

When you Owe...



Why Do You Owe?

Some common reasons people owe during tax time include the following:

- **Your W-4 is inaccurate:** See W-4 instructions for help. You can turn in a new W-4 form to your employer anytime.
- **You're a business owner or contract employee:** Business owners and contract employees do not have taxes withheld throughout the year like regular W-2 employees. These workers are also required to pay extra business taxes. If you don't plan ahead, it can be a surprise at tax time. You can make quarterly estimated tax payments throughout the year through the IRS.
- **Marketplace Health Insurance:** Keep Marketplace updated anytime your household income changes. If you are making more than expected, they may cover more of your premium tax on your insurance, but they'll charge you back during tax time. Call 1-800-318-2596 to update your income.

What If I Can't Pay?

- **Still file before the deadline.** If you don't file on time and owe, you will receive an additional late filing penalty. Filing an extension does NOT give you more time to pay.
- **You can apply for a payment plan** online at irs.gov/payments.
- **Don't put your tax bill on a high-interest credit card.** The IRS charges a far lower interest rate, which means you can spend more of your money paying off the balance, not just keeping up with interest.
- **Don't take money from your retirement accounts to pay a tax bill.** You may owe a penalty, in addition to income taxes, on the amount you withdraw. When you pay the penalty and income tax, you won't have as much left to pay your previous tax bill as you thought. Besides, retirement accounts are for retirement!
- **Consider an Offer in Compromise.** An Offer in Compromise lets you settle your tax debt for less than the full amount that you owe. An OIC may be an option if you can't pay your tax in full. It may also apply if full payment will cause a financial

hardship. You can use the OIC Pre-Qualifier tool to see if you qualify. It will also tell you what a reasonable offer might be.

- **Contact Your Local Taxpayer Advocate.** 1-803-898-5444 The Taxpayer Advocate Service is an independent organization within the IRS and is your voice at the IRS. Our job is to ensure that every taxpayer is treated fairly, and that you know and understand [your rights as a taxpayer](#). We offer free help to guide you through the often-confusing process of resolving tax problems that you haven't been able to solve on your own. Remember, the worst thing you can do is nothing at all.

TAS can help if you can't resolve your problem with the IRS and:

- Your problem is causing financial difficulties for you, your family, or your business.
- You face (or your business is facing) an immediate threat of adverse action.
- You've tried repeatedly to contact the IRS but no one has responded to you, or the IRS hasn't responded by the date promised.

Each state has at least one Local Taxpayer Advocate who is independent of the local IRS office and reports directly to the National Taxpayer Advocate.

- **Finally, if you owe the IRS money, don't panic!** The IRS can be a fairly reasonable creditor if you play by the rules, stay in touch, and are scrupulously honest.

Ways to Pay

- **Pay online securely—irs.gov/payments:** You don't need an account. You can pay online through your bank account for free. You can also pay with a debit card, credit card, or digital wallet. Processing fees apply.
- **Pay through your ID.me account:** If you have an IRS account, you can view your bill online and make payments.
- **Mail check or money order – Never Send Cash!!** Your printed return will include a payment voucher with information on how and where to send your payment. Make it payable to "United States Treasury." Include your name, address, social security number, phone number, and the tax year.

