

WHAT IF YOU CAN'T PAY YOUR TAXES?

I OWE THE IRS A TAX DEBT AND I CANNOT AFFORD TO MAKE MONTHLY PAYMENTS. WHAT CAN I DO?

You can ask the IRS to place your tax accounts into "currently not collectible" status until you are able to make monthly payments.

WHAT IS CURRENTLY NOT COLLECTIBLE STATUS?

If the IRS agrees that you do not have enough income to make monthly payments towards your tax debt, it will place your accounts into "currently not collectible" status. Although the IRS will continue to add penalties and interest to the amount due, the IRS will not try to collect the unpaid tax from you. Your tax accounts can remain in currently not collectible status as long as you cannot afford monthly payments. The IRS will review your accounts once each year to see if you are able to start making payments. If you are still unable to make monthly payments, the IRS will keep your accounts in currently not collectible status. The IRS will send you one statement each year to remind you that you have an outstanding tax balance. You must continue to file your returns each year to remain eligible for currently not collectible status. If you are due a refund for any year in which you file a return, the IRS will keep your refund and apply it to your outstanding tax debt. It is possible that your account could stay in currently not collectible status for several years, based upon your income. After a specified time, the IRS by law is not allowed to collect outstanding debts from you.

WHO IS ELIGIBLE FOR CURRENTLY NOT COLLECTIBLE STATUS?

Currently not collectible ("CNC") status is only available to taxpayers that cannot afford to make monthly payments. Although in the past you were required to be up to date with your income tax filing requirements in order to be placed into CNC status, this is no longer the case, after the 2009 ruling in the *Vinatieri v. Commissioner* U.S. Tax Court case. However, the IRS may ask you to file missing tax returns when you call to request CNC status. Whether you are required to file depends on your income during the tax year. For example, if you were self-employed and you had net self-employment earnings of \$400 or more, you were required to file a tax return. If you were **single** and you had wages of more than **\$10,350** in tax year **2016**, you were required to file a tax return. If you are not sure whether you had a filing requirement, you can call the IRS at **1-800-829-1040**. An IRS customer service representative can tell you whether you had a filing requirement and if you need to file tax returns for any years. He or she can also send your wage information to you so that you can file your returns.

WHAT INFORMATION WILL I NEED TO REQUEST CURRENTLY NOT COLLECTIBLE STATUS?

To request currently not collectible status, you must show the IRS that you are financially unable to make monthly payments. You will need to gather the following information for the IRS:

- Copies of your most recent paycheck stubs for the past month for **each** job

- Copies of your most recent statements for **all** other monthly income that you receive, such as Social Security benefits, pension or retirement income, child or spousal support, TANF, etc.
- A copy of your most recent real estate tax bill for **all** property that you own, even if the property is owned together with someone else. You also need to know the date you bought the property and what you paid for it.
- Copies your utility bill for **each** utility--electricity, water & sewer, gas, telephone, etc.
- A copy of your lease or mortgage statement showing your monthly rent or mortgage payment.
- If you have any credit cards, a copy of your most recent statement for **each** credit card.
- If you own a car, you need your most recently personal property tax bill for **each** car you own. You also need to know the mileage, model year and your monthly payment for each car.
- Proof of any other assets you own, such as stocks, bonds, etc.
- Proof of any other monthly expenses you have, such as food and other necessities, daycare, medical expenses, court ordered payments such as spousal or child support, etc.

Please note--If you are married & living with your spouse, you must provide income and expense information for **you and your spouse**.

HOW DO I REQUEST THAT THE IRS PLACE MY ACCOUNTS IN CURRENTLY NOT COLLECTIBLE STATUS?

You can request currently not collectible status by calling the IRS with your income and expense information. An IRS representative will take your information over the telephone and place your accounts into currently not collectible status. Please have all your income and expense information with you when you call. You should also write down the IRS representative's name and badge number so you can remember who you talked with about your taxes.

You can also fill out IRS Form 433-F and send it to the IRS with a letter requesting currently not collectible status. The letter should explain why you are unable to make monthly payments towards your tax debt. Send your request to the IRS at the address provided on the last letter that you received from the IRS. Send your request by certified mail and request a return receipt. **Keep these receipts in a safe place.** These receipts are your proof that you mailed your request to the IRS and that the IRS received your request.

For more information, please contact

The Community Tax Law Project

Phone: (804) 358-5855 or (800) 295-0110

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This information is not legal advice. We are providing this information as a public service. We have tried to make it accurate as of the date below, but keep in mind that tax laws change frequently.

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