

Well, my busy season has come to an end. I have actually been able to find my desk, clean up some odds and ends and reconnect with the family. What happens next? If you haven't filed or if you filed your extensions and you owe, it's still stressful.

Well, you have several choices in paying your tax due. If your tax due is less than \$25,000, then you may do an Online Payment Agreement. You can do this through www.IRS.Gov. You need to fill in your personal information, and then work out the agreement. You may do this even before you get a bill in the mail.

You can fill out form 9465- Request for Installment agreement. In both of the cases, you will need to list all of your assets, bills and bank information. The IRS will work with you, but they also have guidelines and will tell you what they think you can afford. If you can't afford what they are telling you to monthly, then you may have a chance to settle on the amount.

If you do this, understand that the penalties and interest keep growing. The IRS debt is worse than Guido. Pay as much as you can. Your \$1,000 bill will quickly grow into several of thousands.

Offer in Compromise. Don't get your hopes up on this. They are hard to come by, and the hoops you need to jump through are incredible. Not everyone settles for pennies on the dollar.

I tell my clients to pay as much as possible in the first check, wait for the bill, repeat and then work up the agreement. There is a fee for the installment agreement. Funny, huh? Can't afford to pay your taxes, and now you have to pay a fee to find out if you can make it easier to pay even more???

Finally, figure out why you owe. Change your withholdings on your W-4. There is a calculator to do this at IRS.Gov as well. Pay your estimated payments. If you have some circumstances that were a once in a lifetime event: Social Security lump sum, Lump sum of a distribution from an IRA or 401(k), you may not need to do this. One thing to remember- anytime you have a life change, your taxes will change. Double check with your tax pro to see what you can do to minimize the tax impact.

Don't forget, I am here all year, and able to help you or answer your questions. Contact me at kristhetaxlady@gmail.com