



Tax Reduction Letter

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Internal Revenue Manual 21.3.12.4.3 (10-01-2015)

Taxpayer Can Full Pay Within 60 to 120 Days - IMF, BMF Out-of-Business or BMF In-Business Non-Trust Fund Accounts

1. **IMPORTANT** – Taxpayers who are in-business with an open trust fund tax filing requirement **are not eligible** for a 60 to 120 day full pay agreement for past due trust fund taxes. In these cases, follow procedures in *IRM 21.3.12.4.7 In-Business Trust Fund (IRTF) Express Agreement Criteria*. The procedures apply if the aggregate assessed balance due is $\equiv \equiv \equiv \equiv \equiv \equiv \equiv \equiv$, transfer the call to ACS:
 - W&I - #92080
 - SB/SE - #92085
3. Such agreements may be granted on assessed or un-assessed balances. If the balance has not yet been assessed see Exhibit 5.19.1-10, *IDRS Input of Pre-assessed IAs and Full Pay Agreements*. Refer to instructions in *IRM 21.3.12.4.1, Can Full Pay Balance Due Now (Payoff within 1 to 10 days) IMF and BMF*.

Reminder:

A 60–120 Full Pay Agreement can be set up for returns not yet posted, using CC IAGRE, which will default to CC IAPND. The taxpayer does not need to wait and call back when they receive the bill. These agreements can also be established using the Online Payment Agreement (OPA) application. Refer to *IRM 21.2.1.60, Online Payment Agreement (OPA)*, for additional information.

4. These procedures also include taxpayers who claim they are filing a refund return or an amended return that will full pay their balance due.
5. The taxpayer can request more than one full pay agreement provided the total time does not exceed maximum 120 days.
6. If the taxpayer has an open TDI, s/he may still qualify for the Full Pay within 60 or 120 day agreement. However, the agreement cannot be input using CC IAGRE. Advise the caller a hold will be placed on the account for 9 weeks and establish a firm date for filing the missing returns. Once the return is filed, they may call back for the additional 30–60 days if necessary. Input STAUP for 9 cycles and notate AMS with date the Full Pay Agreement began. Update AMS with the date for filing the missing return along with the full pay information. Input CC STAUP following the guidelines in *IRM 21.3.12.4.2, Taxpayer Can Full Pay Within 11 to 59 Days*, and send a Letter 681C.
7. If the account indicates a suspended installment agreement in status 61, 63 or 64, deny the request and inform them a full pay agreement does not extend their time for collection appeal rights. Remind the taxpayer of their right to appeal IRS collection actions as outlined in Pub 1660, *Collection Appeals Rights*, Refer to *IRM 21.3.12.6.7.3.1, Collection Appeals Program (CAP)*, if appropriate. Follow procedures in *IRM 21.3.12.5.7, Taxpayer Requesting Reinstatement of Defaulted Installment Agreement*.
8. If the taxpayer qualifies for a 60 to 120 days full pay agreement:

Note:

If the taxpayer's contact pertains to accounts that include restricted interest and/or penalties, see *IRM 21.3.12.6.11, Other Situations Requiring Special Handling*, for referral procedures.

- A. Compute the payment amount for input on CC IAGRE using CC INTST, to the expected payoff date.
- B. Input agreement using CC IAGRE. See *IRM 5.19.1-6, IDRS Input of Full Pay Agreements, 120 Days or Less, CC IAORG for AM/ACS/ACSS/CSCO/FA*, for instructions on inputting the 120 day agreement. Use the IDRS TIF Processing Cycle Chart to determine the correct payment posting cycle.
- C. Send the taxpayer a Letter 681C per *IRM 21.3.12.4.10, Balance Due Outgoing Correspondence*.
- D. Advise taxpayer of electronic payment options per *IRM 21.3.12.4, Electronic Payment Options for Individuals and Business e-file Users*. If applicable, advise the taxpayer, verbally or by

correspondence, to make the check or money order made payable to "United States Treasury." For the check annotation information see *IRM 21.3.12.4.1(7), Can Full Pay Balance Due Now (Payoff within 1 to 10 days)*.

- E. If verbally providing the mailing address. See http://serp.enterprise.irs.gov/databases/who-where.dr/where_to_file.htm for the correct mailing address.

Note:

If sending Letter 681C, the mailing address and check annotation information is contained in the letter. It is not necessary to verbally provide the detailed information listed above.

- 9. If there are any accounts with balances showing on IMFOLI but there is no TXMOD available, the accounts are either in status 53, TC 530 present, or 23. Input the CC IAGRE prior to using CC MFREQ to create the accounts on IDRS. If there are other balances on the account the IA will have to be input as an un-assessed module. This will allow the MFREQ'd accounts to be added into the agreement after the accounts return to IDRS. See *IRM 21.3.12.5.5, Adding a New Module to an Existing or Defaulted Agreement*, for information on the input an unassessed module. If the only modules involved in the agreement are in status 23 or 53, and they are not current on IDRS, you must reverse the TC 530 or CC MFREQ the status 23 accounts. Create an in-house Form 4442 referral to have the full pay agreement input once the accounts return to IDRS.