

DID YOU KNOW?? PAYMENT PLANS THROUGH THE IRS

The IRS does allow taxpayers who owe taxes but aren't able to pay in full on time the option to set up a payment plan. For more information and to apply, see <https://www.irs.gov/payments/online-payment-agreement-application>.

But did you know?

- Payment plans aren't free. There is a charge to set one up – and a higher charge applies if you don't opt for automatic monthly debits from a bank account.
- Payment plans don't remove the penalties or interest that apply when taxes are past due. Payment plans only protect the taxpayer from liens or levies.
- Payment plans may not benefit the taxpayer. They cost the taxpayer. They don't remove the penalty or interest. They obligate the taxpayer to make monthly amounts with no flexibility for circumstances
- **Best practice for taxpayers who owe taxes** is to begin paying whatever they can as soon as they can as often as they can. Don't wait for a letter from the IRS with the amount due. (But they should follow up with the IRS if no letter is received.) The 1040-V can be photocopied and reused to mail payments. Payments can be made online at [irs.gov](https://www.irs.gov).