



# IRS TAX RELIEF GUIDE

A COMPREHENSIVE REVIEW OF YOUR OPTIONS FOR  
RESOLVING TAX DEBT ISSUES



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*Disclaimer – This is a free guide that should be used for general information purposes only. It is not affiliated with or endorsed by the IRS. Nothing in this guide should be construed as legal advice. Before enrolling in any tax relief program, we strongly recommend seeking the advice of a tax resolution specialist. Visit [TaxDefenseNetwork.com](https://www.TaxDefenseNetwork.com) to schedule a free consultation or to learn more about your tax relief options.*



## Take Your First Step Toward Tax Debt Freedom

If you owe the IRS and are facing collection actions, such as wage garnishment or tax liens, it's important to explore and understand all of your options. A free tax relief consultation can help you determine what tax relief programs are available to you. In some cases, you may be able to significantly reduce or even eliminate your tax debt.

### About Your Free Tax Relief Consultation

There is no cost to receive our free tax relief consultation, and you are not obligated to purchase any suggested services. The consultation typically takes between 15 and 30 minutes to complete and will include the following:

- 1. Review of your current tax debt situation.** To get a better understanding of your specific tax debt situation, a Tax Defense Network tax resolution specialist will need to ask you some personal questions. This includes the amount of debt you owe, as well as any extenuating circumstances that may have caused you to fall behind. Although some of these questions may be uncomfortable to answer, it's important that we get a clear understanding of what caused your tax debt so we can give you an honest assessment and find the best possible solution.
- 2. Presentation of potential tax relief options.** Once the tax specialist has gathered all relevant information about your tax debt situation, they will put together a customized solution to resolve your issues. At this point, you will be transferred to one of our senior tax debt consultants who specializes in the tax relief services suggested for your specific situation. They will provide a step-by-step plan and timeline for resolving your tax debt, as well as discuss the fees associated with these services. They will also answer any questions you may have about the process. **Remember, you are not obligated to purchase any of the services suggested and may choose to decline our help.**
- 3. Moving forward with your resolution.** If you decide to move forward with our tax resolution services, you will need to sign a service agreement, as well as IRS Form 8821, Tax Information Authorization. This form allows Tax Defense Network to contact the IRS on your behalf, review your tax file, and determine whether a revenue officer has been assigned to your case. Once all information is verified, we'll get to work resolving your tax debt as quickly as possible.

# IRS Taxpayer Bill of Rights

Before you make any decision regarding your tax situation, be sure you understand your rights as a taxpayer. You can download a complete copy for your records by visiting [IRS.gov](https://www.irs.gov).

## 1. The Right to Be Informed

Taxpayers have the right to know what they need to do to comply with the tax laws. They are entitled to clear explanations of the laws and IRS procedures in all tax forms, instructions, publications, notices, and correspondence. They have the right to be informed of IRS decisions about their tax accounts and to receive clear explanations of the outcomes.

## 2. The Right to Quality Service

Taxpayers have the right to receive prompt, courteous, and professional assistance in their dealings with the IRS, to be spoken to in a way they can easily understand, to receive clear and easily understandable communications from the IRS, and to speak to a supervisor about inadequate service.

## 3. The Right to Pay No More than the Correct Amount of Tax

Taxpayers have the right to pay only the amount of tax legally due, including interest and penalties, and to have the IRS apply all tax payments properly.

## 4. The Right to Challenge the IRS's Position and Be Heard

Taxpayers have the right to raise objections and provide additional documentation in response to formal IRS actions or proposed actions, to expect that the IRS will consider their timely objections and documentation promptly and fairly, and to receive a response if the IRS does not agree with their position.

## 5. The Right to Appeal an IRS Decision in an Independent Forum

Taxpayers are entitled to a fair and impartial administrative appeal of most IRS decisions, including many penalties, and have the right to receive a written response regarding the Office of Appeals' decision. Taxpayers generally have the right to take their cases to court.

## 6. The Right to Finality

Taxpayers have the right to know the maximum amount of time they have to challenge the IRS's position as well as the maximum amount of time the IRS has to audit a particular tax year or collect a tax debt. Taxpayers have the right to know when the IRS has finished an audit.

## 7. The Right to Privacy

Taxpayers have the right to expect that any IRS inquiry, examination, or enforcement action will comply with the law and be no more intrusive than necessary, and will respect all due process rights, including search and seizure protections, and will provide, where applicable, a collection due process hearing.

## 8. The Right to Confidentiality

Taxpayers have the right to expect that any information they provide to the IRS will not be disclosed unless authorized by the taxpayer or by law. Taxpayers have the right to expect appropriate action will be taken against employees, return preparers, and others who wrongfully use or disclose taxpayer return information.

## 9. The Right to Retain Representation

Taxpayers have the right to retain an authorized representative of their choice to represent them in their dealings with the IRS. Taxpayers have the right to seek assistance from a Low Income Taxpayer Clinic if they cannot afford representation.

## 10. The Right to a Fair and Just Tax System

Taxpayers have the right to expect the tax system to consider facts and circumstances that might affect their underlying liabilities, ability to pay, or ability to provide information timely. Taxpayers have the right to receive assistance from the Taxpayer Advocate Service if they are experiencing financial difficulty or if the IRS has not resolved their tax issues properly and timely through its normal channels.

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# IRS Fresh Start Program

Introduced in 2011, the Fresh Start Program can help you pay your taxes over time and avoid the consequences of unpaid tax debt, such as tax penalties, liens, levies, and wage garnishment.

The Fresh Start Program is not a “program” per se, but an updated set of guidelines for pre-existing IRS programs that can help more individuals and businesses qualify for much-needed tax debt relief. The two most common repayment options under the Fresh Start Program are extended installment agreements and Offer in Compromise (OIC). The 72-month extended installment agreement does not require a financial statement and is not based on your ability to pay. With an OIC, you can potentially settle your tax debt for less than you owe.

Under the Fresh Start Program, the IRS Notice of Federal Tax Lien Filing threshold has also increased from \$5,000 to \$10,000.

**The Fresh Start Program makes it easier for taxpayers to pay off their tax debt.**

## Fresh Start Program Qualifications

Each tax relief program offered under the Fresh Start Program has its own set of qualifications. In general, however, you must meet the following minimum requirements to apply:

- ✚ If self-employed, you must provide proof that your income has been reduced by 25% or more over the past tax year.
- ✚ The amount of tax debt owed must not exceed \$50,000 by the end of the tax year.
- ✚ All tax returns (current and previous) must be filed.

If you have any unfiled tax returns, you may not apply for relief under the Fresh Start Program until those forms are submitted. Since there are various programs and different requirements, we strongly encourage working with a tax professional to determine which program may be best for your specific tax situation.

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# IRS Payment Plans

Taxpayers who are unable to pay their tax debt in full may be eligible for one of several payment plans, also known as installment agreements, offered by the IRS.

## Short-Term Payment Plans

Short-term payment plans are limited to individual taxpayers who owe \$100,000 or less and can pay their taxes in full in 180 days or less. There are zero setup fees, and you can make payments by check, money order, debit/credit card, or Direct Pay. Fees will apply when paying by credit card. Penalties and interest will continue to accrue until the balance is paid in full.



## Long-Term Payment Plans

Long-term payment plans are available to individuals and businesses with \$50,000 or less in tax debt. Payments are extended over 4 months or longer. Setup fees range between \$22 and \$178, depending on how you apply (online, phone, mail, or in-person) and the method of repayment.

Certain low-income applicants may be eligible for a fee waiver.

## Partial Payment Installment Agreement

If you are unable to pay your taxes through either a short-term or long-term payment plan, you may be eligible for a partial payment installment agreement (PPIA). A PPIA allows you to pay less than you owe, similar to an Offer in Compromise, but over a longer period.

Once you are approved for a payment plan, do not miss a payment or forget to file future tax returns. If you do, the IRS can revoke your agreement. An agreement may also be canceled if you provide false information or altered if your financial situation significantly changes.



## Offer in Compromise

An Offer in Compromise (OIC) is a settlement agreement between you and the IRS that allows you to settle your debt for far less than you owe. It's about as close as you can come to tax debt forgiveness. Although it may sound too good to be true, it is a legitimate tax relief option for those who qualify. Over the last few years, acceptance rates have increased thanks to recent tax relief initiatives, such as the Fresh Start Program.

When reviewing your OIC application, the IRS will look at your expected income for the next 12 to 24 months, assets, and expenses. It's important that the information you provide is accurate and honest. If the IRS believes the chances of recovering the full amount are slim, or that doing so would cause extreme financial hardship, it may accept your offer.

### Applying for an Offer in Compromise

To make an Offer in Compromise request, you must submit a \$205 application fee (non-refundable), Form 433-A (OIC) or Form 433-B (OIC), Form 656, and the initial payment (non-refundable). The initial payment will depend on the amount of your offer and the payment option you choose.

#### Lump Sum Cash Offer

Your initial payment will be 20% of the total amount you are proposing to pay the IRS. For example, if your OIC is for \$10,000, you would include \$2,000. The remaining \$8,000 will be paid in five payments or less, if accepted.

#### Periodic Payment Offer

Under this type of repayment, your initial payment will be equal to one of your monthly payments. You must also make the proposed monthly payments while the IRS considers your OIC request. Once approved, payments continue until paid in full.

Getting approval for an Offer in Compromise is never guaranteed, but the IRS must give properly submitted requests fair consideration.

## Tax Levies & Liens

Many people use tax lien and tax levy interchangeably, but there is a distinct difference between the two collection actions. A tax lien is a legal claim against your property in an attempt to secure payment of your back taxes. A tax levy, however, allows the IRS to seize your property to satisfy the debt. This may include your wages, state income tax refunds, retirement accounts, bank accounts, and other personal assets, such as cars and homes. A tax lien will come into play if you disregard your tax bill or refuse to pay it. When this happens, the IRS will file a public document, the Notice of Federal Tax Lien. This basically tells all other creditors that the IRS has secured a legal claim to your property.

**The most effective way to avoid a tax levy or lien is to pay the debt in full or set up a payment plan.**

### How to Stop an IRS Tax Levy

If you received a Notice of Intent to Levy from the IRS, do not ignore it. Even if you are unable to pay the balance owed in full, you still have options that can help you stop the IRS from taking your property.

- ✦ **Currently Not Collectible** – Are you experiencing financial hardship? You may be able to have your account placed in an uncollectible status, which would immediately stop all collection actions, including tax levies.
- ✦ **Payment Plans** – The most common way to avoid a tax levy is to set up a monthly payment plan with the IRS. This allows you to pay off your tax debt over time. As long as you continue to make your payments on time, your property will be protected.
- ✦ **Offer in Compromise** – Another option for stopping a tax levy is Offer in Compromise. If eligible, you may be able to settle your tax debt for less than you owe.

### Tax Lien Withdrawal

The easiest way to remove a tax lien is to pay your tax debt in full. If this is not possible, you may be able to request a lien withdrawal if you enter into a direct debit installment agreement. This is an option if your balance is below \$25,000 and will be paid off within 60 months or by the Collection Expiration Statute date, whichever is earlier. You must make at least three consecutive payments, and you cannot default on the agreement, or have defaulted on a previous direct debit agreement. You must also be in full filing compliance (no unfiled tax returns). Removing a tax lien is complicated, so we strongly encourage seeking the help of a licensed tax professional.

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# Wage Garnishment

Wage garnishment, also known as wage levy, is one of the most aggressive collection actions the IRS can use to satisfy your unpaid tax debt. Your paycheck, bonuses, and commissions are all at risk. Unlike other creditors, however, the IRS does not need a court order to garnish your wages.



## Notification of IRS Wage Garnishment

You will not receive notification of an IRS wage garnishment until it happens. This is because the IRS sends the wage garnishment notice to your employer. Your employer will give you a form (Statement of Dependents and Filing Status) to complete and return within three days. If you don't return the form in time, your exempt amount is figured as if you are married filing separately with no dependents.



## Wage Garnishment Amount

The IRS is only required to leave you with a minimum amount of income, which is based on your filing status and number of dependents. If you have more than one employer, the IRS may allocate the exemptions to one income source and levy 100% of the income from the other employer. Regardless of how much is garnished from your paycheck, you will still be responsible for paying income taxes on the full amount earned.

## How to Stop Wage Garnishment

IRS wage garnishment is a serious matter. It can leave you with little income to live on, as well as potentially jeopardize your employment opportunities. There are, however, a few ways you can stop the IRS from taking your paycheck.

- ✦ **Pay the tax debt in full.** Once your back taxes are paid in full, the wage garnishment will end.
- ✦ **Enter into an installment agreement.** The monthly payment should be less than the amount taken through garnishment.
- ✦ **Submit an Offer in Compromise.** This may allow you to settle your tax debt for less than you currently owe.
- ✦ **Claim financial hardship.** If you can't pay anything at this time, the IRS may place your account in a "currently not collectible" status.

Don't wait for the IRS to garnish your wages. Speak with a tax professional and take action before it's too late.



## Penalty Abatement

Tax debt can be an unwelcome and overwhelming financial strain, often leading to sleepless nights and worries about what the IRS will do next. One option to mitigate the financial strain is to request penalty abatement.

### What is Penalty Abatement?

Under certain circumstances, the IRS may reduce or remove interest and penalties from your account. This is known as penalty abatement. There are three reasons why your interest or penalties might be waived:

1. The IRS made a mistake
2. Reasonable cause
3. You qualify for First-Time Abatement

**For reasonable cause, you may be able to have late payment, late filing, and/or accuracy-related penalties reduced or removed.** To do so, you must provide evidence that something beyond your control caused resulted in your non-compliance. For example, serious illness, death of a spouse, or job loss. If the IRS made a mistake, all penalties and interest as a result of the error will be removed.

**The First-Time Abatement (FTA) program is available to taxpayers who have been compliant for at least the last three years.** A one-time abatement of late filing or late payment fees may be granted. Accuracy-related penalty fees are not eligible under FTA.

A request for penalty abatement can be made in writing, verbally, or by submitting Form 843, Claim for Refund and Request for Abatement.

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# Innocent Spouse Relief

Innocent spouse relief allows one of two taxpayers responsible for an IRS tax debt to be absolved of all, or part of, the tax debt that occurred for a tax year a joint return was filed. This includes taxes, penalties, and interest.

Under certain circumstances, the IRS will essentially erase the debt. You must prove that your spouse, or former spouse, failed to report or underreported income without your knowledge, or they fraudulently claimed deductions or credits. If you are still married to your spouse, it can be difficult to prove that you did not know of the wrongdoing, especially if you signed the return. In many innocent spouse relief cases, however, the parties are no longer together.

## Types of Innocent Spouse Relief

There are essentially three types of innocent spouse relief available, including:

**1 Separation of Liability Relief**  
The IRS basically splits the tax liability between you and your spouse. You will only be responsible for the portion allocated to you.

**2 Injured Spouse Relief**  
If your refund is taken to satisfy your spouse's debt (typically child support), you may be able to get your money back through an injured spouse claim.

**3 Equitable Relief**  
This is typically requested when you are ineligible for the other types of spousal relief. The IRS must agree that it would be unfair to hold you liable for your spouse's tax debt.

Innocent spouse relief is reviewed and approved on a case-by-case basis. The IRS considers many factors, such as your relationship with your spouse, any mental disabilities you may have, and your level of involvement in the household financials. You can apply for innocent spouse relief by filing Form 8857. Do not embellish or falsify any information on your application, as this could result in penalties for perjury.

At Tax Defense Network, our qualified tax professionals can file an IRS innocent spouse relief request on your behalf, ensuring all information is accurate and no important details are left out.

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## IRS Tax Negotiation

Millions of Americans struggle with tax debt. If you find yourself in over your head, don't panic. It is possible to negotiate with the IRS, but we strongly recommend working with a tax resolution specialist who can help you choose the best tax relief options and help you navigate the system. If you choose to go it alone, however, there are some things you can do that may help you reach a more favorable outcome.

### IRS Negotiation Tips

When you contact the IRS to discuss your case, keep in mind that many of their customer service representatives are stretched pretty thin. Many are juggling large caseloads and are doing the best that they can to help. Always be courteous and kind. If you speak to them in a respectful manner, you will likely have a better experience. Here are a few other tips to consider, as well:

- ✦ **Be honest.** IRS representatives are skilled at detecting lies, so don't make a bad situation worse by lying to them.
- ✦ **Don't overpromise.** Before you agree to any amount, be sure that it won't cause undue financial hardship.
- ✦ **Don't overshare.** If you disclose too much, you could find yourself in even more trouble with the IRS. Speak with a tax professional to ensure you know your rights.
- ✦ **Be proactive!** If you know you won't be able to file or pay on time, don't wait for the IRS to come after you. Contact them to discuss your options.

**When negotiating with the IRS, it's best to work with an experienced tax relief professional.**

Depending on your specific situation, you may be able to get the IRS to reduce or remove penalties and interest. You may also be able to settle your tax debt for less than you owe through an Offer in Compromise. In most cases, you'll also have the opportunity to spread your tax payments over several months through an installment agreement. In extreme cases of hardship, the IRS may deem you as "currently not collectible" and require no payment at all.



## IRS Appeals

The IRS appeals process typically begins when you receive a letter from the IRS explaining your right to appeal their decision on your tax debt. This letter will include the address where you should file your written protest. It will also include a timeframe for submitting your appeal request. Typically, you have 30 days to reply. Do not send the request directly to the Office of Appeals, as this will only delay your case.

Once received, the IRS examination or collection office that handled your case will review your protest and attempt to resolve the disputed tax issue(s). If unsuccessful, your protest will be forwarded to the Office of Appeals for consideration. Although this may seem pretty straightforward, there are specific processes and procedures you must follow, depending on the nature of your tax dispute. If you omit required information in your written protest or fail to follow the correct guidelines, your request for appeal could be denied.

To ensure your IRS appeal is handled correctly, we recommend working with a seasoned tax professional who can guide you through the process and make sure you do not miss any important deadlines.

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## Other Resources

### IRS Phone Numbers

If you need to contact the IRS by phone, please be advised that wait times can be extremely long during the peak tax filing season.

**Individuals**  
800-829-1040

**Businesses**  
800-829-4933

**Hearing Impaired**  
800-829-4059

### Request an IRS Transcript

To request a copy of your tax transcript online or by mail, please visit

<https://www.irs.gov/individuals/get-transcript>.

### IRS Letter & Notice Search

Did you receive a letter or notice from the IRS? Learn about your next steps here:

<https://www.irs.gov/individuals/understanding-your-irs-notice-or-letter>.

### Taxpayer Advocate Service

The Taxpayer Advocate Service (TAS) is an independent organization within the IRS that helps ensure taxpayers are treated fairly and that they understand their rights. TAS also offers free assistance to low-income taxpayers. To learn more, please visit

<https://www.taxpayeradvocate.irs.gov/>.

### Request a Free Tax Consultation

To schedule a free tax consultation, please visit [TaxDefenseNetwork.com](https://www.taxdefensenetwork.com) or call 855-518-1599.

