

## What is IRS Collections?

Most taxpayers file tax returns and pay what they owe in time. If a tax payer does not pay, the IRS sends the taxpayer a bill. This begins the collections process. Along with the bill, which is called a “notice,” the IRS automatically sends Publication 1, Your Rights as a Taxpayer, and Publication 594, Understanding the Collection Process. These publications explain the various options and rights taxpayers have in dealing with the IRS.

## What if I dispute the tax?

If you dispute the tax, you can file an appeal. The IRS will tell you your timeframe for that process. If the appeal time has passed, then you have at least two other options. (1) Ask for an audit reconsideration. (2) File an offer in compromise based on doubt as to liability. Information on both of these processes is available on [www.irs.gov](http://www.irs.gov).

## I have more questions!

If you have more questions about choosing a tax return preparer, please call the CLSMF Low Income Taxpayer Clinic toll free at **1-866-886-1799**.

Although the LITC receives funding from the IRS, the clinic and its employees are not affiliated with the IRS. A taxpayer’s decision to use the LITC will not affect the taxpayer’s rights before the IRS

## Community Legal Services of Mid-Florida

**BREVARD — (866) 469-7444**

**CITRUS & SUMTER**  
106 N. Osceola Ave.  
Inverness, FL 34450  
**(352) 726-6592 — CITRUS**  
**(800) 984-2918 — SUMTER**

**FLAGLER—(800) 405-1417**  
**PUTNAM—(386) 385-0928**  
216 S. 6th St., Palatka, FL 32177

**HERNANDO — (866) 801-5566**

**LAKE— (352) 343-6351**  
226 West Main St., Tavares, FL 32778

**MARION— (352) 629-6257**  
2300 SE 17th St, Ocala, FL 34474

**ORANGE — (407) 841-7777**  
122 E. Colonial Drive, Suite 200  
Orlando, FL 32801

**OSCEOLA — (407) 847-0053**  
800 North Main St., Kissimmee, FL 34744

**SEMINOLE — (407) 322-6673**  
315 Magnolia Ave., Sanford, FL 32771

**VOLUSIA — (386) 258-5600**  
128 Orange Ave., Suite 100  
Daytona Beach, FL 32114  
**Client Toll Free Number: 1-800-363-2357**  
**ADMINISTRATIVE OFFICE: 1-386-506-5396**

[info@clsmf.org](mailto:info@clsmf.org)  
[www.clsmf.org](http://www.clsmf.org)

## IRS Collections



**Have a federal income tax debt that you can't pay?**

**Community Legal Services of Mid Florida**  
**Low Income Taxpayer Clinic**

The Low Income Taxpayer Clinic (LITC) is funded by a grant from the Internal Revenue Service and in part by The Florida Bar Foundation with Interests on Trust Accounts Program funding.

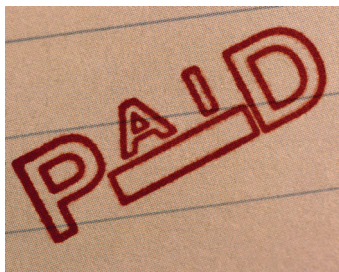
NOTE: This information cannot take the place of advice from a lawyer. Each case is different and needs individual legal advice. You should contact a lawyer or tax professional if you need representation or have questions on a tax matter.



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## I know I owe this tax, but I can't pay it!

If you have agreed to the tax burden, but cannot pay it, there are three ways to proceed.



### (1) Monthly Payments

If you are able to pay in increments, you can set up an Installment Agreement. In order to set up this agreement with the IRS, you have to pay \$105. However, if you agree to let the IRS take the payments out of your bank account each month, then the plan will only cost \$52 to set up. For certain qualifying low-income individuals, an installment plan will only cost \$43 to set up.

While you are making your monthly payments, interest and penalties continue to accrue. However, the interest and penalties will be less than if you do not make any payments at all.

In order to set up an installment plan, fill out IRS Form 9465. That form is available at [www.irs.gov](http://www.irs.gov) or by calling the IRS at 1-800-829-3676.

### (2) Stop Collection Temporarily

If you are completely unable to pay, you can ask the IRS to place your account in Currently Not Collectible Status (also known as “hardship” status).

In order to qualify for hardship status, you must prove to the IRS that all of your money goes to needed expenses. If you are capable of paying, then the IRS will not place you on hardship status.

If the IRS agrees, you will not have to make any payments on your tax debt. However, you will still owe the tax, interest and penalties will continue to accrue on your account, and if your financial situation improves the IRS may restart collection activity on your account.

Also, the IRS will keep any refunds you might have been entitled to. If your tax debt is large enough, they will also place a lien on your property. That means if you sell the property, the IRS gets the money to repay your tax debt.

The IRS usually has 10 years to collect tax debts. If you have a financial hardship and the 10 year period ends, the IRS should remove the tax.

### (3) Settle the Debt for Less than you Owe

If you can pay a substantial portion of the debt, but not the whole debt, you may be able to get the IRS to agree to an Offer in Compromise. Beware of promoters’ claims that tax debts can be settled through the offer in compromise program for “pennies on the dollar.” The IRS has

to agree to the offer you make.

In order to make an offer in compromise, you have to fill out IRS Forms 433-A and 656. You must also send 20% of



your offer amount with the application. The IRS will keep this payment even if they do not accept your offer.

You also have to pay \$150 to file these papers. However, certain qualifying low-income individuals can have this fee waived. To find out if you have to pay the fees, read the instructions on IRS Form 656B.