



Balance Due Information

If you should owe additional taxes with your Federal or State tax return there are a variety of options available to you. One of the most important things to remember is you must file your tax returns before the due date of the return (normally April 15th) even if you cannot pay the balance owed.

The IRS and Colorado State Department of Revenue provide three primary options for customers with a balance due on their tax return:

1.) Partial Payment or Payment In Full

Your payment should be made by April 15th, 2010. You have three options to choose from

- **Check or Money Order**
 - If you have E-Filed your return, you should enclose your check or money order in an envelope with the voucher provided by the Tax Site.
 - If you will be mailing your tax return in on paper, you should include your check or money order with the tax return.
 - To pay by check or money order. Make your check or money order payable to the **“United States Treasury”** for the full or partial amount you can pay. Write **“2009 Form 1040”, your social security number and daytime phone number on the memo line of the document.** You must also include your name and address if that information is not shown on the check or money order.
 - Although the Form 1040-V is not required, submitting your check or money order with the Form 1040-V allows the IRS to process the payment more accurately and efficiently.
- **Electronic Debit**
 - Your Tax Preparer can include your bank account information on your tax return and instruct the IRS to withdraw the balance due directly from your bank account. *Caution: It may take several months for the debit from your account to occur. Be sure to keep enough money in your account to cover your balance due or you will be charged an “Insufficient Funds” fee from both the IRS and your bank.*
- **Payment by Credit Card**
 - There are two services which provide you with the ability to pay your balance due by credit card. *There is a fee to use this service.*
 - Link2Gov Corporation – 1-888-729-1040
 - Official Tax Payments Corporation – 1-800-272-9829

2.) Installment Agreement

The IRS will help you establish an Installment Agreement to pay your taxes in set monthly payments. *There is a fee of \$105.00 for this service. This fee is collected from your monthly payments before any amounts are applied to your balance due. You will be charged a late payment penalty and interest until the balance due is paid in full.*

- To request an installment agreement you should complete the Form 9465, attached, and submit it with your return.
- You can also request a waiver of the \$105.00 fee if you meet the income guidelines set forth on the attached Form 13844.
 - The Form 13844 is mailed separately to the Internal Revenue Service, PO Box 219236, Stop 5050, Kansas City, MO 64121-9236.
- You may also request the IRS to do a Direct Debit Installment Agreement (DDIA) which would take your payments directly from your bank account on a specified day every month. Or, a Payroll Direct Debit Installment Agreement (PDIA) which would authorize the IRS to make a payment on your balance due directly from your employer's paycheck each time you are paid. *There are fees for these services.*
- **You can call the IRS at 1-800-829-1040 with any questions or concerns.**

3.) Voluntary Payments

At any time you can make voluntary payments toward any balances you may have owing from your tax return(s). As it takes the IRS several months to process your tax return and begin sending you notices regarding any balance due accounts, penalties and interest continue to be applied to your balance due, any payments received will reduce the amount you owe. Voluntary payments can be made by check or money order made payable to **"United States Treasury"** for the full or partial amount you can pay. Write **"2009 Form 1040", your social security number and daytime phone number on the memo line of the document.** You must also include your name and address if that information is not shown on the check or money order.

If you have a balance due for more than one year, you will need to complete a Form 433-D and submit it to the IRS.

The State of Colorado allows you to establish a payment agreement once your billing information is setup on their computer system. *This applies only to any balances due to the State of Colorado and is separate from any payment arrangements made with the IRS.* You will need to file your State tax return by April 15th and pay as much as you can on the balance due. Bills for the amount due will start being sent to you in July. Once you get your first bill, you can use one of three methods for setting up an installment agreement.

- Use the Income Tax Account information service (www.taxcolorado.com)
- Use the IVR (Interactive Voice Response) system at (303) 238-FAST (3278)
- Contact the Tax Auditing and Compliance Division (303) 205-8291