

# **BONNIE S. CLARK, C.P.A.**

**8164 CAPITOLA AVENUE**

**FAIR OAKS, CA 95628**

**PHONE: (916) 966-3380**

**FAX: (916) 966-3886**

## What to do if you owe

If you owe taxes and do not have enough money to pay everything, you do have some options. First, if you can you should pay all of the California liability. California is very difficult to get an installment plan from.

If you owe federal taxes and do not have the funds to pay everything you can pay with a credit card. If you pay with a credit card, you will pay the cost of credit card processing in addition to everything else. IRS cannot pay credit card fees and so they are added to your charges. This can be very expensive.

You can request a payment plan from IRS with a form 9465 We have attached a copy of the blank form. Complete and mail to **IRS Center, Fresno, CA 93888**. Request payments that you know you can make because they are not forgiving if you miss an installment. **Never miss an agreed to payment!** They expect you to be able to pay the taxes within five years. There is a fee to establish the payment plan and of course interest and fees for the plan.

You could borrow the cost on a home equity line and it would be tax deductible and probably cost you less than any other option.

If you need help, call the office but do not wait until the tax deadline to decide that you need help. Assess your ability to pay and decide how you will proceed. Late payment is expensive but **late filing with late payment is the worst option** so don't be caught with an unexpected emergency.

I will be glad to assist you if you need help but consider your options to maximize my ability to assist you in a cost effective manner.



# Nine Tips for Taxpayers Who Owe Money to the IRS

IRS Summertime Tax Tip 2010-15

Did you end up owing taxes this year? The vast majority of Americans get a tax refund from the IRS each spring, but those who receive a bill may not know that the IRS has a number of ways for people to pay. Here are nine tips for taxpayers who owe money to the IRS.

1. If you get a bill this summer for late taxes, you are expected to promptly pay the tax owed including any penalties and interest. If you are unable to pay the amount due, it is often in your best interest to get a loan to pay the bill in full rather than to make installment payments to the IRS.
2. You can also pay the bill with your credit card. The interest rate on a credit card or bank loan may be lower than the combination of interest and penalties imposed by the Internal Revenue Code. To pay by credit card contact one of the following processing companies: Official Payments Corporation at 888-UPAY-TAX (also [www.officialpayments.com/fed](http://www.officialpayments.com/fed)) or Link2Gov at 888-PAY-1040 (also [www.pay1040.com](http://www.pay1040.com)) or RBS WorldPay, Inc at 888-9PAY-TAX (also [www.payUSAtax.com](http://www.payUSAtax.com)).
3. You can pay the balance owed by electronic funds transfer, check, money order, cashier's check or cash. To pay using electronic funds transfer you can take advantage of the Electronic Federal Tax Payment System by calling 800-555-4477 or online at [www.eftps.gov](http://www.eftps.gov).
4. An installment agreement may be requested if you cannot pay the liability in full. This is an agreement between you and the IRS to pay the amount due in monthly installment payments. You must first file all returns that are required and be current with estimated tax payments.
5. If you owe \$25,000 or less in combined tax, penalties and interest, you can request an installment agreement using the Online Payment Agreement application at [IRS.gov](http://IRS.gov).
6. You can also complete and mail an IRS Form 9465, Installment Agreement Request, along with your bill in the envelope that you have received from the IRS. The IRS will inform you usually within 30 days whether your request is approved, denied, or if additional information is needed. If the amount you owe is \$25,000 or less, provide the highest monthly amount you can pay with your request.
7. You may still qualify for an installment agreement if you owe more than \$25,000, but a Form 433F, Collection Information Statement, is required to be completed before an installment agreement can be considered. If your balance is over \$25,000, consider your financial situation and propose the highest amount possible, as that is how the IRS will arrive at your payment amount based upon your financial information.
8. If an agreement is approved, a one-time user fee will be charged. The user fee for a new agreement is \$105 or \$52 for agreements where payments are deducted directly from your bank account. For eligible individuals with incomes at or below certain levels, a reduced fee of \$43 will be charged.

9. Taxpayers who have a balance due, may want to consider changing their W-4, Employee's Withholding Allowance Certificate, with their employer. There is a withholding calculator available on IRS.gov to help taxpayers determine the amount that should be withheld.

For more information about installment agreements and other payment options visit IRS.gov. IRS Publications 594, The IRS Collection Process and 966, Electronic Choices to Pay All Your Federal Taxes also provide additional information regarding your payment options. These publications and Form 9465 can be obtained from IRS.gov or by calling 800-TAX-FORM (800-829-3676).

*Page Last Reviewed or Updated: August 17, 2010*

# Installment Agreement Request

▶ **If you are filing this form with your tax return, attach it to the front of the return. Otherwise, see instructions.**

**Caution:** Do not file this form if you are currently making payments on an installment agreement or can pay your balance due in full within 120 days. Instead, call 1-800-829-1040. If you are in bankruptcy or we have accepted your offer-in-compromise, see **Bankruptcy or offer-in-compromise on page 2.**

This request is for Form(s) (for example, Form 1040) ▶ and for tax year(s) (for example, 2008 and 2009) ▶

<b>1</b> Your first name and initial	Last name	Your social security number
If a joint return, spouse's first name and initial	Last name	Spouse's social security number
Current address (number and street). If you have a P.O. box and no home delivery, enter your box number.		Apt. number
City, town or post office, state, and ZIP code. If a foreign address, enter city, province or state, and country. Follow the country's practice for entering the postal code.		

**2** If this address is new since you filed your last tax return, check here . . . . . ▶

<b>3</b> Your home phone number . . . . . Best time for us to call	<b>4</b> Your work phone number . . . . . Ext. . . . . Best time for us to call
<b>5</b> Name of your bank or other financial institution:  Address  City, state, and ZIP code	<b>6</b> Your employer's name:  Address  City, state, and ZIP code

<b>7</b> Enter the total amount you owe as shown on your tax return(s) (or notice(s)) . . . . .	<b>7</b>	
<b>8</b> Enter the amount of any payment you are making with your tax return(s) (or notice(s)). See instructions	<b>8</b>	
<b>9</b> Enter the amount you can pay each month. <b>Make your payments as large as possible to limit interest and penalty charges.</b> The charges will continue until you pay in full . . . . .	<b>9</b>	

**10** Enter the day you want to make your payment each month. **Do not** enter a day later than the 28th ▶

**11** If you want to make your payments by electronic funds withdrawal from your checking account, see the instructions and fill in lines 11a and 11b. This is the most convenient way to make your payments and it will ensure that they are made on time.

- ▶ **a** Routing number
- ▶ **b** Account number

I authorize the U.S. Treasury and its designated Financial Agent to initiate a monthly ACH electronic funds withdrawal entry to the financial institution account indicated for payments of my federal taxes owed, and the financial institution to debit the entry to this account. This authorization is to remain in full force and effect until I notify the U.S. Treasury Financial Agent to terminate the authorization. To revoke payment, I must contact the U.S. Treasury Financial Agent at **1-800-829-1040** no later than 10 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payments of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payments.

Your signature	Date	Spouse's signature. If a joint return, <b>both</b> must sign.	Date
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## General Instructions

Section references are to the Internal Revenue Code.

### Purpose of Form

Use Form 9465 to request a monthly installment plan if you cannot pay the full amount you owe shown on your tax return (or on a notice we sent you). Generally, you can have up to 60 months to pay. In certain circumstances, you can have longer to pay or your agreement can be approved for an amount that is less than the amount of tax you owe. However, before requesting an installment agreement, you should consider other less costly alternatives, such as getting a bank loan or using available credit on a credit card. If you have any questions about this request, call 1-800-829-1040.

Do not use Form 9465 if:

- You can pay the full amount you owe within 120 days (see page 2), or

- You want to request an online payment agreement. See *Applying online for a payment agreement* on page 2.

**Guaranteed installment agreement.** Your request for an installment agreement cannot be turned down if the tax you owe is not more than \$10,000 and all three of the following apply.

- During the past 5 tax years, you (and your spouse if filing a joint return) have timely filed all income tax returns and paid any income tax due, and have not entered into an installment agreement for payment of income tax.
- The IRS determines that you cannot pay the tax owed in full when it is due and you give the IRS any information needed to make that determination.
- You agree to pay the full amount you owe within 3 years and to comply with the tax laws while the agreement is in effect.



*A Notice of Federal Tax Lien may be filed to protect the government's interests until you pay in full.*

**Can you pay in full within 120 days?** If you can pay the full amount you owe within 120 days, call 1-800-829-1040 to establish your request to pay in full. If you can do this, you can avoid paying the fee to set up an installment agreement. Instead of calling, you can apply online.

**Applying online for a payment agreement.** Instead of filing Form 9465, you can apply online for a payment agreement. To do that, go to [www.irs.gov](http://www.irs.gov), use the pull-down menu under "I need to . . ." and select "Set Up a Payment Plan."

**Bankruptcy or offer-in-compromise.** If you are in bankruptcy or we have accepted your offer-in-compromise, do not file this form. Instead, call 1-800-829-1040 to get the number of your local IRS Insolvency function for bankruptcy or Technical Support function for offer-in-compromise.

### How the Installment Agreement Works

We will usually let you know within 30 days after we receive your request whether it is approved or denied. However, if this request is for tax due on a return you filed after March 31, it may take us longer than 30 days to reply. If we approve your request, we will send you a notice detailing the terms of your agreement and requesting a fee of \$105 (\$52 if you make your payments by electronic funds withdrawal). However, you may qualify to pay a reduced fee of \$43 if your income is below a certain level. The IRS will let you know whether you qualify for the reduced fee. If the IRS does not say you qualify for the reduced fee, you can request the reduced fee using Form 13844, Application For Reduced User Fee For Installment Agreements.

You will also be charged interest and may be charged a late payment penalty on any tax not paid by its due date, even if your request to pay in installments is granted. Interest and any applicable penalties will be charged until the balance is paid in full. To limit interest and penalty charges, file your return on time and pay as much of the tax as possible with your return (or notice). All payments received will be applied to your account in the best interests of the United States.

By approving your request, we agree to let you pay the tax you owe in monthly installments instead of immediately paying the amount in full. In return, you agree to make your monthly payments on time. You also agree to meet all your future tax liabilities. This means that you must have enough withholding or estimated tax payments so that your tax liability for future years is paid in full when you timely file your return. Your request for an installment agreement will be denied if all required tax returns have not been filed. Any refund due you in a future year will be applied against the amount you owe. If your refund is applied to your balance, you are still required to make your regular monthly installment payment.

**Payment methods.** You can make your payments by check, money order, credit card, or one of the other payment methods shown next. The fee for each payment method is also shown.

Payment method	Applicable fee
Check, money order, or credit card	\$105
Electronic funds withdrawal	\$ 52
Payroll deduction installment agreement	\$105

For details on how to pay, see your tax return instructions, visit [www.irs.gov](http://www.irs.gov), or call 1-800-829-1040.

After we receive each payment, we will send you a notice showing the remaining amount you owe, and the due date and amount of your next payment. But if you choose to have your payments automatically withdrawn from your checking account, you will not receive a notice. Your bank statement is

your record of payment. We will also send you an annual statement showing the amount you owed at the beginning of the year, all payments made during the year, and the amount you owe at the end of the year.

If you do not make your payments on time or do not pay any balance due on a return you file later, you will be in default on your agreement and we may take enforcement actions, such as the filing of a Notice of Federal Tax Lien or an IRS levy action, to collect the entire amount you owe. To ensure that your payments are made timely, you should consider making them by electronic funds withdrawal (see the instructions for lines 11a and 11b on page 3).

**Requests to modify or terminate an installment agreement.** After an installment agreement is approved, you may submit a request to modify or terminate an installment agreement. This request will not suspend the statute of limitations on collection. While the IRS considers your request to modify or terminate the installment agreement, you must comply with the existing agreement.



*An installment agreement may be terminated if you provide materially incomplete or inaccurate information in response to an IRS request for a financial update.*

For additional information on the IRS collection process, see Pub. 594, The IRS Collection Process.

### Where To File

Attach Form 9465 to the front of your return and send it to the address shown in your tax return booklet. If you have already filed your return or you are filing this form in response to a notice, file Form 9465 by itself with the Internal Revenue Service Center at the address below that applies to you. No street address is needed.

IF you live in . . .	THEN use this address . . .
Florida, Georgia, North Carolina, South Carolina	Department of the Treasury Internal Revenue Service Center Atlanta, GA 39901
Alabama, Kentucky, Louisiana, Mississippi, Tennessee, Texas	Department of the Treasury Internal Revenue Service Center Austin, TX 73301
Alaska, Arizona, California, Colorado, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Washington, Wisconsin, Wyoming	Department of the Treasury Internal Revenue Service Center Fresno, CA 93888
Arkansas, Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, Missouri, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia	Department of the Treasury Internal Revenue Service Center Kansas City, MO 64999
A foreign country, American Samoa, or Puerto Rico (or are excluding income under Internal Revenue Code section 933), or use an APO or FPO address, or file Form 2555, 2555-EZ, or 4563, or are a dual-status alien or nonpermanent resident of Guam or the Virgin Islands*	Department of the Treasury Internal Revenue Service Center Austin, TX 73301

\* Permanent residents of Guam or the Virgin Islands cannot use Form 9465.

## Specific Instructions

### Line 1

If you are making this request for a joint tax return, show the names and social security numbers (SSNs) in the same order as on your tax return.

### Line 7

Enter the total amount you owe as shown on your tax return (or notice).



*If the total amount you owe is more than \$25,000 (including any amounts you owe from prior years), complete and attach Form 433-F, Collection Information Statement. You can get Form 433-F by visiting the IRS website at [www.irs.gov](http://www.irs.gov).*

### Line 8

Even if you cannot pay the full amount you owe now, you should pay as much as possible to limit penalty and interest charges. If you are filing this form with your tax return, make the payment with your return. For details on how to pay, see your tax return instructions.

If you are filing this form by itself, such as in response to a notice, attach a check or money order payable to the "United States Treasury." Do not send cash. Be sure to include:

- Your name, address, SSN, and daytime phone number.
- The tax year and tax return (for example, "2009 Form 1040") for which you are making this request.

### Line 9

You should try to make your payments large enough so that your balance due will be paid off as quickly as possible without causing you a financial burden.

### Line 10

You can choose the day of each month your payment is due. This can be on or after the 1st of the month, but no later than the 28th of the month. For example, if your rent or mortgage payment is due on the 1st of the month, you may want to make your installment payments on the 15th. When we approve your request, we will tell you the month and day that your first payment is due.

If we have not replied by the date you chose for your first payment, you can send the first payment to the Internal Revenue Service Center at the address shown on page 2 that applies to you. See the instructions for line 8 above for details on what to write on your payment.

### Lines 11a and 11b



*Making your payments by electronic funds withdrawal will help ensure that your payments are made timely and that you are not in default of this agreement.*

To pay by electronic funds withdrawal from your checking account at a bank or other financial institution (such as mutual fund, brokerage firm, or credit union), fill in lines 11a and 11b. Check with your financial institution to make sure that an electronic funds withdrawal is allowed and to get the correct routing and account numbers.

**Note.** We will send you a bill for the first payment and the fee. You must send us your first payment. All other payments will be electronically withdrawn.

**Line 11a.** The routing number must be nine digits. The first two digits of the routing number must be 01 through 12 or 21 through 32. Use a check to verify the routing number. On the sample check on this page, the routing number is 250250025. But if your check is payable through a financial institution

different from the one at which you have your checking account, do not use the routing number on that check. Instead, contact your financial institution for the correct routing number.

**Line 11b.** The account number can be up to 17 characters (both numbers and letters). Include hyphens but omit spaces and special symbols. Enter the number from left to right and leave any unused boxes blank. On the sample check below, the account number is 20202086. Do not include the check number.



*The electronic funds withdrawal from your checking account will not be approved unless you (and your spouse if filing a joint return) sign Form 9465.*

### Sample Check—Lines 11a and 11b

DWAIN MAPLE  
ROBYN MAPLE  
123 Pear Lane  
Anyplace, VA 20000

PAY TO THE ORDER OF

ANYPLACE BANK  
Anyplace, VA 20000

For

Routing number (line 11a): 250250025  
Account number (line 11b): 20202086

1234

15,000.00

Do not include the check number.



*The routing and account numbers may be in different places on your check.*

**Privacy Act and Paperwork Reduction Act Notice.** Our legal right to ask for the information on this form is sections 6001, 6011, 6012(a), 6109, and 6159 and their regulations. We will use the information to process your request for an installment agreement. The reason we need your name and social security number is to secure proper identification. We require this information to gain access to the tax information in our files and properly respond to your request. You are not required to request an installment agreement. If you do request an installment agreement, you are required to provide the information requested on this form. Failure to provide this information may prevent processing your request; providing false information may subject you to fines or penalties.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103. However, we may give this information to the Department of Justice for civil and criminal litigation, and to cities, states, and the District of Columbia to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For the estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.



Pay by Credit Card

It's easy and convenient to pay your personal income tax bill by credit card. You can use your Discover/NOVUS, MasterCard, Visa, or American Express Card to:

- ☑ Pay the balance due on your **current-year tax return**.
- ☑ Make an **extension payment** (form FTB 3519).
- ☑ Make an **estimated tax payment**(Form 540-ES).
- ☑ Pay any amount owed for **prior years**.
- ☑ Pay any **bill you receive from us** that includes an insert about credit card payments.

Complete your [payment information](#) and have it on hand when you are ready to make your payment. You can pay online or by phone:

- ☑ Online: [www.officialpayments.com](http://www.officialpayments.com)
- ☑ Toll-free: 800.272.9829

## Frequently Asked Questions

### ☑ Is there a fee?

Yes. Official Payments Corporation charges a convenience fee for this service. The fee is based on the amount of your tax payment as follows:

- ☑ 2.5% of the tax amount charged (rounded to the nearest cent)
- ☑ Minimum fee: \$1
- ☑ Example of fee:

Tax Payment = \$753.56  
Convenience Fee = \$18.84

Official Payments Corporation will tell you your fee before you complete your credit card transaction. You can decide whether or not to complete the transaction at that time.

### ☑ When will my payment be effective?

Your payment is effective on the date you charge it.

### ☑ What if I change my mind after I made the charge?

If you pay your taxes by credit card and later reverse the credit card transaction, you may be subject to penalties, interest, and other fees imposed by the Franchise Tax Board for nonpayment or late payment of taxes. If you overpay, we will issue you a refund.

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## Web Pay for Individuals

**Tip!** Subscribe to our estimated tax payment [email reminder service](#) and never miss a due date.

Use Web Pay to make your personal or [group nonresident/composite](#) income tax payments online. You can pay today or schedule your payment up to one year in advance. If you cannot pay the full amount you owe and would like to make monthly payments, you must first request an [Installment Agreement](#).

If you use Web Pay, do not mail the paper payment voucher.

**New!** [Web Pay for Businesses](#)

### You can use Web Pay to:

- Pay the balance due on your **current-year tax return**.
- Make an **extension payment** (form FTB 3519).
- Make an **estimated tax payment** (form 540-ES).
- Pay any amount owed for **prior years**.
- Pay any **personal income tax bill** from us.
- Pay any **notice of proposed assessment**.
- Make a **tax deposit for a pending audit payment**.

### You will need the following to use Web Pay:

- Your social security number.
- The last name you used when you filed your 2009 income tax return.  
If you changed your last name or you have never filed a California tax return, see our [Frequently Asked Questions](#).
- Your bank account number and bank routing number.
- A [compatible browser and operating system](#). We recommend that you log out and close your browser when you are done to ensure the highest level of security.

[Make A Payment](#)

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## Installment Agreement - Individuals

We ask you to pay the amount you owe in full immediately if you have the financial ability to do so. We also encourage you to borrow from a private source to pay your tax liability in full before requesting an installment agreement.

If unable to borrow from a private source, you may request to make monthly installment payments. Plan to make the largest monthly payment possible to limit the amount of interest you will have to pay. Interest and some penalties will continue to accrue until your balance is paid in full.

You may request an installment agreement if you:

- Owe a balance of \$25,000 or less.
- Agree to pay your account in 60 months or less.
- Have filed all required personal income tax returns.

We approve or deny your request based on your ability to pay and your compliance history. We may file a lien and/or request a financial statement as a condition for approval. If you cannot prove, or misrepresent, your financial condition, we may deny your request. You must certify you have a financial hardship if your tax liability is greater than \$10,000 and your installment agreement exceeds 36 months by initialing the box when submitting your application.

- Businesses** – See [Installment agreements - Business](#)
- Court Ordered Debt** – See [My COD Account](#)

### How to request an installment agreement

#### Online

- Payments must be made by electronic funds withdrawal. Have your bank account number and routing number on hand.
- Make monthly payments of \$25 or more, **based on your ability to pay**. Have the amount you owe on hand so you can figure your payment amount and number of payments.
- You cannot have a current wage garnishment.
- You cannot have an existing installment agreement.
- You can apply online only once in a 12-month period.
- Only newly assessed liabilities may qualify for an online installment agreement.

**By mail** - Complete and mail form [FTB 3567](#) . Incomplete information will delay the processing of your request.

**By phone** - 800.689.4776, Monday through Friday, 8 a.m. to 5 p.m., except [state holidays](#).

### After you apply - Check the status of your request

- If you applied online** - You must have your SSN and the Confirmation number located on the Confirmation page of your agreement.
- If you applied by mail or phone** - You should receive written notification from us within 30 days. If you do not hear from us after 30 days, call us at 800.689.4776, Monday through Friday, 8 a.m. to 5 p.m., except [state holidays](#). While you are waiting for approval, make the monthly payment you proposed. See [payment options](#) for paying by credit card or Webpay. To pay by check, mail your check to:

FRANCHISE TAX BOARD  
PO BOX 942867  
SACRAMENTO, CA 94267-0011

- If your installment agreement is denied or cancelled** - You may file a request for a review within 30 days from the date of the denial or cancellation notice. Please be advised that collection actions will resume.

Send your request and any supporting documents to:

FRANCHISE TAX BOARD  
PO BOX 2952  
SACRAMENTO, CA 95812-2952

### Other actions we may take

**Filing a lien** - We may file a state tax lien to protect the state's interest until your balance is paid in full (Government Code Section 7170-7173). This can affect your credit report.

**Future state and federal tax refunds** - We will keep any state tax refund you are due and apply it towards your balance. This action does not replace your monthly payment. We may also submit your account to the [Federal Treasury Offset Program](#). In that case the federal tax refund you would have received is used to pay all or a portion of a state income tax debt you owe. If the full amount owed is not collected in one year, we may offset future federal payments to satisfy your tax debt.

## Modifying a current installment agreement

To modify your payment amount on a current installment agreement, call us at the contact number in the next section.

## Contact information and resources

- ☒ Phone - 800.689.4776, Monday through Friday, 8 a.m. to 5 p.m., except [state holidays](#)
- ☒ Fax - 916.845.0993
- ☒ Mail

FRANCHISE TAX BOARD  
PO BOX 2952  
SACRAMENTO, CA 95812-2952

- ☒ [Adjust Wage Withholding - Forms DE 4 and W-4](#)
- ☒ Nonprofit organizations, such as Consumer Credit Counseling Service, offer free or low-cost financial counseling for all kinds of debt problems.

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**State of California  
Franchise Tax Board**

**INSTALLMENT  
AGREEMENT REQUEST**

FTB 3567 (REV 12-2009)

**INSTALLMENT  
AGREEMENT REQUEST  
PLACE ADDRESS  
LABEL HERE**



State of California  
**Franchise Tax Board**

## **Installment Agreement Request**

The Franchise Tax Board will always request taxpayers to pay in full immediately if they have the financial ability to do so. Prior to granting an installment agreement, we will request taxpayers to borrow from a private source of funds to enable immediate payment in full. You may be eligible to make monthly installment payments if you cannot pay your tax liability in full. If you qualify for an installment agreement, you must pay a set amount on a specific day each month, and you must agree to the taxpayer installment agreement conditions.

### **Taxpayer Installment Agreement Conditions**

#### **You agree to:**

- Make your monthly payments on the date you specify.
- Maintain adequate funds in your bank account.
- File all required income tax returns timely.
- Pay all future income tax balances timely.
- Pay a \$20 installment agreement fee, which we will add to your balance due. This fee amount may change without further notice based on legislative requirements.

#### **Depending on your Financial Situation, you may Qualify if you:**

- Owe a balance of \$25,000 or less.
- Agree to pay your account in 60 months or less.
- Have filed all required personal income tax returns.

Approval will be based on ability to pay and compliance history. A lien may be filed, and/or a financial statement requested, as a condition for approval. Failure to prove, or misrepresentation of financial condition, may result in a denial of your installment agreement. You must certify you have a financial hardship if your tax liability is greater than \$10,000 and your installment agreement exceeds 36 months by initialing the box on PAGE 2.

### **How to Request an Installment Agreement**

#### **Online**

Go to **ftb.ca.gov** and search for **installment agreement**, and then select **apply online**. Only newly assessed liabilities may qualify for an online installment agreement.

#### **By Mail**

Complete the enclosed FTB 3567, *Installment Agreement Request*, on PAGE 2 and mail it to us at:

FRANCHISE TAX BOARD  
PO BOX 2952  
SACRAMENTO CA 95812-2952



## Installment Agreement Request

Complete this form and mail it to the address shown on PAGE 1. Failure to provide complete information will delay the processing of your request. Do not attach this form to your tax return. **Caution: Do not use this form if you are currently making payments on an installment agreement. Instead, call 800.689.4776.**

If you are making this request for a joint liability, print the names and social security numbers (SSNs) or FTB IDs in the same order as on your California state tax return.

First Name	M.I.	Last Name	SSN or FTB ID (required)	
If Joint, Spouse's/RDP's <sup>1</sup> First Name	M.I.	Last Name	Spouse's/RDP's SSN or FTB ID	
Current Home Address-Number and Street, PO Box, or Rural Route.			Apt. No.	PMB No.
City, Town, or Post Office			State	ZIP Code
Home Phone Number ( ) _____	Work Phone Number ( ) _____ Ext. _____		Spouse's/RDP's Work Phone Number ( ) _____ Ext. _____	

If we approve your request, we agree to let you pay the tax you owe in monthly installments instead of immediately paying the amount in full. In return, you agree to make your monthly payments timely.

### EFT Authorization

I authorize an electronic funds withdrawal for the amount in box 1, from the account identified below, on the \_\_\_\_\_ (please specify) day of the month. The day must be the 1st through the 28th. If this day falls on a Saturday, Sunday, or holiday, the transfer is authorized for the next business day.

1. Payment Amount	2. Day for Monthly EFT Withdrawal  (Enter the date from above.)	3. Bank Routing Number  (This is the first nine-digit number at the bottom left of your check.)	4. Bank Account Number  (This is the number after the bank routing number.)
5. Bank Name and Address			Check One:  Checking <input type="checkbox"/> Savings <input type="checkbox"/>  (This must be a regular checking or savings account.)

I certify that I have the authority to request an electronic funds withdrawal from the bank account identified above and I authorize the Franchise Tax Board (FTB) to initiate and process electronic funds withdrawal entries to the above account. This authorization remains in effect until: 1) all unpaid tax liabilities due or becoming due during the course of this agreement are paid, 2) FTB cancels the installment agreement, or 3) FTB receives written notice of cancellation of this EFT Authorization within five business days prior to the payment due date.

I request that the payment amount in box 1 be debited from my bank account each month on the date specified in box 2. If this day falls on a Saturday, Sunday, or state holiday, I authorize the transfer for the next business day.

If FTB cannot deduct the monthly payment from my bank account because of insufficient funds or because my account is closed, FTB may cancel my installment agreement. In that event, I understand that FTB may charge me a dishonored payment penalty and a collection fee. I will also be responsible for any overdraft fees charged by my bank.

Authorized Signature	Signer's Name (print)	Daytime Telephone Number and Ext.	Date
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By initialing the box below you agree to the following statement:

I have read and agree to the taxpayer installment agreement conditions on PAGE 1 and if my balance is greater than \$10,000 or payment is over 36 months, I certify I have a financial hardship.

<sup>1</sup> RDP refers to a registered domestic partner or partnership.

## Additional Information

### Where Do I Find my Bank Information?

The illustration below shows where your bank routing and account numbers are on your check. You need these numbers to answer Questions 3 and 4 on the installment agreement form. Do not use a deposit slip to find the bank numbers. If you need help locating your bank numbers, contact your financial institution.

You must use a regular checking or savings account.

The illustration shows a check with the following details:

- Your Name:** 1234 Main Street, Anytown, CA 99999
- Post Office:** 0001
- Post Office Code:** 15-00000000
- Year:** 20
- PAY TO THE ORDER OF:** [Blank]
- Amount:** \$ [Blank] DOLLARS
- ANYTOWN BANK:** Anytown, CA 99999
- FOR:** [Blank]
- Routing number:** 1:250250025
- Account number:** 1:202020
- Check number:** 1234

Labels below the check indicate the location of the routing number, account number, and check number.

### Future State and Federal Refunds, and Interagency Intercept Collections

We will keep any state tax refund you are due and apply it towards your balance. This action does not replace your monthly payment. FTB may also submit your account to the Federal Treasury Offset Program. An offset is when the federal tax refund you would have received is used to pay all or a portion of a state income tax debt you owe. If the full amount owed is not collected in one year, we may offset future federal payments to satisfy your tax debt. FTB may also intercept any funds due to you from another state agency.

### State Tax Liens

We may file a state tax lien to protect the state's interest until you pay off your balance (Government Code Section 7170-7173). This can affect your credit report.

### Insufficient Funds

To avoid cancellation of your installment agreement and a dishonored payment penalty, make sure you have enough funds in your bank account to cover your monthly payment. If we cancel your installment agreement, we will send you an FTB 4021, *Notice of Intent to Cancel*, and we may require that you pay your balance in full within 30 days. If we agree to reestablish your installment agreement, we require another installment agreement fee.

### If your Installment Agreement is Denied

You may file a request for a review. You must send us your written request within 30 days from the date you receive a denial notice or collection actions will resume. Please send your request, along with any supporting documents to: FRANCHISE TAX BOARD, PO BOX 942857, SACRAMENTO, CA 94257-9954.

### Collection Contact Center

Call 800.689.4776, Monday - Friday, 8 a.m. to 5 p.m., except on state holidays.

### Franchise Tax Board Privacy Notice

Get FTB 1131, *Franchise Tax Board Privacy Notice*, at [ftb.ca.gov](http://ftb.ca.gov) or call us at 800.338.0505. If outside the United States, call 916.845.6500.

## Questions and Answers About Installment Agreements

- Q. Why should I make my payments as large as possible?
- A. You should make the largest monthly payment possible in order to limit interest and penalty charges. The charges will continue to be added to the amount you owe until your balance is paid in full.
- Q. What happens if I have not filed all required tax returns?
- A. You must have filed all required tax returns to qualify for an installment agreement.
- Q. How can I be sure that enough tax is being withheld from my paycheck?
- A. Contact your employer to adjust your W-4 or DE-4 form to ensure that enough money is being withheld from your paycheck.
- Q. Why am I required to make my monthly payments through electronic funds transfer (EFT)?
- A. EFT is convenient for the taxpayer, helps prevent installment agreement defaults, and saves processing costs.
- Q. What happens if I have insufficient funds for the EFT deduction?
- A. If there are not sufficient funds in your bank account to cover your payment, your installment agreement will be cancelled and a dishonored payment penalty will be added to your balance due. You will receive a Default Notice, and we may require that your account be paid in full within 30 days.
- Q. My bank account is out of state. Can I still make payments using EFT?
- A. Yes, you can use an out-of-state bank account for your EFT payment.
- Q. Will the Franchise Tax Board file a lien against me if my installment agreement is approved?
- A. In most cases, a state tax lien will not be filed. If it is necessary to file a state tax lien, we will notify you in advance.
- Q. Once I send you my installment agreement request, how soon should I expect to hear from the Franchise Tax Board?
- A. If you are approved for an installment agreement, you should receive an acknowledgement letter from the Franchise Tax Board within 30 days. The notice will show your monthly EFT payment, the monthly bank transfer date, and provide you additional information regarding your installment agreement.
- Q. What will happen to my future state tax refunds?
- A. Any state tax refund you are due will be applied to the total amount you owe, but will not replace your monthly payment.
- Q. Where can I get help if I am having problems paying all my debts?
- A. Non-profit organizations, such as Consumer Credit Counseling Service, offer free or low-cost financial counseling for all kinds of debt problems.