

Understanding IRS Relief Options

Falling behind on tax payments or missing filing deadlines can happen to anyone. Life events such as job loss, medical emergencies, or financial hardship often lead to tax issues. Fortunately, the IRS offers several relief programs designed to help taxpayers regain compliance and reduce their burden. This guide outlines four common IRS relief options, comparing their advantages and limitations to help you make an informed decision.

IRS Installment Agreement (IA)



PROS

- Easier to qualify for than other options
- Stops collection actions once approved
- Allows you to pay over time, easing financial pressure

CONS

- Interest & penalties continue to accrue
- Future tax refunds may be offset
- Can be revoked if payments are missed

IRS Offer in Compromise (OIC)



PROS

- Can settle tax debt for less than you owe
- Gives you a fresh start, if approved
- Stops IRS collection actions during application process

CONS

- Difficult to qualify – strict requirements
- Long application process (up to 24 months)
- Requires full financial disclosure

Currently Not Collectible (CNC)



PROS

- Pauses all IRS collection actions
- No payments required while active
- Provides reprieve during financial hardship

CONS

- Interest & penalties still accrue
- IRS will likely place a tax lien on property
- Doesn't reduce or remove any tax debt

First-Time Penalty Abatement (FTA)



PROS

- Simple application process
- Doesn't require full financial disclosure
- Can remove failure-to-file & failure-to-pay penalties

CONS

- Only available once
- Must have a clean compliance history
- Does not reduce amount owed, only penalties

If you're struggling with back taxes, you're not alone. Help is available. **Contact Tax Defense Network today for a free consultation.** Our experienced team will review your situation and explain the options available to you. Let us help you get back on track with the IRS.

