and tax return (for example, "2019 Form 1040") for which you're making this request.

Line 9

Subtract line 8 from line 7 and enter the result.



If the amount you owe on line 9 is greater than \$50,000, you cannot file Form 9465 electronically. If the amount you owe on line 9 is greater than \$50,000, you must complete Form 433-F, Collection Information Statement, and file it with this form. You can download Form 433-F at [IRS.gov/Forms](https://www.irs.gov/forms).



Generally, if the total amount you owe is greater than \$25,000 but not more than \$50,000, you must either (1) complete lines 13a and 13b and agree to make payments by direct debit, or (2) check box 14 to make your payments by payroll deduction and attach a completed, signed Form 2159, Payroll Deduction Agreement. A payroll deduction agreement isn't available if you file Form 9465 electronically.

Line 11a

Enter on line 11a the amount you can pay each month. Make your payments as large as possible to limit interest and penalty charges. The charges will continue to apply until you pay them in full. If you have an existing installment agreement, this amount should represent your **total** proposed monthly payment amount for all your liabilities. If no payment amount is listed on line 11a (or 11b), a payment will be determined for you by dividing the balance due by 72 months.

Line 11b

If the amount on line 11a is less than the amount on line 10 and you're able to increase your payment to an amount that is equal to or greater than the amount on line 10, enter your revised monthly payment proposal on line 11b.

- If the amount on line 11a is less than the amount on line 10 and you're unable to increase your payment to the amount on line 10, check the box below line 11b and complete and attach Form 433-F.

- If the amount on line 11a is equal to or greater than the amount on line 10 but the amount you owe (line 9) is greater than \$25,000 but not more than \$50,000, you must complete either line 13 or 14 if you don't want to complete Form 433-F.
- If you have defaulted on an installment agreement within the last 12 months, the amount you owe is greater than \$25,000 but not more than \$50,000, and the amount on line 11a (11b, if applicable) is less than the amount on line 10, you must complete Part II on page 2 of Form 9465.
- If the amount on line 9 is greater than \$50,000, complete and attach Form 433-F.

Line 12

You can choose the day of each month your payment is due. This can be on or after the 1st of the month, but no later than the 28th of the month. For example, if your rent or mortgage payment is due on the 1st of the month, you may want to make your installment payments on the 15th. When we approve your request, we will tell you the month and day that your first payment is due.

If we haven't replied by the date you chose for your first payment, you can send the first payment to the Internal Revenue Service Center at the address shown earlier that applies to you. See [Line 8](#), earlier, for details on what to write on your payment.

Lines 13a, 13b, and 13c

To pay by direct debit from your checking account at a bank or other financial institution (such as a mutual fund, brokerage firm, or credit union), fill in lines 13a and 13b. Check with your financial institution to make sure that a direct debit is allowed and to get the correct routing and account numbers.



Making your payments by direct debit will help ensure that your payments are made timely and you don't default on this installment agreement.

Low-income taxpayers who complete lines 13a and 13b will receive a waiver of their installment agreement user fees. See [User fee waivers and reimbursements](#), earlier, for more information.

Line 13a. The routing number must be nine digits. The first two digits of the routing number must be 01 through 12 or 21 through 32. Use a check to verify the routing number. On the sample check, the routing number is 250250025. But if your check is payable through a financial institution different from the one at which you have your checking account, don't use the routing number on that check. Instead, contact your financial institution for the correct routing number.

Line 13b. The account number can be up to 17 characters (both numbers and letters). Include hyphens but omit spaces and special symbols. Enter the number from left to right and leave any unused boxes blank. On the sample check, later, the account number is 20202086. Don't include the check number.



The direct debit from your checking account won't be approved unless you (and your spouse if filing a joint return) sign Form 9465.

Sample Check—Lines 13a and 13b

**Paul Maple
Roberta Maple**
123 Pear Lane
Anyplace, VA 20000

SAMPLE

1234
15-00000000

PAY TO THE ORDER OF

Routing number (line 13a)

Account number (line 13b)

\$

DOLLARS

ANYPLACE BANK
Anyplace, VA 20000

For

250250025 2020201186 1234

Don't include the check number.



The routing and account numbers may be in different places on your check.

Line 13c. Low-income taxpayers who are unable to make electronic payments through a DDIA by providing their information on lines 13a and 13b are eligible to receive reimbursement of their installment agreement user fees. If you're a low-income taxpayer and you checked the box in line 13c, your installment agreement user fee will be reimbursed upon completion of your installment agreement. See [User fee waivers and reimbursements](#), earlier, for more information.

If you don't check the box in line 13c (and don't provide the information on lines 13a and 13b), you're indicating that you're able but choosing not to make electronic payments by establishing a DDIA. As such, your user fee is not eligible for reimbursement upon completion of your installment agreement.

Line 14

If you want to make your payments by payroll deduction, check the box on line 14 and attach a completed and signed Form 2159. Ask your employer to complete and sign the employer's portion of Form 2159.



If you choose to make your payments by payroll deduction, you won't be able to file Form 9465 electronically.

Part II

If you have defaulted on an installment agreement within the last 12 months, the amount you owe is greater than \$25,000 but not more than \$50,000, and the amount on line 11a (line 11b, if applicable) is less than line 10, complete Part II on page 2 of Form 9465.

Lines 21 and 22

Complete lines 21 and 22 relating to income earned by your spouse if you are married and meet either of the following conditions.

- You live with and share household expenses with your spouse. Even if only one spouse is liable for the taxes owed, the total household income and expenses are relevant in determining the liable spouse's ability to pay the taxes owed.
 - You live in a community property state. In a community property state, the income of a non-liable spouse may be factored into the other spouse's ability to pay the taxes owed.
- You should complete lines 21 and 22 whether your filing status is married filing jointly or married filing separately.

Privacy Act and Paperwork Reduction Act Notice.

Our legal right to ask for the information on this form is sections 6001, 6011, 6012(a), 6109, and 6159 and their regulations. We will use the information to process your request for an installment agreement. The reason we need your name and social security number is to secure proper identification. We require this information to gain access to the tax information in our files and properly respond to your request. You aren't required to request an installment agreement. If you do request an installment agreement, you're required to provide the information requested on this form. Failure to provide this information may prevent processing your request; providing false information may subject you to fines or penalties.

You aren't required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103. However, we may give this information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and possessions to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For the estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.