

Balance Due Returns (amount owed on return)

Form 1040, 1040A, or 1040EZ Instructions for additional information

General Information

- Taxpayers do not have to pay if balance due is less than \$1.
- Payment in full is due by the April filing due date, to avoid interest and penalties.
- Taxpayer should file his or her return by the April filing due date, to avoid a failure-to-file penalty.
- There are separate penalties for filing late and paying late. The late filing penalty is higher.
- Advise taxpayers to file the return on time, even if they cannot pay the full amount owed. They should pay as much as they can with the return to reduce penalties and interest.

Payment Methods

1. Electronic Funds Withdrawal

E-filing allows taxpayers to file their return early and schedule their payment for withdrawal from their **checking** or **savings** account on a future date up to the **April filing due date**. See Form ACH 1040/ES Direct Debit for Balance Due or Estimated Tax Payment later.

2. IRS Direct Pay

IRS direct pay at irs.gov is a free one-time payment from your checking account to the IRS. Use this secure service to pay your tax bill or make an estimated tax payment directly from your checking or savings account at no cost to you. You'll receive instant confirmation that your payment has been submitted. Just follow the easy steps below. Bank account information is not retained in IRS systems after payments are made.

It takes just 5 easy steps to make a payment:

Step 1 Provide your tax information	Step 2 Verify your identity	Step 3 Enter Your payment information	Step 4 Review and electronically sign the transaction	Step 5 Print or record your online confirmation number	PAY NOW
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3. Check or money order payments

- Do not attach the payment to the return.
- Refer to instructions on Form 1040V, Payment Voucher.
- Submit the payment with a properly completed Form 1040V.
- No cash payments

4. Credit card payments

- American Express, Discover, Mastercard, or Visa cards are accepted.
- A convenience fee will be charged by the service providers:
- Visit IRS.gov/E-pay or call service provider for details.

Official Payments Corporation 1-888-UPAY-TAX™ (1-888-872-9829) 1-877-754-4413 (Customer Service) www.officialpayments.com/fed	Link2Gov Corporation 1-888-PAY-1040™ (1-888-729-1040) 1-888-658-5465 (Customer Service) www.PAY1040.com	RBS WorldPay, Inc. 1-888-9-PAY-TAX™ (1-888-972-9829) 1-877-517-4881 (Customer Service) www.payUSAtax.com
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Balance Due Returns (amount owed on return) (cont.)

5. EFTPS (Electronic Federal Tax Payment System)

Taxpayers can use EFTPS to pay their federal taxes, but they must **enroll** first. EFTPS is a fast, easy, convenient and secure service provided free by the Department of Treasury. For more information or to enroll visit [IRS.gov/E-pay](https://www.irs.gov/E-pay) or call EFTPS Customer Service at 1-800-316-6541 (for individual payments). TTY/TDD help is available by calling 1-800-733-4829.

Note: You must have a valid Social Security Number (SSN) to use this application. This application cannot accommodate Individual Taxpayer Identification Numbers (ITINs).

What if the taxpayer cannot pay?

- **Can you pay in full within 120 days?** If taxpayers can pay the full amount they owe within 120 days, go to [irs.gov](https://www.irs.gov) to establish your request to pay in full. By doing this, taxpayers can avoid paying the fee to set up an installment agreement.
- **Applying online for a payment agreement.** If the taxpayer's balance due is not more than \$50,000, the taxpayer can apply online for a payment agreement instead of filing Form 9465. To do that, go to [IRS.gov](https://www.irs.gov) and enter "Online Payment Agreement" or "OPA" in the "Search" box.
- The taxpayer can request an extension of time to pay if paying the tax by the due date will be an undue hardship. For details see Form 1127 (out of scope).

Offer in Compromise

If the taxpayer cannot pay through an installment agreement and/or by liquidating assets, they may be eligible for an Offer in Compromise (offer). An offer is an agreement between the taxpayer and the IRS that settles a tax debt for less than the full amount owed. The IRS may accept an offer if:

- The IRS agrees that the tax debt may not be accurate,
- The taxpayer has insufficient assets and income to pay the amount due in full, or
- The taxpayer has exceptional circumstances and paying the amount due would cause an economic hardship or would be unjust.

The taxpayer can use the Offer in Compromise Pre-Qualifier tool located at [irs.gov](https://www.irs.gov) (key word "offer") to determine if an offer is a realistic option to resolve their balance due. The questionnaire format assists in gathering the information needed and provides instant feedback as to eligibility. To apply for an offer, the taxpayer must read and complete the forms located in the Offer in Compromise booklet, Form 656-B. The Form 656-B, Offer in Compromise, may be found at www.irs.gov (key word "offer").

How can a taxpayer avoid a balance due in the future?

TIP: The more withholding allowances claimed, the less taxes withheld.

- If the taxpayer did not have enough withheld from his/her paycheck or pension income and there is amount owed on the current return:
 - Advise the taxpayer to access the Withholding Calculator at IRS.gov.
 - On the **Form W-4/Form W-4P**, the taxpayer can reduce the number of allowances or request an additional amount to be withheld.
 - Advise the taxpayer to submit a revised **Form W-4** to the employer. For pension income taxpayers should submit a revised **Form W-4P** to the pension payer. **Form W-4V** is used to request withholding from Social Security or certain other federal government payments.
- If the taxpayer had income that was not subject to withholding (such as self-employment, interest income, dividend income, or capital gain income):
 - Explain estimated taxes to the taxpayer. In TaxWise®, add Form 1040-ES, Estimated Tax for Individuals, and complete it. Discuss with taxpayer(s) whether to use the minimum required amount or the total amount expected to be due.
- Advise the taxpayer to review Publication 505, Tax Withholding and Estimated Tax.

Forms or Publications can be obtained from irs.gov.

- If the taxpayer is receiving advanced premium tax credits, they should notify the Marketplace when they have any significant change to income, family size or a life event..

Note: This information only applies to federal balance due returns. For state information, consult the applicable state.

Form ACH 1040/ES

Direct Debit for Balance Due or Estimated Tax Payment

US Direct Debit for Balance Due or Estimated Tax Payment	
Name: <input style="width: 80%;" type="text"/>	SSN: <input style="width: 20%;" type="text"/>
This worksheet is for electronic funds transfer (direct debit) of 2014 income tax balance due: <input type="checkbox"/> OR 2015 estimated tax payment: <input type="checkbox"/>	
If you want direct debit for both the balance due on this year's income tax return and one 2015 estimated tax payment or you want direct debit for more than one 2015 estimated tax payment, you must make a separate worksheet for each. Shift F10 will duplicate this worksheet.	
For The Balance Due On Your 2014 Tax Return	
Amount of tax due: <input style="width: 50%;" type="text"/>	Amount you want debited: <input style="width: 50%;" type="text"/>
Routing number: <input style="width: 20%;" type="text"/>	Checking <input type="checkbox"/> Savings <input type="checkbox"/>
Account number: <input style="width: 20%;" type="text"/>	
For accuracy, rekey the routing number and account number on the Main Information Sheet.	
Requested payment date: <input style="width: 50%;" type="text"/>	
If the return is transmitted on or before April 15, the requested payment date cannot be later than April 15. If the return is transmitted after April 15, the requested payment date must be today's date. Penalties may be added if the return is filed after April 15, 2015.	
This is today's date: <input style="width: 50%;" type="text"/>	
For 2015 Estimated Tax Payment ←	
If you filled in amounts above to pay your balance due, do NOT fill in any information below. Shift F10 for a new worksheet and fill in the bottom part of that worksheet.	
Amount you want debited for this 2015 estimated tax payment: <input style="width: 50%;" type="text"/>	
Routing number: <input style="width: 20%;" type="text"/>	Checking: <input type="checkbox"/> Savings: <input type="checkbox"/>
Account number: <input style="width: 20%;" type="text"/>	
Account information above is not verified by Taxwise.	
Requested payment date: <input style="width: 50%;" type="text"/>	
For a first quarter payment, use 04/15/2015. For a second quarter payment, use 06/15/2015. For a third quarter payment, use 09/15/2015. For a fourth quarter payment, use 01/15/2016.	
Daytime telephone number: <input style="width: 20%;" type="text"/>	Required!

Hint: If the taxpayer made estimated payments during the year, link to the estimated tax payments worksheet (F/S Tax Pd) from Line 63 of the Form 1040 and record the date and amount of each payment.

Estimated Tax Payments for next year

Note: *Need one Form ACH for each payment.*

When the IRS due date for doing any act for filing a return, paying taxes, etc - falls on a Saturday, Sunday, or legal holiday, the due date is delayed until the next business day.

Complete Form ACH 1040/ES, Direct Debit for Balance Due or Estimated Tax Payment.

- Click 2015 income tax balance due
- Re-enter bank account information
- Enter Requested Payment Date

Estimated Tax Payments:

- When *e-filing* a Form 1040 series return, up to four estimated payments can be scheduled for withdrawal on the following dates:
 - April 15
 - June 15
 - September 15
 - January 15, of the following year*

* You do not have to make the payment due January 15, if you file your current tax return by February 16, and pay the entire balance due with your return.