BRADFORD TAX INSTITUTE

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Internal Revenue Manual 5.14.5.2 (12-23-2015)

Streamlined Installment Agreements

1. Streamlined installment agreements may be approved for taxpayers under the following circumstances:

   A. The aggregate unpaid balance of assessments (the SUMRY balance) is $50,000 or less. The unpaid balance of assessments includes tax, assessed penalty and interest, and all other assessments on the tax modules. It does not include accrued penalty and interest.

   B. If pre-assessed taxes are included, the pre-assessed liability plus unpaid balance of assessments must be $50,000 or less.

   C. The minimum payment amount is determined by dividing the SUMRY balance by 72. The IA must resolve all balances due prior to the expiration of the CSED . (Use the IAT Compliance Suite Payment Calculator .)

2. Accounts in any status qualify, including:

   A. Notice status accounts;

   B. Balance due status accounts; and

   C. Pre-assessed accounts.

3. The following types of taxpayers qualify for streamlined agreements with an aggregate unpaid balance of assessment (SUMRY balance) of $25,000 or less:

   A. IMF;

   B. BMF (income tax only - forms 1120, 1065-late filing penalty); and

   C. Out of business BMF (any type tax).

   Note:

   See IRM 5.14.4.3(2) and (3) when your request involves including related IMF/BMF accounts into one IA.

4. The following types of taxpayers qualify for streamlined agreements with an aggregate SUMRY balance of $25,001 — $50,000:

A. IMF

B. Out of Business Sole Proprietors

5. A lien determination is not required for a streamlined installment agreement but may be made at the discretion of the revenue officer and liens may be filed.

Reminder:

Where an NFTL filing determination is not required, but a decision to file an NFTL has been made, document the justification in the case history including the manager’s concurrence.

6. No managerial approval is required.

7. Streamlined installment agreements with a SUMRY balance between $25,001 and $50,000 must be established as a Direct Debit IA or a Payroll Deduction IA. Additionally, if the taxpayer has defaulted an installment agreement for missed payments in the past 12 months, the taxpayer's ability to pay must be verified using the streamlined IA calculator (SLIAC) or a Collection Information Statement (CIS) if it has already been provided by the taxpayer.

8. These agreements may be secured in person, by telephone or by correspondence.

Note:

DDIAs and PDIAs require a Form 433D/2159 signed by the taxpayer

9. As with all agreements, the taxpayer must have filed all tax returns that are due prior to entering into the agreement. (See IRM 5.14.1.3 and IRM 5.14.1.4.1).

10. See IRM 5.14.11.5(2)(a), regarding reinstatement of agreements that meet streamlined criteria.

11. Encourage taxpayers to pay assessed amounts greater than $50,000 to:

A. avoid the need for securing financial statements; and,

B. qualify for streamlined agreements.

[See IRM 5.14.1.4(7) (Example)]

12. Taxpayers may be granted streamlined agreements based on the criteria provided in IRM 5.14.5.2(1) – (11), even if they are able to fully pay their accounts.

13. All streamlined installment agreements will use 36 in the YY position of the Agreement Locator Number.

14. Taxpayers should be advised of accruals of penalty and interest during the duration of an installment agreement. If the taxpayers decide it is in their best interest to fully pay the account balance, a payoff balance should be provided to the taxpayers with instructions regarding payment submission.