

Partial-Pay Installment Agreement Training

Why a 9465 and not a 433-D?	2 different form for 2 different purposes
What about 433-F?	A 433-A/433-B should be done for the PPIA
how is a PPIA different from an OIC?	An OIC the IRS will want the equity in assets offered in most scenarios. With a PPIA the IRS will consider but may not need the assets equity
what is benefit of mailing in 9465 rather than just call ACS rather than sending in a 9465, alot quicker?	Calling ACS is quicker, however if you recently filed and the case is not in collections yet, you can mail it to get the process started faster
Better to mail in PPIA or CNC or call in?	Calling will expedite it with the IRS processing back ups
Is there an IRM that confirms if reasonable explanation then no CIS needed?	CIS will always be needed for a PPIA. Under a certain amount they will not research the assets
What is PDIA again?	DDIA - Direct debit installment agreement
There is no collection officer involved in my case	Do it through ACS
my client has equity in a home they can not access without selling the property... so offer in compromise wont work. they are divorcing	Either you can look at a doubt as to collectibility OIC with special circumstances (if they get at least 2 rejection letters from lenders that they cannot obtain equity) or look at a PPIA
What are conditional expenses?	Expenses that are not generally allowed by the IRS
Can you use IRS allowed national standards or must you use actual?	For national standards you can use them without proof.
is the 433-B a sch c business or an entitiy business?	For true sole proprietors, use the 433-A. For single member LLCs or other entities use the 433-B
If you receive a payment plan of any sort, what month will be DDIA begin?	Generally even though it can begin the next month, it may take up to 2 months before the IRS starts taking the direct debits. Your client should make the payments by mail until the direct debit is processed
Can you request a PPIA if tax payer is currently on an installment agreement?	Generally no unless the taxpayer cannot sustain the payments they are currently making
Does IRS accept the check account from a relative in a PPIA?	I would recommend the taxpayer open thier own account instead
When business is reported on Schedule C should this activity be reported on 433-B or 433-A?	If it is a sole proprietor use a 433A. If they are a single member LLC use a 433B (seperate entity)
How far back do they require? Last week they wanted a P&L from 1/1/22 to current.	If it is with an RO they can look at a full year of income for a self employed person
An 85 yr old client whose spouse was deceased in 2021 is currently on a ppia . They jointly own a condo as a main asset and one main retirement account and soc sec income . Is it worth doing an OIC agreement with the IRS?	If the CSED is close I would leave them under the PPIA rather than extend the SOL with an OIC. If they have a long SOL look at the financials to see if they qualify for an OIC

What would constitute undue economic hardship?	If the taxpayer cannot afford thier basic living expenses it is undue economic hardship
What if multiple years and CSED's	if the taxpayer cannot full pay any of the periods by the CSED it would be a PPIA.
If there's no RO, would you call ACS to setup the PPIA or would you still use Form 9465? Why use the form instead of calling?	If there is no RO, you can call ACS to set up the PPIA. If the case is not in collections yet you can mail the form 9465 along with the 433A form
If someone has an IA and wants to just lower there monthly payment. Do you fill all the info out or just call? They owe 26000.00	If they cannot continue to make the payments on thier account, then you may be able to request a reduction in the payment. If they are still with ACS you may be able to to request over the phone
If someone set up a full installment agreement, can they switch to a partial pay if they qualify? They are financial struggling....	If they cannot full pay the balance by the Collection Statute Expiration date then they may qualify for a PPIA (or maybe an OIC depending upon finances)
what happen to ppia is equity in assets is more than the amount owed	If they cannot liquidate assets to pay the IRS, they may still qualify for a PPIA. (ex: taxpayer owns a home with equity but cannot obtain it)
My client ownes 80K for current year. So they can not use this form correct?	If they finanically qualify for it yes
In the example, Larry showed that when there is "Realizable Equity" that when added to month available cash flow would exceed the amount owed, would make the TP not qualify for a PPIA. Would it then become a full pay even though the cash flow on the 433 is not sufficient for that amount?	If they have assets which can be liquidated to pay down the debts they may look at a full pay situation rather than a PPIA scenario
If the taxpayer has penalties, do you attempt to abate the penalties first, then request the PPIA?	If they qualify for the PPIA I wouldn't worry about doing a penalty abatement since the balance will not be full paid
Sorry, taxpayer is currently paying timely on an installment agreement so there are no recent letters , should we still look for older collection notices in regard to where to mail the CNC ?	If you are not sure, you can also send it into the address where the taxpayer would make the payments on thier tax return filings
My question is somewhat out of the PPIA realm, but if you have a new tax res client whom has signed a POA for 1040 Income Tax and find that after talking with IRS that there are "other issues", how can I find out what other terminology should be included on the POA to include these "other issues"	If you file a new 2848 form with the new periods/areas of issue that will over ride the old one
9465 says to attach 433-F. is it 433-a or 433-f??	In practice we see they will accept either
What is the IRM for the "RO is to assess the Trust Fund Recovery Penalty unless there is no collection potential from responsible person(s)"	IRM 5.7.4.5

how long does it take IRS to process	It depends on who you are requesting it with. ROs may process it a bit faster than ACS
How much do you charge to do this for the client?	It depends upon the complexity, but generally we start around \$2,500 and up
What about reasonable comp?	It depends upon the industry and business income. It is all relative to the business
Will there be a recording of this session that can be accessed later? If so, where would I find that?	It is for members. You can learn more here: https://www.astps.org/membership/
Slide shows 443-A	It was a typo.. It should be a 433A
Nice trick to be able to get a \$22k loan when you're upside down.	It was an SBA loan and they solicited the t/p at his small business
What if reducing the responsible person's pay also reduces their reasonable comp pay? Wouldn't that cause another problem?	It would depend upon the reduction. Most cases it would not be an issue unless there is a drastic reduction
Yes, that i understand but if you drop salary down the IRS can come back and say it isn't reasonable comp any longer.	It would depend upon the reduction. Most cases it would not be an issue unless there is a drastic reduction
I am unable to contact PPS Practitioner Priority Service, and TAS Taxpayer Advocate Service...due to 'unable to answer my call' or 'leave message expect 4 week retrun call'. What is the best solution?	Keep calling
What do I do if I have a client that is on an Installment agreement . Then gets audited and owes another \$ 20 K. I called the IRS up and they said to continuing paying the existing installment agreement. The taxpayer would like to start paying a larger payment to get rid of the installment obligation sooner and minimize interest and penalties. What do I do?	Keep paying the installment agreement. Can also make voluntary payments if he can afford more and wants to get the liability paid off faster. IRS will always accept additional payments.
AFSP limited representation does it allow to assist and prep with PPIA?	Limited represenation refers to audit or contacting the IRS regarding the return processing. For a PPIA you would need to be an EA, CPA, or attorney. However you can help your client with the PPIA request paperwork
can a afsp tax return preparer do ppia for their clients ?	No because that is considered representation.
Doesd a taxpayer going on non collectable ststus, extend the SOL?	no CNC does not extend the SOL
Can we use these same IRS addresses on the form 9465 instructions we just went over when submitting an CNC . I am working on a CNC and can not find the address to mail it to	No those are for installment agreements. For a CNC send it to the notice for the most recent IRS collection notices
Regarding conditional expenses, do additional medical expenses fall into this category for PPIA?	No those are ordinary and necessary so those are not conditionals. Conditionals would be things like private schooling for childern, vehicle payments beyond the standards...etc

Can we setup PPIA online?	No you cannot
what if in a community property state like California and the non liable spouse is unwilling not sell or refinance home. can irs force sale	No, but the equity in the asset would have to be addressed still
Does the 2 year review override the CSED period?	No. If the CSED expires it is gone
Where on the transcript will it show if the account has been assessed?	On an account transcript it will show Tax Return Filed OR additional tax assessed
What PPIA stands for?	Partial Pay Installment Agreement
What does PDIA stand for?	PDIA payroll deduction Installment Agreement
POI? "Asset used for POI to pay PPIA..."	POI - Production of Income
What is the maximum time allowed to pay a PPIA	PPIA will be paid until statute collection statute expiration
Doesn't an installment agreement (9465) allow payments of IRS debt over 72 months? If so, isn't this in essence a PPIA?	PPIA would be that the liability would not be full paid by the end of the CSED (it may be more than 72 months)
the client is having payroll deduction for the installment payment. So should I also file a new 2159	Prepare a new 9465, 433-A, and if they want to continue wiht the 2159 do that as well
what is RO? Can we go ahead and fully pronounce the abreviations.	RO is Revenue Officer
what about single member LLC	Single member LLCs go on a 433B
Ang, ask for at least six months of what?	Six months of self employment income proof
Is there a way for the client to obtain DMV records?	Some states have online records of vehicle ownrship for tax purposes.
Would they ask for a 433-D	The 433-D finalizes the payment plan (IA or PPIA)
The IRS agents I've been dealing with for PPIAs have been asking for Form 433-D. What's the difference between Form 433-D and Form 9465?	the 433-D is the actual agreement the 9465 is the application for IA
use the 433D rather than 9465	The 433-D is the form to process an IA. the 9465 is the formal request for an IA
Are there situations when you can file a form 9465 to request an installment agreement with preparing form 433-A, B, or F?	The 9465 is the formal request for an IA or PPIA. The 433-D is the offical form to process the IA or PPIA. We use the 9465 so we have a formal record that we are requesting the IA.
9465 vs. 433-D, why use one over the other?	The 9465 is the formal request for an IA or PPIA. This solidifies your request. The 433D is the form which is the final processing of an IA or PPIA. So you should start with the 9465
How can i verify the beggining of the SOL?	The collection statute begins when the tax is assessed (IRS posts a return or an additional assessment from audit)
csted how do you determine it	The collection statute is generally 10 years, however certain times when the IRS cannot collect the statute of limitation tolls.

How do you deal with interest that increases the liability?	The interest would continue to accrue, however the unpaid liability will be written off at the end of the CSED
Can Larry speak to the IRS also the required lien - based on not a \$ amount but just that the taxpayer is in a PPIA	The IRS can file a lien if the taxpayer owes over \$10K and is not full paying the liability
Can you request a statute waiver if only a few periods have short CSED's? Is there any IRM for guidance for this?	The IRS can request a statute waiver but we normally do not request it on our side
What is the average time frame that it takes to process these when they are mailed? I always call mine in but the difficulty in getting through and the huge amount of time wasted on hold makes this an intriguing option... Also, can the 9465 be used if the tp owes multiple years?	The last one I mailed in took a few months before they acknowledged it
What about penalties and interest - how does that fit in	The penalties and interest will continue to accrue, however in most cases they will be written off when the CSED expires
yes i am thinking ppia thank you :) that's why i am here but is this info only for businesses not individual tax payers	The personal works all the same way. So long as the payments will not full pay by the CSED you can request the PPIA
Re 433-A vs 433-F, I've been told that ACS never wants the 433-A, even for a PPIA. You've had ACS ask for it? ROs always want 433-A.	The PPIA instructions in the IRM are to use the 433-A so we would recommend preparing the 433-A
Can I request a PPIA for 1 tax year that has a CSED expiring in 1 year or will the IRS make me add all the years that have a tax debt to the PPIA.	the PPIA would have to include all debts owed by the taxpayer. However if they have a close CSED they may be eligible for a PPIA on all matters
how can payment of trust fund by business be deductible expense, trust fund is withholdings (liability)?	They are part of the payroll. If it isn't remitted by business that's payroll that was not paid by the entity and therefore not part of the entity expenses.
I am working on a payroll case now and I don't think that the only responsible person maybe eligible for a CNC eventually. Is there any IRM that says the RO should not assess the trust fund penalty if the person does not have the capacity to pay?	They are supposed to look at collectibility, however the IRS will generally assess anyways. Try giving them the 433A showing the collectibility before the assessment. Once they assess go for the CNC
i find if i mail it in with the tax return it gets ignored about 50% of the time	They are trying to correct that issue now. They moved a lot of staff to processing in hopes of catching up all the backlog prior to the next tax season
I really agree now...I'll definitely start. Also, I read that there may be some enhancements to the 9465 after the recommendations from TIGTA back in March of this year.	They have made a few changes to it

What if the penalties and interest have already been assessed. Sorry to be such a bother. Thanks	They more than likely will not be paid due to the CSED running out
My client owes 150k ...it looks like a full pay for the IRS. They have a partnership 1065 should I use 433A or 433B? Or 433F to request a IA?	They need to prepare a 433A with thier personal information and they may need to prepare a 433B with the business information as well
I thought IRS was no longer permitted to demand a waiver in exchange for a PPIA	They still have the ability to request it. They do not in most cases though
After RO secures real property records, DMV records, a full credit report, what things will the RO does the next?	They will look to verify everything is shown on the 433 form, then look at the liquidity of the assets. If they cannot obtain the equity they may qualify for a PPIA
If a PPIA request is mailed to IRS, assuming IRS asks for substantiation, will IRS generally put the account in Pending IA status, and thereby extending the CSED?	this can happen for sure due to a pending IA
If we are charging the client for the IA, how would we enter the data online... tp has to log in to their account? right?	We can do an online payment agreement with a power of attorney. However you cannot set up a PPIA online.
On the bank account, does it matter if they use personal or business account?	We would recommend using a personal account if it is related to a personal PPIA and a business account if it is related to a business PPIA
Is there a Tax debt liability threshold amount for which a 433 A will be required instead of 433-F ?	With a PPIA we always need to use a 433A
afsp has limited representation rights so is ppia able to completed under this credential? most people dont know this answer	With limited rights those generally only apply to audit of returns you prepare or contact with the IRS regarding processing of the returns. You would need to be a CPA, EA or Attorney to do the representation like a PPIA
for the PPIA ... realizable equity ... for a home ... do we start with the home valued at 80% ... then subtract the loan ... to arrive at net realizable equity	with the PPIA you do not get the discounts in equity which go with the OIC (80%). It is reported at fair market value
If your taxpayer owes for more than 1 year, do you file for a PPIA for each year separately or 1 combined PPIA?	years should be in one PPIA request
Is daycare allowed expenses for PPIA?	Yes if they are ordinary and necessary.
The IRS rejected our proposed installment , we are resubmitting it this week, should we put that we are requesting a PPIA, in the cover letter.	Yes if your installment agreement will not full pay the liabilities by the CSED you would use a PPIA
is it a typo in 443A? 433A correct?	Yes it should be 433A
clients always ask if they are paying monthly, do the interest and penalties keep accruing - in the past the answer was yes - is that still true???	Yes that is still true
And if they accept it, it is essentially an installment agreement paying less than the total due and still considered completed / paid	yes that is true

also, the last two PPIA I ran over the phone, I had to call back 30 days later - the managers are moving slow on these. The second call always gets the letters out.	Yes the IRS is quite slow in a lot of departments. They do take some extra time to review the PPIAs
Aren't there conditions where they'll accept a 84 month plan?	yes there are but the PPIA is if they will not full pay in the statute where the 84 months would involve full payment
If client had IA and filed his next tax return and it is a refund, in the past IRS kept the refund. Is that still true?	Yes they will continue to keep refunds and offset them to old debts
Does the IRS continue to review financial situation every 2yrs even after all PPIA payments are made?	Yes they will to make sure living situation has not improved where they could be paid more
Follow-up: Your client should make the payments by mail until the direct debit is processed..Can the interim payment be "designated to be applied to tax balance only"?	Yes you can make them until the IA or PPIA is formally set up
Do you list income producing property on 433-A ?	Yes you have to disclose it
No RO on the case ... I was surprised at the length of time requested.	Yes, they usually ask for at least 6 months though
Is this a call in thing to set up? Or a form to file?	You can call into ACS and request over the phone, but you need to prepare a 433-A and usually a 9465 form
How do we obtain IRS Transcripts from the IRS for the taxpayer?	You can get them through IRS e-services with a form 8821 or 2848. You can also call Practitioners priority line for them too
so how exactly do I request a PPIA? Does an RO need to be involved? how do I calculate a reasonable partial pay amount?	You can request it through ACS, an RO, or mail the information to the address listed in the 9465 instructions for where your client lives. The reasonable payment amount is calculated with the 433 forms
Does a rejected PPIA have appeal rights? If so where is it sent?	You have CAP appeal rights
How do you calculate the CSED to use if you have multiple years? Do you use the CSED for the Oldest year, newest year, or an average of all CSEDs?	You have to look at each CSED. IF the taxpayer cannot full pay any of the periods by the CSED date it may be a PPIA situation
What about a 433F?	You have to use a 433-A instead
Thank you Angela. I couldn't get the IRS to tell me what the other issues were so wasn't sure if you all knew the terminology that might cover other individual income tax issues.	You may be able to get them to disclose information to you with an 8821 without the responsibilities of a power of attorney
client in installment agreement for full pay, but taxpayer works for landscape business, and is not being paid during the winter season. What needs to be filed to adjust it down for the time of unemployment.	You may want to look at a new IA which averages the income from the busy months in the summer and the slow months in the winter to make it affordable

Under 433-A, Ques 14a it says to include all business entities in which you are an officer, director, member. How do you calculate the market value of a taxpayer's small business?	You must disclose in that section. If it is a sole proprietor it is reported on the 433-A. If it is any other type of entity you must do a 433-B with the entity information
In four years I have never had an agent or an RO ask for a 9465	You should use the 9465 especially with ROs since that solidifies your request for an IA in the file. Verbal if you have a bad RO they can deny you spoke about it. The 9465 goes in the file to verify that you requested it
I thought you could use a 433F	You use a 433-A for PPIAs
Thank you! Is there a calculator you recommend to determine if they are eligible (similar to the OIC calculators?)	You use the 433-A form (the income/expense section) then the 9465
Where is a PPIA mailed?	You would mail it to the filing address on the 9465 instructions