

IRS Announces Online Payment Agreement Application

IR-2006-159, Oct. 16, 2006

WASHINGTON — Many individuals who owe delinquent federal income taxes will now be able to apply online for a payment agreement, the IRS announced today. The Online Payment Agreement (OPA) application, now available on IRS.gov, provides an easy way to voluntarily resolve tax liabilities.

"We think some people may feel more comfortable working out their payments on line rather than talking to a person, so we're making this option available," said IRS Commissioner Mark W. Everson.

Paying taxes on time and in full avoids unnecessary penalties and interest. However, taxpayers who cannot pay in full may request a payment agreement.

This new Web-based application allows eligible taxpayers or their authorized representatives to self-qualify, apply for, and receive immediate notification of approval.

Taxpayers must have filed all required tax returns in order to use the online application. They should also have the following information available:

- * Balance due notice from the IRS.
- * Social Security number or Individual Taxpayer Identification Number.
- * Personal identification number, which can be established online using the caller identification number from the balance due notice.

Three payment options are available when applying online:

- * Pay in full — Taxpayers who pay within 10 days save interest and penalties.
- * Short-term extension — Receive a short-term extension of up to 120 days. No fee is charged, but additional penalties and interest will accrue.
- * Monthly payment plan — A \$43 user fee will be added to the amount owed, and interest and penalty will continue to accrue on the unpaid balance.

To access the application, use the pull-down menu under "I need to..." on the front page of this Web site and select "Set Up a Payment Plan." The application is available Monday through Friday from 6 a.m. to 12:30 a.m., Saturday from 6 a.m. to 10 p.m. and Sunday from 4 p.m. to midnight (all are Eastern Time). The IRS Website is www.irs.gov