
💡 **Eleven Tips for Taxpayers Who Owe Money to the IRS**

If you owe taxes to the IRS, it's important to take timely action to avoid further penalties and interest. Here are 11 key tips to help you navigate your options:

1. File Your Tax Return Promptly

Even if you can't pay the full amount, always **file your tax return on time** to avoid the much steeper **failure-to-file penalty**, which can be up to 25% of the unpaid tax.

2. Pay What You Can

Paying as much as possible up front will reduce the total amount of interest and penalties that accrue over time.

3. Use Electronic Payment Methods

The IRS offers several secure options:

- **IRS Direct Pay:** Pay directly from a bank account without fees.
- **EFTPS:** Ideal for business or large payments (www.eftps.gov).
- **Credit/Debit Cards:** Use authorized processors; fees apply.
- **IRS Online Account:** View balances, set up payment plans, and make payments at IRS.gov.

4. Short-Term Payment Plans

If you can pay your balance within 180 days, you may qualify for a short-term payment plan with no setup fee.

5. Installment Agreements

If you need more time, you can request a **monthly installment agreement**. For balances under \$50,000, use the Online Payment Agreement tool on IRS.gov.

6. Apply Using Form 9465

You may also apply for an installment agreement by mailing **Form 9465**, Installment Agreement Request, with your tax bill.

7. Know the Fees

Installment agreements include a one-time setup fee:

- \$105 standard
 - \$52 if using direct debit
 - \$43 for qualified low-income individuals
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8. Offer in Compromise (OIC)

An OIC lets you settle your debt for less than the full amount if paying in full would cause financial hardship. Use the **IRS Offer in Compromise Pre-Qualifier Tool** at IRS.gov to check eligibility.

9. Request Temporary Delay of Collection

If you're facing serious financial hardship, you may qualify for a temporary delay in IRS collection activities. Interest and penalties will still apply, but enforced collection will pause.

10. Check Your Withholding

To avoid future tax bills, review and update your **Form W-4** with your employer. Use the **IRS Tax Withholding Estimator** at IRS.gov to ensure the correct amount is withheld throughout the year.

11. Use the Fresh Start Program

The **IRS Fresh Start Program** helps individuals and small businesses by expanding access to installment agreements and offers in compromise, easing the burden for those struggling to pay.

■ **Need more help?** Visit [IRS.gov](https://www.irs.gov) for forms, tools, and publications like:

- **Publication 594:** The IRS Collection Process
- **Publication 966:** Electronic Payment Options

You can also call **800-TAX-FORM (800-829-3676)** to request forms by mail.