



Article Side

Income Tax Debt – IRS Help for Relief [by Jacob Smith](#)

Article published on December 23rd 2011 | [Finance](#)

IRS help can be available to those who are back on their tax payments and cannot help themselves. Check out how the IRS can help you with your income tax debt.

Owing money to the IRS is not uncommon and this can happen to anyone. Even the best of financial organizers often fail to take care of their taxes at times. You may blame it on rules or anything else but it does happen. However, the point of concern is that when you have income tax debt with the IRS, what your options for negotiation are. The IRS help will tell you that there are basically two main debt settlement options that may be available to the tax payer (in this case you). Although the truth is that there are quite a few options that may be available to you but on a broader case, you may like to look at two of the greatest options:

Installment agreement: When you owe income tax debt to the IRS and want some sort of a window out of this, you may like to appeal for an “Installment Agreement”™ which is basically an agreement between a taxpayer and the IRS that allows the taxpayer to pay monthly installments till the total due taxes are paid off. However, this agreement also takes into consideration the interest and the penalties that accrue on the account. You may get an online payment agreement form that you may fill out and submit online. In most cases, when you apply for an installment agreement, you normally get an instant approval notification. In few other instances, you may also be required to send in IRS documents that support the information that you have submitted. If you need IRS help, you have to comply with the rules of the body. Instead of filing an application online, you may also like to complete a form 9465 and have it mailed to the IRS.

In case you are a tax payer who owes \$25, 000 or more income tax debt, you must fill out a Collection Information Statement Form 433F and Request for Installment Agreement Form 9465 and mail them to the IRS for tax help. Once these forms are reviewed, you will receive a notification from the IRS stating whether or not the request has been granted.

Offer in Compromise: Another option that is open for someone who may have income tax debt is the “Offer in Compromise”™. This is also an agreement between the taxpayer and the IRS that allows the tax payer to pay less than what he owes on the income tax debt. When you need tax help you may like to consider the Offer in Compromise but the IRS tax department may not agree on this unless the offered amount is equal to or greater than the reasonable collection potential. This potential is again determined by the ability of the tax payer by compiling his assets like vehicles, bank accounts and any other property.

For an Offer in Compromise you will be required to submit either the Form 656, Offer in Compromise or the Form 656-L, Offer in Compromise (Doubt as to Liability). You must also remember that the IRS help to forgive a portion of your income tax debt can have additional problems too. The portion of money that the IRS forgives becomes taxable income and you will have to pay the taxes that may be levied on that portion of money.

Article Source:

<http://www.articleside.com/finance-articles/income-tax-debt-irs-help-for-relief.htm> - [Article Side](#)

[Jacob Smith](#) - About Author:

Jacob Smith is a contributing writer for New Life Tax Relief on income a [tax debt](#) and a senior debt analyst. He writes mostly on finance, a [tax payment plan](#), a [tax debt](#).

Article Keywords:

income tax debt, tax debt, tax payment plan

You can find more [free articles](#) on [Article Side](#). Sign up today and share your knowledge to the community! It is completely FREE!