

Application For Reduced User Fee For Installment Agreements

For low income taxpayers, the user fee for entering into an installment agreement (payment plan) is reduced to \$43 and this \$43 may be waived or reimbursed if certain conditions are met. Low-income taxpayers, for installment agreement purposes, are individuals with adjusted gross incomes, as determined for the most recent year for which such information is available, at or below 250% of the criteria established by the poverty guidelines updated annually by the U.S. Department of Health and Human Services.

If you are a low-income taxpayer and you agree to make electronic payments through a debit instrument by entering into a direct debit installment agreement, then the IRS will waive the user fees for the installment agreement. If you are a low-income taxpayer and you are unable to make electronic payments through a debit instrument by entering into a direct debit installment agreement, then the IRS will reimburse the user fees that you paid for the installment agreement upon completion of the installment agreement.

The reduced user fee for individuals does not apply to corporations or partnerships. Use this form to apply for low-income taxpayer status for installment agreement purposes. If your application for low-income taxpayer status for installment agreement purposes is granted, the IRS will waive or reimburse your installment agreement user fees if certain conditions are met. To request the reduced user fee, which may be waived or reimbursed if certain conditions apply, mail this form to: IRS, P.O. Box 219236, Stop 5050, Kansas City, MO 64121-9236.

If you are an individual, follow the steps below to determine if you qualify for a reduced installment agreement user fee.

1. If you are unable to make electronic payments through a debit instrument by entering into a direct debit installment agreement (DDIA) please check the box below.

I am unable to make electronic payments through a debit instrument by entering into a DDIA.

Note: Not checking this box indicates that you are able but choosing not to make electronic payments through a debit instrument. The reduced user fee will not be reimbursed upon completion of your installment agreement.

2. **Family Unit Size** _____. Enter the total number of dependents (including yourself and your spouse) claimed on your most recent income tax return (Form 1040, Line 6d).
3. **Adjusted Gross Income** _____. Enter the amount of adjusted gross income from the most recent year for which such information is available. (Form 1040, Line 37).
4. Compare the information you entered in items 2 and 3, above, to the Low-Income Taxpayer Adjusted Gross Income Guidance table on page 2. Find the "Size of Family Unit" equal to the number you entered in item 2. Next, find the column, which represents where you reside (48 Contiguous States and DC and U.S. Territories..., Alaska or Hawaii). Compare the adjusted gross income you entered in item 3 to the number in the row and column that corresponds to your family unit size and residence. For example, if you reside in one of the 48 contiguous states, and your family unit size from item 2 above is 4, and your adjusted gross income from item 3 above is \$50,000, then you are a low-income taxpayer because your income is less than the \$61,500 guideline amount.
5. If the adjusted gross income you entered in item 3 is more than the amount shown for your family unit size and residence in the Low-Income Taxpayer Adjusted Gross Income Guidance table on page 2, you are not a low-income taxpayer.
6. If the adjusted gross income you entered in item 3 is equal to or less than the amount shown for your family unit size and residence in the Low-Income Taxpayer Adjusted Gross Income Guidance table on page 2, you are a low-income taxpayer. If you are a low-income taxpayer based on your income level, you must sign and date the certification portion of this form and submit it to the IRS within 30 days from the date of the Installment Agreement acceptance letter that you received. **Applications for low income taxpayer status, for installment agreement purposes, will not be considered if submitted 30 days after the date on the installment agreement acceptance letter you received.**