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CORRESPONDEX
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Title: Direct Debit Installment Agreement (Form 433-D) Granted/Revised

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Letters Considered in Revision:

Taxpayer identification number: []
Form: []
Tax periods ending: [] []
[] []
[] []
A [] []
A [] []
A [] []

Dear []

B Thank you for making arrangements to resolve your account. This
B letter responds to your [] dated [],
B requesting a direct debit installment agreement.

C Thank you for making arrangements to resolve your account.
C This is in reply to your [] dated [],
C requesting a direct debit installment agreement, and your payment
C of \$[].

D This letter responds to our telephone conversation on [],
D about the unpaid tax for the tax year shown above.

E This letter responds to an inquiry of [], from
E []

E We have no record that you authorized [] to act for you in this
E matter. Please notify [] that we've replied directly
E to you. If you want to authorize a third party to represent you,
E complete Form 2848, Power of Attorney and Declaration of
E Representative. If you want to give us permission to release your
E confidential tax information to a third party, complete Form 8821, Tax
E Information Authorization.

F We accepted your offer to pay your monthly installment payments by
F automatic deductions from your checking account. We'll deduct your

F payment of \$[] on the [] of each month.

F

G We accepted your offer to have your monthly installment payments by
G automatic deductions from your checking account. We'll deduct your
G payment of \$[] on the [] of each month. Because we
G haven't finished processing your tax returns, your payments won't
G begin until eight weeks after we finish processing your returns. At
G that time, we'll send you a notice showing the amount of tax, penalty,
G and interest due. You can ignore that notice because you have an
G installment agreement.

G

H We added the additional tax years shown above to your monthly
H installment agreement. We'll continue to deduct your payment of
H \$[] on the [] of each month from your checking
H account.

H

I We [] your direct debit installment
I agreement. We'll deduct your payment of \$[] on the []
I of each month.

I

J We revised your installment agreement to a direct debit agreement and
J will begin deducting your monthly payment from your checking account.
J We'll deduct your payment of \$[] on the [] of each
J month.

J

K As you requested, we changed your direct debit installment agreement.
K We'll deduct your payment of \$[] on the [] of each
K month.

K

L Your financial institution sent us corrected information about your
L account. We'll deduct your payment of \$[] on the []
L of each month.

L

M The first payment we will deduct is the user fee of \$[].
M Make sure you have enough funds in your checking account to cover the
M fee. The remaining payments will be \$[] per your agreement.

M

N Under the terms of your installment agreement, your payment will
N [] to \$[] on []
N and continue at this amount until you pay your balance in full or your
N financial situation changes.

N

O Under the terms of your agreement, your payment will
O [] to \$[] on []
O and continue at this amount. Your payment will
O [] again to \$[] on
O [] and continue at this amount until you pay your balance
O in full or your financial situation changes.

O

P We received and approved your request to miss the []
P automatic withdrawal payment for your installment agreement. Your
P automatic payments will resume the following month.

P

Q We didn't receive your request to miss a payment in time to stop the
Q automatic withdrawal of your installment agreement payment from your
Q financial institution. Your payment of \$[] due
Q [] was withdrawn from your account.

Q
R You should notify your financial institution that we withdrew this
R payment in error.

R
S Before we can change a direct debit installment agreement as you
S requested, we need your complete banking information and signature
S authorizing us to withdraw money from your checking account. Please
S complete, sign, and return the enclosed Form 433-D, Installment
S Agreement.

S
T []

T
U Before we can deduct your monthly payments automatically, we must
U verify your account information.

U
U We scheduled your first automatic withdrawal payment to be deducted
U from your checking account on []. If this payment
U withdrawal doesn't happen as planned, allow one more month before
U contacting us to report any problems.

U
V Before we can [] your automatic monthly payments, we must
V verify your account information. Mail your payment of
V \$[] due on [] in the enclosed envelope to
V prevent default of your installment agreement.

V
V We scheduled automatic withdrawals of payments from your checking
V account to [] on []. If this payment withdrawal
V doesn't happen as planned, allow one more month before contacting us
V to report any problems.

V
W We expect to resume automatic withdrawals from your account on
W []. If this scheduled payment doesn't happen as planned,
W allow one more month before contacting us to report any problems.

W
X In addition to your installment payment for past due taxes, you must
X send us [] estimated payments of \$[]
X for current year taxes. Mail estimated payments with Form 1040-ES,
X Estimated Tax for Individuals, to:

X
X Internal Revenue Service
X []

X
Y What you need to know about your installment agreement

Y Your installment agreement includes all balances due that you're
Y personally liable for. This may include taxes you owe on other
Y accounts where:

- Y
Y - You filed as a secondary taxpayer on another account for a
Y jointly filed return.
Y - You are an individual and you operate a business as a Sole
Y Proprietor.
Y - You requested an installment agreement for your business where
Y you operate as a sole proprietor but also have tax due for your
Y individual income tax account, Form 1040.

Y
Y We included in your agreement the tax you owe for taxpayer

Y identification number [] for the tax periods shown below.

Y

Y Form	Tax Period	Form	Tax Period
Y []	[]	[]	[]
Y []	[]	[]	[]
Y []	[]	[]	[]
Y []	[]	[]	[]
Y []	[]	[]	[]
Y []	[]	[]	[]

Y

Z We haven't finished processing the returns we added to your agreement.
Z In about eight weeks, you'll receive a notice showing the tax,
Z penalty, and interest you owe. The notice will ask for payment of the
Z total amount. The law requires us to send this notice on overdue
Z accounts and to use the word "demand" when requesting payment.

Z

Z You don't need to respond to this notice.

Z

0 We based this installment agreement on your current financial
0 situation. We can review this agreement every two years and request
0 new financial information from you.

0

1 We charge a \$52 user fee to cover the cost of providing a direct debit
1 installment agreement.

1

1 You must contact our office at least 15 days before your monthly due
1 date to stop an automatic payment withdrawal from your checking
1 account.

1

1 We can reduce the installment agreement user fee for individuals whose
1 income falls at or below levels in the IRS Installment Agreement Low
1 Income Guidelines. You may qualify for this one-time reduction to your
1 fee.

1

1 If your income is at or below the established levels (based on the
1 Department of Health and Human Services poverty guidelines), you can
1 apply for the reduced user fee of \$43 for new agreements. This
1 reduction also applies to agreements that have payments deducted
1 directly from a bank account.

1

1 You can find the income levels and instructions on how to apply for
1 the reduced user fee on Form 13844, Application For Reduced User Fee
1 For Installment Agreements.

1

1 If you qualify, complete and mail Form 13844 within 30 days to:

1

1 Internal Revenue Service
1 PO Box 219236, Stop 5050
1 Kansas City, MO 64121-9236

1

1 If you already paid the full user fee and we approve your request,
1 we'll apply the difference you paid to the tax you owe.

1

1 We'll notify you by mail of our decision.

1

2 We charge a \$52 user fee to cover the cost of providing a direct debit
2 installment agreement. However, we reviewed your account and found you

2 qualify for a reduced fee of \$43 due to your income level.

2

2 You must contact our office at least 15 days before your monthly due
2 date to stop an automatic payment withdrawal from your checking
2 account.

2

3 We charge a \$[] user fee to cover the cost of revising
3 or reinstating an installment agreement. We'll deduct the fee from
3 your first payment.

3

3 You must contact our office at least 15 days before your monthly due
3 date to stop an automatic payment withdrawal from your checking
3 account.

3

What you need to do

You must meet all conditions of your installment agreement. If you don't, we can cancel it and take enforcement action to collect the full amount of the tax liability. Enforcement action could include filing a Notice of Federal Tax Lien (which notifies your creditors of our lien against your property) or placing a levy on your wages or bank accounts. If we cancel your Installment Agreement and you later apply for and receive reinstatement, you'll have to pay a reinstatement fee.

The other conditions of this agreement are:

- You will pay on time all federal taxes that become due during the term of this agreement.
- You will file on time all federal and state tax returns due during the term of this agreement.
- We'll apply all installment agreement payments to the oldest tax assessments first, then penalties, then interest on that assessment.
- You pay all installment agreement user fees.
- You provide a current financial statement when we request one.
If you have a change in your ability to pay, we can revise or cancel your installment agreement.

If you send payments by mail, make your check payable to the United States Treasury and provide on each payment your:

- Name
- Address
- Social security or employer identification number
- Tax year
- Tax form
- Daytime telephone number

Because we'll deduct the monthly payments automatically from your checking account, we won't send any reminders. Be sure you have sufficient funds in your account to cover the payments on their due dates and you keep your records up to date. Your installment agreement will default if you miss a payment due to insufficient funds in your

account.

You must contact our office at least 15 days before your monthly due date to stop an automatic payment withdrawal from your checking account.

The direct debit installment agreement system will automatically calculate the amount of the final installment payment. You won't need to contact us for a "final pay-off" amount.

To maintain your electronic installment agreement, we must have current information. If your banking information changes, submit a new Form 433-D, Installment Agreement, with your new routing and account numbers. We can't change your routing and account numbers over the phone. You must contact us 15 days prior to the due date to stop the payments from your old account. If you don't notify us in time, your installment agreement will default for non-payment, and we'll file a Notice of Federal Tax Lien.

If you move, complete Form 8822, Change of Address, or for business address changes, complete Form 8822-B, Change of Address - Business, and send it to us. We must have your current address to maintain your installment agreement.

We'll apply any refunds you're due to the amount you owe until you pay your balance in full. A refund payment isn't a substitute for a monthly payment. You must still make your regular monthly payment if we apply a refund to your account.

To reduce the amount of penalty and interest you'll pay on the unpaid balance, you can send in monthly payments until we start automatically taking payments from your checking account.

4 Your total balance due is \$[] for the tax periods
4 shown above. This amount includes penalty and interest calculated to
4 []. We'll continue to charge penalties and interest until
4 you pay the amount you owe in full.

4
5 []
5

We've provided a general explanation of the possible penalties and/or interest included in the current balance due on your account. If you would like a specific explanation of how the amounts were computed on your account, please contact us at the toll-free number shown in this letter and we will send you a detailed computation.

** Filing and/or Paying Late -- IRC Section 6651 **

We charge a 5% penalty for filing late, and a 1/2% penalty for paying late, when a return is filed late and the tax is not paid by the date it was due. When both penalties apply for the same month, the penalty for filing late is reduced by the amount of the penalty for paying late for that month.

The penalty for filing late is based on the tax ultimately due, which was not paid by the original return due date without regard to extensions.

The penalty for paying late is based on the net unpaid tax at the beginning of each penalty month following the payment due date for that tax.

The penalties are charged for each month or part of a month the return or payment is late; however, neither penalty can be more than 25% in total.

Income tax returns are subject to a minimum penalty if filed late and received more than 60 days after the due date. The minimum penalty is \$135 (\$100 for returns due before 1/1/2009) or 100% of the tax paid late, whichever is less.

The penalty for paying late applies when tax is paid late, even if the return was filed on time. The due date for payment of tax shown on a return generally is the return due date without regard to extensions. Increases in tax must be paid within 21 days of our notice demanding payment (10 business days if the amount in the notice is \$100,000 or more).

If we issue a Notice of Intent to Levy and the balance due isn't paid within 10 days from the date of the notice, the penalty for paying late increases to 1% per month.

For individuals who filed on time, the penalty decreases to 1/4% per month while an approved installment agreement with the IRS is in effect for payment of that tax.

**** Interest -- IRC Section 6601 ****

We are required by law to charge interest when you do not pay your liability on time. Generally, we calculate interest from the due date of your return (regardless of extensions) until you pay the amount you owe in full, including accrued interest and any penalty charges. Interest on some penalties accrues from the date we notify you of the penalty until it is paid in full. Interest on other penalties, such as failure to file a tax return, starts from the due date or extended due date of the return. Interest rates are variable and may change quarterly.

For more information on penalties and interest, you can review Notice 746, Information About Your Notice, Penalty, and Interest.

6 The shared responsibility payment (SRP) amount that you owe is the
6 assessed payment for not securing minimum essential health coverage
6 for you and, if applicable, your dependents per Internal Revenue Code
6 Section 5000A - Individual shared responsibility payment. The SRP
6 amount that you owe is not subject to penalties or to lien and levy
6 enforcement actions. However, interest will continue to accrue until
6 you pay the total SRP balance due. We may apply your federal tax
6 refunds to the SRP amount that you owe until it is paid in full.

6
7 Under federal law, taxpayers who file joint returns are both
7 responsible for the tax on their original tax returns and for any
7 later additional taxes resulting from changes to those returns. A
7 divorce decree is a civil matter and doesn't affect your

7 responsibility for paying these taxes.

7 You may qualify for relief under Innocent Spouse Relief or Separate
7 Liability Election. Refer to the enclosed Publication 1, Your Rights
7 as a Taxpayer, for more information. Continue to make payments to
7 reduce the amount you owe because penalties and interest will continue
7 to increase until you pay the balance in full.

8 At your request we'll send a reminder of the balance due to your
8 former spouse. Please include his or her current address and correct
8 name with your request.

9 How to pay federal tax

9 Federal income tax is a pay-as-you-go tax. You must pay the tax as you
9 earn or receive income during the year. There are three ways to pay as
9 you go:

9 1. Withholding - If you're an employee, your employer will withhold
9 income tax from your pay. Payers also withhold from other types of
9 income including pensions, bonuses, commissions, and gambling
9 winnings. In each case, the amount withheld is paid to the United
9 States Treasury in your name.

9 If you had too little tax withheld from your wages, you should give
9 your employer a new Form W-4, Employee's Withholding Allowance
9 Certificate, to increase the amount of withholding.

9 2. Estimated Tax Payments - If you don't pay your tax through
9 withholding, or don't pay enough, you might have to pay estimated
9 tax. People who are in business for themselves generally will have
9 to pay their tax this way. They generally have to pay
9 self-employment tax also.

9 If you need more information about changing your Form W-4 or making
9 estimated tax payments, let us know. Publication 505, Tax
9 Withholding and Estimated Tax, explains both of these methods in
9 detail.

9 3. Federal Tax Deposits - If you have employees, you may be required
9 to make federal tax deposits for employment taxes. As an employer,
9 you must withhold federal income tax, social security and
9 Medicare taxes, and Federal Unemployment Tax Act (FUTA) taxes.
9 Employers required to make deposits must deposit electronically
9 through the Electronic Federal Tax Payment System (EFTPS).

9 If you need more information about making federal tax deposits,
9 let us know. Publication 15, Circular E, Employer's Tax Guide, and
9 Publication 15-A, Employer's Supplemental Tax Guide, explain in
9 detail an employer's responsibility. You can also visit
9 www.EFTPS.gov or call EFTPS Customer Service at 1-800-316-6541
9 (individual) or 1-800-555-4477 (business).

a You may have to pay backup withholding if you underreport your
a interest, dividends, or patronage dividends income and don't pay the
a required tax. We can instruct the institutions that pay you interest
a or dividend income to begin or continue backup withholding at 28

a percent if we issue four notices to you over a 120-day period, and
a you don't fully pay your tax.
a

How to contact us

b If you have questions, call [] at
b [] between [] and [].

b
c If you have any questions, call us toll free at 1-800-829-[].
c

d If you have any questions, call us toll free at
d [].
d

If you're out of the country and need assistance call us at
1-267-941-1000 (not toll-free).

You can also find more information via our website at www.irs.gov.

You can get any of the forms or publications mentioned in this
letter by calling 1-800-TAX-FORM (1-800-829-3676) or visiting
our website at www.irs.gov.

If you prefer, you can write to us at the address we provided in this
letter. When you write, please include a copy of this letter and
provide your telephone number and the hours we can reach you in the
spaces below. Keep a copy of this letter for your records.

Telephone Number () _____ Hours _____

Thank you for your cooperation.

Sincerely yours,

Enclosures:

- Envelope
- e Publication 1
- f Form 433-D
- .

g Send payments to:

g
g Internal Revenue Service
g []

h Send forms to:

h
h Internal Revenue Service
h []
h

SAMPLE