



KANSAS CITY MO 64999-0025

In reply refer to:
July 21, 2017 LTR 2840C G3
201512 30 1
00028972
BODC: WI



007174

Taxpayer identification number:
Form: 1040
Tax period ending: Dec. 31, 2015

Dear Taxpayer:

Thank you for making arrangements to resolve your account.

We tentatively accepted your offer for an Installment Agreement. The agreement covers the tax period shown above. Please make your first payment of \$1,409.00 by Nov. 09, 2017.

You must send us that amount by the 9th of each month until you pay the full amount you owe. You may want to pay more than your installment agreement requires as penalty and interest charges continue to accumulate until you pay your balance in full.

We'll send you a monthly statement with a payment voucher and return envelope shortly before each payment is due. The statement will show the balance remaining on your account, as well as your monthly payment amount. If you don't receive the statement at least 10 days before your first payment due date, send your payment with a copy of the last page of this letter.

Make your check payable to the United States Treasury and write your name, address, social security or employer identification number on the front. Include with your payment a daytime telephone number, the tax year you are paying, and the tax form number you filed that year.

We'll apply 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.

We charge a \$225 user fee to cover the cost of providing an installment agreement. We deduct the fee from your first payment. Even though your approved installment agreement payment may be less, your first payment must be at least \$225 to cover the fee.

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

fee.

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

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

If you qualify, complete and mail Form 13844 to:

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

If you already paid the full user fee and we approve your request, we'll apply the difference, \$182, to the tax you owe.

We'll notify you by mail of our decision.

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.

What you need to do

In about eight weeks, you'll receive a notice showing the tax, penalty, and interest you owe. The notice will ask for payment of the total amount. The law requires us to send this notice on overdue accounts and to use the word "demand" when requesting payment. Because you have an installment agreement, you don't need to respond to this notice.

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 your 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 enforcement actions occur, you will have Collection Appeal (CAP) rights through the Collection Appeals Program (see Publication 1660, Collection Appeal Rights, for complete information). If we cancel your installment agreement and you later apply for and



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receive reinstatement, you'll have to pay a \$89 reinstatement fee.

The other conditions of this agreement are:

- You pay on time all federal and state taxes due during the term of this agreement.
- You 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.

When you pay your taxes after the due date, we charge a penalty of 0.5% of the unpaid amount due per month, up to 25% of the amount due. The penalty decreases to 0.25% if you have an approved installment agreement to pay the tax and you are in full compliance with that agreement. The penalty increases to 1.0% for each month the tax remains unpaid, beginning 10 days after we issue an Intent to Levy Notice (or seize your assets). We count part of a month as a full month (Internal Revenue Code (IRC) Section 6651).

We're required by law to charge interest on unpaid tax from the date the tax return was due to the date the tax is paid in full. We charge interest as long as an unpaid balance remains, including unpaid penalties, if applicable (IRC Section 6601).

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

In the meantime, to reduce penalty and interest charges, you should pay as much as you can. Mail your check or money order payable to the United States Treasury in the enclosed envelope and provide on each payment:

- Name
- Address
- Social security number or employer identification number
- Tax year

- Tax form number
- Daytime telephone number

We'll apply all payments to the oldest tax assessment, then the penalties, and then to the interest on that assessment.

How to pay federal tax

Federal income tax is a pay-as-you-go tax. You must pay the tax as you earn or receive income during the year in one of three ways:

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

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

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

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

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

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

For information on paying your taxes electronically, visit



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www.irs.gov/e-pay. If you don't have access to the internet, call EFTPS Customer Service at 1-800-316-6541 (individual) or 1-800-555-4477 (business).

How to contact us

If you have questions, call us at the IRS telephone number in your local directory or 1-800-829-0922. You can also write to us at the address on the first page of this letter.

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

You can also visit 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/formspubs.

When you write, provide in the spaces below your telephone number with the hours we can reach you. Keep a copy of this letter for your records.

Telephone Number _____ Hours _____

Sincerely yours,

Operations Manager, AM Ops. 2

Enclosure:
Envelope

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Letter number: 2840C
Taxpayer identification number:
Tax form: 1040
Tax period ending: Dec. 31, 2015

Installment Agreement Payment

Please mail your payment at least 10 days before your payment due date of Nov. 09, 2017. If you don't receive your monthly statement before you must mail your payment so that it reaches us on time, you should return a copy of this page with your payment of \$1,409.00 in the enclosed envelope. Make your check or money order payable to the United States Treasury and write on each payment your:

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