



### **Options If Unable to Pay Federal Balance Due on Tax Return**

*You should pay it as soon as possible to minimize interest and penalties.*

#### **General Guidelines**

If full payment can be made within a few months of filing your return, pay as much as possible with the return. In a few months, you will receive an IRS notice, for the remaining amount due including the penalties and interest stated on the notice. You should pay the notice in full. Interest is calculated at the federal rate and the late payment penalty is 0.5% monthly (25% maximum). The notice may come within two months.

You may pay by credit card. The cost to pay by credit card includes a convenience fee based on a percentage of the tax. Other fee(s) and/or interest may be due based on your agreement with the credit card issuer. To pay with your checking or savings account, or by credit or debit card go to the [IRS website](#).

#### **Short-term Agreement**

You may qualify for a short-term agreement to pay your taxes. This may apply if you can fully pay your taxes in 120 days or less. You can request a short-term agreement through the [Online Payment Agreement](#) application on the IRS website. You may also call the IRS at 800-829-1040. There is generally no set-up fee for a short-term agreement.

#### **Installment Agreement**

If you **can't** pay in full within 120 days and owe \$50,000 or less in the combined balance total of tax, penalties and interest, you may want to apply for a monthly payment plan. You can apply using the IRS [Online Payment Agreement](#) application or you may use [IRS Form 9465](#), Installment Agreement Request. If approved, the IRS will notify you immediately. You can arrange to make your payments by selecting a routine installment agreement or direct debit from your bank account. The payment amount is based on ability to pay and should be an amount that can be maintained over the period of the installment agreement. A user fee of \$120 (\$52 if paid via direct debit) is charged for an installment agreement. Interest and late payment penalties continue to apply during the installment period.

If you need additional information or assistance, please contact our office at 618-233-1001.