

Step-by-step Instructions on how to enter into an
Installment Agreement

There are several avenues one may take to resolve their tax matters. Most of them are extremely complex and it is near-impossible to reach one’s desired outcome without having years of experience in practicing tax resolution.

The best chance for a person to reach a reasonable result is to request an installment agreement. Keep in mind that requesting and being granted an installment agreement in and of itself is not that difficult. Many CPA’s and EA’s enter their clients into installment agreements and because they are not experts in the area of tax collection they do not receive the optimal outcome. Someone skilled in this arena will enter their client into an agreement that they can afford to pay over the life of the collection statute which for the IRS is 10 years from the date of filing.

With the IRS and most other taxing agencies, a taxpayer is expected to pay based upon not how much they owe but rather their ability to pay now and over time. If a taxpayer can full-pay over a given period of time, they will probably be able to resolve their tax matters without much resistance. However, if they cannot afford to pay the entire liability within a given period of time or even an extended period of time, they must claim hardship.

To claim hardship one must show that their monthly disposable income is less than the amount that would be required to full-pay their liability over the given number of months.

Below is the formula used by the IRS to determine personal monthly disposable income for collection purposes:

$$\text{Income (Monthly Net)} - \text{Expenses (Necessary and Reasonable)} = \text{MDI (Monthly Disposable Income)}$$

Examples

Wages
Net Business Income
Rental Income

Rent/Mortgage
Utilities
Auto Payments
Auto Maintenance
Food/Clothing/Misc.
Health Insurance premiums
Out of Pocket Medical Costs
Term Life Insurance premiums

The key is to show that their Monthly Disposable Income (“MDI”) is as low as possible. Better to be **required** to pay a low monthly amount and pay more if desired, than to be required to pay a higher monthly sum that one cannot continue to pay consistently over time. The issue lies in making sure that the numbers a taxpayer include in the forms (typically 433-A, 433-B or 433-F – see the forms in this packet as well as at **www.irs.gov**) are both accurate and allowable.



You can diminish the result a taxpayer receives (and their credibility with the IRS) by providing inaccurate information. For example, if a taxpayer receives a paycheck and gets paid every two weeks you must calculate their income by taking the amount the taxpayer takes home for each check, multiply it by 26 (# of pay periods per year) and then divide it by 12 to obtain their average net monthly income. Most people will just double the amount they take home and call it the monthly amount. By doing so they

underestimate their monthly net income and will therefore show a higher MDI than you indicate in the forms you submit. The IRS will “catch” this and increase the taxpayer’s monthly installment payment accordingly

Keep in mind that just because a taxpayer has an expense, does not mean it will be allowed by IRS. For instance, the IRS provides National and Local Standards for items such as housing, food, clothing and car payments. If a taxpayer exceeds the standard amount, the difference may be disallowed. In addition, the IRS claims they allow credit card payments but their “allowance” does not carry much leverage for the taxpayer. They allow credit card payments under the “Food/Clothing/Misc.” category. The amount they allow will barely cover food let alone clothing and other items. Therefore, it is important that the taxpayer not assume that large credit card payments will offset their income. They will not! In fact, aside from basic living expenses the IRS will disallow almost everything else (see above).

Streamlined Installment Agreements

If a taxpayer is in compliance and able to pay his or her liability in full over a given period of time (up to 72 months for the IRS), they may qualify for a **Streamlined Installment Agreement**. In order to qualify the taxpayer must owe less than \$50,000. If the taxpayer owes less than \$25,000 then the qualifications become even easier as less forms are required and the taxpayer may be able to keep a Federal tax lien from being filed or have a lien removed if one exists.

Installment Agreement Forms

The IRS states that the taxpayer should use Form 9465 to request a monthly installment plan if they cannot pay the full amount they owe. Generally, one has up to 72 months to pay. In certain circumstances, they may take longer to pay or their agreement may be approved for an amount that is less than the amount of tax a taxpayer owe. However, before requesting an installment agreement, the IRS states that the taxpayer should consider other less costly alternatives, such as getting a bank loan or using available credit on a credit card. In most cases, neither of these alternatives is practical.

If a taxpayer claims hardship, the IRS will in almost every instance require them to complete a collection information statement. A taxpayer will be assigned to one of two IRS departments depending on varying

circumstances, primarily the amount a taxpayer owes. The first is IRS Automated Collection Service (“ACS”) and the second is being assigned to a Revenue Officer. If a taxpayer has been **assigned to ACS** the IRS will most likely request that they **complete Form 433-F** found in **Case Study 1 in this article**.

If a taxpayer owes a higher amount, they have probably been assigned to a **Revenue Officer**. Their **Revenue Officer will most likely request that they complete a Form 433-A**. You should read Case Study 1 to understand why a taxpayer is required to fill out a Collection Information Statement.

In the following pages you will review a case study showing how to compete a Form 433-F. If a taxpayer is required to complete a 433-A the information is quite similar but must be provided in greater detail.

Summary

Without question, a negotiated payment plan in the form of an **Installment Agreement** is more favorable than a Wage Garnishment, Bank Levy, Third Party Levy or Asset Seizure. If one cannot afford to pay their back taxes in full and at the present time, and they do not qualify for an **Offer in Compromise** (see the separate instruction regarding Offers) or placement into **Currently Not Collectible (“CNC”** – in essence a \$0 installment agreement) status an **Installment Agreement** may be the best option in resolving one’s tax debt.

Case Study – CS1

Little information is needed to enter into a streamlined installment agreement. In order to illustrate how a non-streamlined installment agreement works we have will look at the “Doe” family. The Doe family is made up of John (Taxpayer), Jane (Spouse) and their two children Jimmy and Jeannie. John and Jane own a home with a mortgage. John and Jane both work. They own Jane’s automobile and lease John’s. John and Jane owe \$247,000 stemming from payroll tax liability that arose from a failed business.

To summarize the Doe’s situation, they are a:

- Family of 4;
- Living in Los Angeles;
- Both husband and wife work;
- They own 1 vehicle and lease another;
- They own a single family home; and
- Owe \$264,000 in unpaid taxes referred to as “Civil Penalty”

First we will take a look at the Doe's income, expenses, assets and liabilities via a collection information statement. In this case we will assume that John and Jane are in automated collections and therefore will need to complete a 433-F. If a Revenue Officer had been assigned to their case, John and Jane would most likely need to submit a 433-A (referenced in this manual).

The information found on form 433-F is used to calculate on a monthly basis the amount a taxpayer must pay toward their delinquent taxes. It is important to be thorough and accurate when completing this form.

At first appearance this seems like a simple form. The information a taxpayer sees here is similar to what they would find on a loan application. If a taxpayer does not fill out a loan form correctly, they may be rejected which is disappointing; however, typically a taxpayer can apply for another loan and being rejected is not going to change their day-to-day living circumstances for up to 10 years. On the other hand, if you fill out this form incorrectly a you could condemn your client to a ten-year sentence of paying a much higher monthly installment payment than they can otherwise afford.



The top of the form is where you will enter a taxpayer's static information. Make sure that the information you include is accurate when entering the taxpayer's name/s and tax identification number/s. For instance, spell everything correctly and include their middle initials if they appear on their tax returns. The IRS will often cross reference this information with the information they have on file.

Below the top section, you will see a section asking for basic business information. This section pertains to taxpayers that are self-employed. Once again be sure to enter the requested business information

accurately. If a taxpayer is a wage earner, they should put "N/A" in the first box in this section and move onto the next section.

Be sure to enter the number of people in the household that are under and over the age of 65. The IRS will use this information to determine which National and Local standards apply to a taxpayer. Typically to include someone in their allowable expenses a person must appear in the taxpayer's return as a taxpayer, spouse, or dependent.

The subsequent section, **Section 'A'** of the form asks for bank, investment and retirement account information. Be sure to include **ALL** applicable accounts. The IRS will most likely have at least a snapshot of this information and if something is excluded, it will bode poorly on the outcome of the installment agreement request. If there are too many accounts to fit on the form, include an addendum listing additional accounts placing the total of all accounts on the main form.

Section 'B' of the form covers Real property that the taxpayer owns. As mentioned earlier, be complete and thorough. If the current value of the property is less than the balance owed, enter \$0 in the equity box. Do not enter a negative amount. If a taxpayer has two house payments (i.e. a 1st mortgage and a 2nd mortgage), be sure to include the applicable refinance information.

Section 'C' of the form lists personal property a taxpayer own or lease. The majority of information listed in this section pertains to vehicles. Note that if a taxpayer is single, the IRS will almost always allow the ownership cost of only one vehicle. If a taxpayer is married, the IRS will typically allow for two vehicles. If a person or couple has more than one vehicle per person, the IRS will not allow the cost to own or lease the additional vehicles. In some cases, the IRS has disallowed the second vehicle because only one spouse was working.

We will now look at Page 1 of Form 433-F using the John and Jane Doe's information as described above...

Enter the # of persons in household here. The # should be the same as declared on client's tax return

Collection Information Statement

| | | | |
|---|--|--|--|
| Name(s) and Address John and Jane Doe 1234 Memory Lane Anytown, USA 12345 | | Your Social Security Number or Individual Taxpayer Identification Number 123-45-6789 | |
| <input type="checkbox"/> If address provided above is different than last return filed, please check here | | Your Spouse's Social Security Number or Individual Taxpayer Identification Number 987-65-4321 | |
| County of Residence Los Angeles | Your Telephone Numbers Home: (818) 555-1212 Work: _____ Cell: _____ | Spouse's Telephone Numbers Home: _____ Work: _____ Cell: _____ | |

Enter the number of people in the household who can be claimed on this year's tax return including you and your spouse. Under 65 4 65 and Over _____

If you or your spouse are self employed or have self employment income, provide the following information:

| Name of Business | Business EIN | Type of Business | Number of Employees (not counting owner) |
|------------------|--------------|------------------|--|
| N/A | | | |

A. ACCOUNTS / LINES OF CREDIT Include checking, online, mobile (e.g., PayPal) and savings accounts, Certificates of Deposit, Trusts, Individual Retirement Accounts (IRAs), Keogh Plans, Simplified Employee Pensions, 401(k) Plans, Profit Sharing Plans, Mutual Funds, Stocks, Bonds and other investments. If applicable, include business accounts. (Use additional sheets if necessary.)

| Name and Address of Institution | Account Number | Type of Account | Current Balance/Value | Check if Business Account |
|---------------------------------|----------------|-----------------|-----------------------|---------------------------|
| Main Bank | 111111111 | Checking | 1,400 | <input type="checkbox"/> |
| | | | | <input type="checkbox"/> |
| | | | | <input type="checkbox"/> |
| | | | | <input type="checkbox"/> |
| | | | | <input type="checkbox"/> |
| | | | | <input type="checkbox"/> |
| | | | | <input type="checkbox"/> |

B. REAL ESTATE Include home, vacation property, timeshares, vacant land and other real estate. (Use additional sheets if necessary.)

| Description/Location/County | Monthly Payment(s) | Financing | | Current Value | Balance Owed | Equity |
|--|--------------------|-----------------|------------------|---------------|--------------|--------|
| | | Year Purchased | Purchase Price | | | |
| Single Family Residence 1234 Memory Lane Anytown, USA 12345 Los Angeles <input checked="" type="checkbox"/> Primary Residence <input type="checkbox"/> Other | 3,200 | 2008 | 785,000 | 435,000 | 517,000 | 0 |
| | | Year Refinanced | Refinance Amount | | | |
| | | Year Purchased | Purchase Price | | | |
| | | Year Refinanced | Refinance Amount | | | |
| <input type="checkbox"/> Primary Residence <input type="checkbox"/> Other | | | | | | |

If equity is negative enter "0"

C. OTHER ASSETS Include cars, boats, recreational vehicles, whole life policies, etc. Include make, model and year of vehicles and name of Life Insurance company in Description. If applicable, include business assets such as tools, equipment, inventory, etc. (Use additional sheets if necessary.)

| Description | Monthly Payment | Year Purchased | Final Payment (mo/yr) | Current Value | Balance Owed | Equity |
|-----------------------|-----------------|----------------|-----------------------|---------------|--------------|--------|
| Nissan Sentra | 473 | 2013 | 1 / 18 | 11,438 | 18,447 | 0 |
| Acura Integra (Lease) | 517 | 2012 | 6 / 17 | 0 | 19,129 | 0 |
| | | | / | | | |
| | | | / | | | |
| | | | / | | | |
| | | | / | | | |

NOTES (For IRS Use Only)

TURN PAGE TO CONTINUE

Now we will cover Page 2 of Form 433-F:

Section 'D' is where a taxpayer enters their credit card information. It is important to know that credit card payments are; for practical purposes, not considered an allowable expense. While the IRS contends that minimum credit card payments are allowable, they consider these payments as part of the Food, Clothing and Miscellaneous Items section below. In a minute when we cover that portion, you will see why credit card payments carry no practical bearing.

Section 'E' is where if a taxpayer is self-employed, they enter their business-related assets and liabilities. You will notice that this section is very similar to the bank account section and credit card sections we previously covered. As always be complete and accurate when entering information here. If the taxpayer's information does not fit on the form, include additional information in an addendum as necessary.

Section 'F' is a critical section. Here you will enter the taxpayer's employer, wage and income information. Even if a taxpayer is not an employee earning a wage, you should still enter the static information for the company in which a taxpayer works. You will see check boxes in this section asking for the frequency in which a taxpayer receives pay. **PAY CLOSE ATTENTION TO THIS SECTION.** When you calculate a taxpayer's take-home income, be sure to do the math properly. When estimating what a taxpayer will pay as a monthly installment payment, you should take the taxpayer's income and subtract necessary and reasonable living expenses. If you calculate their income incorrectly, you will most likely lose substantial leverage in negotiation. If a taxpayer gets paid monthly, the math is easy. If a taxpayer gets paid semi-monthly, once again it is not hard to calculate.

On the other hand, if a taxpayer gets paid weekly be sure to multiply the average net income of the checks a taxpayer are including by 52 and divide by 12. If a taxpayer gets paid bi-weekly (every other week) you must multiply the average net income by 26 and divide by 12. When determining what numbers to include as gross pay and corresponding taxes withheld, you typically take the average of three-months pay over the given period. If you can show that a taxpayer earned less over an expanded period of time, you may go back either six-months, one year, or two years.

Section 'G' addresses "Other Income". Here a taxpayer will include income other than wages such as social security income or net business income if a taxpayer is self-employed. If a taxpayer is self-employed and earns net business income, the IRS may ask for additional substantiation which may include a Profit and Loss Statement to tie in with the amount indicated on the form.

Lastly is **Section 'H'**. This too is a critical section. The number included here, along with the income amounts and car and mortgage payments determine how much a taxpayer will pay in monthly installments. In #1, Food, Clothing & Miscellaneous Items, #2 Transportation, and #4 Out of Pocket Health Care, a taxpayer typically enter the IRS National and Local Standards (see www.irs.gov and enter "national and local standards for living expenses") based upon the number of people in their household. In these three sections the IRS allows a taxpayer to enter the standard requiring **no substantiation**. As mentioned earlier, minimum credit card payments are allowed under the Food, Clothing and Miscellaneous items section. Because the entire Standard is allowed with no substantiation, if credit card payments are included in this section they will have no practical bearing and in essence makes a

taxpayer no better off in terms of ability to pay. The other items a taxpayer may include on the form such as Housing and Utilities, Health Insurance and the items listed under section #5 "Other" should be the actual amounts a taxpayer pay. Keep in mind that all income and expenses other than those that are allowed with no substantiation as listed above need to be substantiated. To prove the amount a taxpayer takes home in income you need to provide three-months pay stubs. To substantiate non-standard expenses a taxpayer needs to provide three-months proof of expense and payment. Simply owing something does not make it an allowable expense. In addition a taxpayer must provide three-months bank statements for all personal accounts listed on page one, and business accounts listed on page two.

Be sure to include the amount a taxpayer paid for current tax payments as well as the amount a taxpayer pay for delinquent payments of governmental agencies other than the IRS on this form. **A taxpayer does not want to include a current IRS installment payment because the IRS will assume a taxpayer are able to include this expense toward the proposed payment amount they are trying to negotiate.**

Once the form is complete a taxpayer can calculate their net take-home pay and subtract out the necessary and reasonable living expenses to determine a proposed payment amount for the monthly installment agreement.

We will now look at page 2 of the form using John and Jane Doe's information...

| D. CREDIT CARDS (Visa, MasterCard, American Express, Department Stores, etc.) | | | |
|---|--------------|--------------|-------------------------|
| Type | Credit Limit | Balance Owed | Minimum Monthly Payment |
| N/A | | | |
| | | | |
| | | | |

E. BUSINESS INFORMATION Complete E1 for Accounts Receivable owed to you or your business. (Use additional sheets if necessary.) Complete E2 if you or your business accepts credit card payments.

E1. Accounts Receivable

| Name | Address | Amount Owed |
|---|---------|-------------|
| N/A | | |
| | | |
| | | |
| List total amount owed from additional sheets | | |
| Amount of accounts receivable available to pay to IRS now | | 0 |

E2. Name of individual

| Credit Card (Visa, MasterCard) | Issuing Bank Name and Address |
|--------------------------------|-------------------------------|
| N/A | |

Credit card payments are considered "allowable" as part of "Miscellaneous" below in Section H1. Any amount above the \$300 allowance below will not be considered.

Be sure to calculate the wages minus taxes based upon a month when determining how much to offer as an installment amount.

F. EMPLOYMENT INFORMATION If you have more than one employer, include the information on another (if attaching a copy of current pay stub, you do not need to complete this section.)

| | |
|--|---|
| <p>Your current Employer (name and address)</p> <p>ACME Inc. 9999 Industrial Way Los Angeles, CA 90000</p> <p>How often are you paid? (Check one)</p> <p><input type="checkbox"/> Weekly <input type="checkbox"/> Biweekly <input checked="" type="checkbox"/> Semi-monthly <input type="checkbox"/> Monthly</p> <p>Gross per pay period 3,831</p> <p>Taxes per pay period (Fed) 866 (State) 227 (Local)</p> <p>How long at current employer 2 yrs 7 mos</p> | <p>Spouse's current Employer (name and address)</p> <p>ACME Inc. 9999 Industrial Way Los Angeles, CA 90000</p> <p>How often are you paid? (Check one)</p> <p><input type="checkbox"/> Weekly <input type="checkbox"/> Biweekly <input checked="" type="checkbox"/> Semi-monthly <input type="checkbox"/> Monthly</p> <p>Gross per pay period 1,884</p> <p>Taxes per pay period (Fed) 396 (State) 117 (Local)</p> <p>How long at current employer 1 yr 3 mos</p> |
|--|---|

G. NON-WAGE HOUSEHOLD INCOME List monthly amounts. For Self-Employment and Rental Income, list the monthly amount received after expenses or taxes and attach a copy of your current year profit and loss statement.

| | | |
|----------------------------|---------------------|---------------------------|
| Wage Income | Net Rental Income | Interest/Dividends Income |
| Unemployment Income | Unemployment Income | Social Security Income |
| Net Self Employment Income | Pension Income | Other: |

H. MONTHLY NECESSARY LIVING EXPENSES List monthly amounts. (For expenses paid other than monthly, see instructions.)

| | | |
|---|--|---|
| <p>1. Food / Personal Care See instructions. If you do not spend more than the standard allowable amount for your family size, fill in the Total amount only.</p> <p>Food 794</p> <p>Housekeeping Supplies 74</p> <p>Clothing and Clothing Services 244</p> <p>Personal Care Products & Services 70</p> <p>Miscellaneous 300</p> <p>Total 1,482</p> | <p>3. Housing & Utilities</p> <p>Rent 433</p> <p>Electric, Oil/Gas, Water/Trash</p> <p>Telephone/Cell/Cable/Internet</p> <p>Real Estate Taxes and Insurance (if not included in B above)</p> <p>Maintenance and Repairs</p> <p>Total 433</p> | <p>5. Other</p> <p>Child / Dependent Care 350</p> <p>Estimated Tax Payments</p> <p>Term Life Insurance 270</p> <p>Retirement (Employer Required)</p> <p>Retirement (Voluntary)</p> <p>Union Dues</p> <p>Delinquent State & Local Taxes (minimum payment)</p> <p>Student Loans (minimum payment)</p> <p>Court Ordered Child Support</p> <p>Court Ordered Alimony</p> <p>Other Court Ordered Payments</p> <p>Other (specify)</p> <p>Other (specify)</p> <p>Other (specify)</p> |
| <p>2. Transportation</p> <p>Gas/Insurance/Licenses/Parking/Maintenance etc. 590</p> <p>Public Transportation</p> | <p>4. Medical</p> <p>Health Insurance 195</p> <p>Out of Pocket Health Care Expenses 240</p> | |

Under penalty of perjury, I declare to the best of my knowledge and belief this statement of assets, liabilities and other information is true, correct and complete.

| | | |
|----------------|--------------------|------|
| Your Signature | Spouse's Signature | Date |
|----------------|--------------------|------|

Now that we have looked at Form 433-F in detail, let's review the information we included in the form to see how much the Doe's will pay on a monthly basis...

Analysis

Installment Agreement - Family of Four

| <u>Item</u> | <u>Monthly Amount</u> | <u>Notes</u> |
|-------------------------------------|-----------------------|--------------|
| Income | | |
| Gross Wages | | |
| Taxpayer | 7,661 | Actual |
| Spouse | 3,767 | Actual |
| Taxes | | |
| Federal | (2,186) | Actual |
| State | (1,026) | Actual |
| Take-home pay: | 8,216 | |
| Expenses | | |
| Housing and Utilities | | |
| Mortgage | 3,200 | Actual |
| Utilities | 433 | Actual |
| Food/Clothing/Etc. | | |
| | 1,482 | Standard |
| Transportation | | |
| Payments | 990 | Actual |
| Maintenance/Gas/Insurance | 590 | Standard |
| Medical | | |
| Health insurance | 195 | Actual |
| Out-of-pocket health care | 240 | Standard |
| Other | | |
| Childcare | 350 | Actual |
| Life insurance | 270 | Actual |
| Living Expenses: | 7,750 | |
| Proposed installment amount: | | 466 |

As you can see, the Doe's should offer \$466 per month. On the next page you will find Form 9465. This is the form used to formally request an installment agreement. This form is used for submitting a streamlined installment agreement request and sometimes is requested by the IRS to be included with a Form 433F or 433A. We have included the form for reference. As you will see it is simple to complete.

Form **9465**
 (Rev. December 2013)
 Department of the Treasury
 Internal Revenue Service

Installment Agreement Request

► Information about Form 9465 and its separate instructions is at www.irs.gov/form9465.
 ► 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 establish an installment agreement online, even if you have not yet received a bill for your taxes. Go to IRS.gov to apply to pay online. **Caution:** Do not file this form if you are currently making payments on an installment agreement or can pay your balance in full within 120 days. Instead, call 1-800-829-1040. Do not file if your business is still operating and owes employment or unemployment taxes. Instead, call the telephone number on your most recent notice. If you are in bankruptcy or we have accepted your offer-in-compromise, see **Bankruptcy or offer-in-compromise**, in the instructions.

Part I

This request is for Form(s) (for example, Form 1040 or Form 941) ► and for tax year(s) (for example, 2012 and 2013) ►

| | | |
|---|-------------------------------|---|
| 1a Your first name and initial John | Last name Doe | Your social security number 123-45-6789 |
| If a joint return, spouse's first name and initial Jane | Last name Doe | Spouse's social security number 987-65-4321 |
| Current address (number and street). If you have a P.O. box and no home delivery, enter your box number. 1234 Memory Lane | | Apt. number |
| City, town or post office, state, and ZIP code. If a foreign address, also complete the spaces below (see instructions). Anytown, USA 12345 | | |
| 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 be no longer operating) | Employer identification number (EIN) |
|--|--------------------------------------|

| | |
|--|--|
| 3 (818) 555-1212 Evening Your home phone number Best time for us to call | 4 (818) 555-1000 Mornings Your work phone number Ext. Best time for us to call |
|--|--|

| | |
|--|---|
| 5 Name of your bank or other financial institution: Main Bank Address 1111 Main Street City, state, and ZIP code Anytown, USA 12345 | 6 Your employer's name: ACME Inc. Address 1234 Industrial Way City, state, and ZIP code Anytown, USA 12345 |
|--|---|

| | | | |
|--|-----------|----------------|-----------|
| 7 Enter the total amount you owe as shown on your tax return(s) (or notice(s)) | 7 | 264,000 | 00 |
| 8 Enter the amount of any payment you are making with your tax return(s) (or notice(s)). See instructions | 8 | | |
| 9 Subtract line 8 from line 7 and enter the result | 9 | 264,000 | 00 |
| 10 Enter the amount you can pay each month. Make your payments as large as possible to limit interest and penalty charges. The charges will continue until you pay in full. If no payment amount is listed on line 10, a payment will be determined for you by dividing the balance due by 72 months | 10 | 466 | 00 |
| 11 Divide the amount on line 9 by 72 and enter the result | 11 | 3,666 | 67 |

11 Divide the amount on line 9 by 72 and enter the result
 • If the amount on line 10 is less than the amount on line 11 and you are unable to increase your payment to the amount on line 11, complete and attach Form 433-F, Collection Information Statement.
 • If the amount on line 10 is equal to or greater than the amount on line 11 but the amount you owe is greater than \$25,000 but not more than \$50,000, you must complete either line 13 or 14, if you do not wish to complete Form 433-F.
 • If the amount on line 9 is greater than \$50,000, complete and attach Form 433-F, Collection Information Statement.

12 Enter the date you want to make your payment each month. **Do not** enter a date later than the 28th ► **28th**

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

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
|---|---|---|---|---|---|---|---|---|---|

► **b** Account number

| | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|--|--|--|--|--|--|--|--|--|--|
| 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|--|--|--|--|--|--|--|--|--|--|

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.

14 If you want to make your payments by payroll deduction, check this box and attach a completed Form 2159, Payroll Deduction Agreement

| | | | |
|----------------|------|---|------|
| Your signature | Date | Spouse's signature. If a joint return, both must sign. | Date |
|----------------|------|---|------|