

# Options when you cannot pay your taxes

If you do not have the funds to pay the taxes you owe, we highly recommend you file your tax returns, pay what you can and then work out a payment plan. Failure to file penalties are steep.

## **Federal –**

**Credit card payments** You can pay your bill with a credit card. The interest rate on a credit card 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: Link2Gov at 888-PAY-1040 (or [www.pay1040.com](http://www.pay1040.com)), RBS WorldPay, Inc. at 888-9PAY-TAX (or [www.payUSAtax.com](http://www.payUSAtax.com)), or Official Payments Corporation at 888-UPAY-TAX (or [www.officialpayments.com/fed](http://www.officialpayments.com/fed)).

**IRS Payment Plans.** Interest and penalties will accrue, but you won't have to worry about the IRS garnishing your wages, depleting your savings account, or coming after your home (provided that you stick to the terms of the agreement). <https://www.irs.gov/payments/online-payment-agreement-application>

- A **payment plan, short term** (less than 120 days to pay). No fee for this option.
- An **installment agreement** (payment plan providing longer than 120 days). The fees for this plan vary from \$31 -149.

Another option is to request an **offer in compromise** where you ask the IRS to accept a lower payoff than what your tax debt amounts to. But the agency doesn't agree to these arrangements easily. You will need to prove that your existing debt is truly unpayable for you, or that repaying it in full will constitute an extreme hardship, and that's not easy to do. The application fee is very involved and **the fee is \$205 non-refundable**, meaning, if your application is denied, you are out \$205 AND still owe the total tax. <https://www.irs.gov/payments/offer-in-compromise>

Request a **temporarily delay collection** until your financial situation improves. The IRS may report your account currently not collectible and temporarily delay collection until your financial condition improves. Being currently not collectible does not mean the debt goes away, it means the IRS has determined you cannot afford to pay the debt at this time. Prior to approving your request to delay collection, we may ask you to complete a Collection Information Statement and provide proof of your financial status (this may include information about your assets and your monthly income and expenses). You should know that if we do delay collecting from you, your debt will increase because penalties and interest are charged until you pay the full amount. We may also [file a Notice of Federal Tax Lien](#) to protect the government's interest in your assets. [Call 800-829-1040](tel:800-829-1040).

## **Delaware –**

**Credit card payments** You can pay your bill with a credit card. The interest rate on a credit card may be lower than the combination of interest and penalties imposed by the Delaware Division of Revenue.

## Maryland –

**Credit card payments** Individuals can pay their Maryland taxes with a credit card. This service applies to taxes owed for the current year or any back year (if you have a bill). If you file your return electronically by April 15, you have until April 30 to make the credit card payment. You can make your individual tax payment online or by telephone through one of the providers listed below. You are responsible for paying the 2.49% convenience fee.

[NICUSA, Inc.](https://egov.maryland.gov/com/TaxPayment/TaxpayerPayment/FilingInfo) – <https://egov.maryland.gov/com/TaxPayment/TaxpayerPayment/FilingInfo>

Official Payments – 1-800-272-9829, use jurisdiction code 3000

**Payment Plans** - a Personal Income Tax Balance Due Notice will be sent to you. If you are unable to pay the notice in full at that time, you may indicate your preferred payment term on the notice and mail it back using the enclosed envelope. If the requested term is not listed, or if you need additional assistance, please contact the Collection Section by phone at 410-974-2432 or 1-888-674-0016 or by email at [cdcollectionind@marylandtaxes.gov](mailto:cdcollectionind@marylandtaxes.gov). If you are emailing, please include your name, address, the last four digits of your Social Security Number, case number or notice number and your phone number in your message. This will help MD generate a quick response to your inquiry.

## Pennsylvania –

**Credit card payments** You can now make credit or debit card payments directly on [myPATH](#). You can also pay by phone by calling, toll-free, 1-800-2PAYTAX (1-800-272-9829). Note that ACI Payments, Inc charges a 2.49 percent convenience fee (\$1 minimum charge) per credit card transaction, and debit card convenience fees start at \$3.95 per transaction.

**Deferred Payment Plans** - If you file your return on time (usually April 15) and are unable to make full payment of the taxes due, call the Department of Revenue (DOR) Collection Unit, 717-783-3000 to set up a payment plan. The department will bill you for the remainder of any tax, penalties and interest due. Generally, the DOR will ask the taxpayer for a 20% upfront payment with the remaining balance paid over five months. If the taxpayer is unable to meet these terms financially, then additional financial information must be provided.

## Virginia –

**Credit card payments** You can pay your bill with a credit card. The interest rate on a credit card may be lower than the combination of interest and penalties imposed by the Virginia Tax. A convenience fee will be charged by Paymentus.

**Automated Payment Plan** – If you owe less than \$25,000, you can only set up an automated payment plan after you've received a bill from VA. <https://www.tax.virginia.gov/paymentplan>

If you're not eligible to set up an automated payment plan, you may still be able to set up a payment plan with one of our representatives by calling [804.367.8045](tel:804.367.8045)