

Do You Owe the IRS?

Not everyone gets a refund. Many taxpayers owe. It is important to make sure you file timely even though you may not have the money to pay to avoid late filing penalties. **There are a number of ways to pay your tax:**



Ways to pay now:

The IRS accepts the following methods of payment:

- **Check or money order**
- **Electronic funds transfer:** To transfer funds electronically, you need to use the Electronic Federal Tax Payment System (eftps) by using the online access at www.eftps.gov. or by calling 1-800-555-4477.
- **Payment by debit or credit card:** The IRS has several payment processors you can deal with. All of these charge a flat fee for using a debit card and a percentage fee for using a credit card:

Link2GovCorporation	www.pay1040.com	888-729-1040
WorldpayUSCorp	www.payUSAtax.com	888-972-9829
OfficialpaymentsCorp	www.officialpayments.com/fed	888-872-9829

The IRS advises that the fees charged by the processing companies could amount to less than the penalties and interest charged by the IRS.

Ways to pay later:

- **Additional time to pay:** You could request a short term additional amount of time to pay in full. To do so, you need to request it by using the Online Payment Agreement at www.irs.gov or by calling 800-829-1040.
- **Installment agreement:** You can set up an installment agreement by filing Form 9465 with the IRS. Usually the IRS will inform you within 30 days of their approval. The following fees apply: \$52 for direct debit, \$120 for standard payment or payroll deduction, and \$43 for those with low income. Your payment plan will default if the IRS does not receive its payment in time, so direct debit is the better method.
- **Offer in Compromise:** An Offer in Compromise allows you to settle your tax bill for less than you owe. This option works for very few taxpayers, but it might help you. If you have very few assets and not much income, you might want to check this out. You will need professional help.

What happens if you do not pay:

- Penalties and interest accrue on your balance due until it is paid.
- Future refunds can be used to offset your tax bill.
- The IRS could file a lien against your property.
- The IRS could seize your bank account or a portion of your salary with a tax levy.