



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

May 21, 2025

Control Number: SBSE-05-0525-0030
Expiration Date: May 21, 2027
Affected IRM: 5.14.1

MEMORANDUM FOR DIRECTOR, FIELD COLLECTION

FROM: Thomas Kramer Thomas D. Kramer
Director, Collection Policy

SUBJECT: Interim Guidance for Field Collection on New Criteria for Processing Pending Installment Agreement (IA) Requests

Digitally signed by Thomas D. Kramer
Date: 2025.05.21 14:11:21 -07'00'

This memorandum provides updated procedural guidance for SB/SE Field Collection employees regarding the criteria for identifying and processing a taxpayer's installment agreement (IA) request as a pending IA (TC 971 AC 043). This guidance remains in effect until the impacted subsection of the IRM 5.14.1 is revised and published.

Please ensure that this information is distributed to all affected personnel.

Purpose:

This interim guidance informs Field Collection employees of a procedural update concerning the requirements for identifying an IA request as pending. Under this update, an IA request must meet new criteria, in addition to existing requirements, before it can be recognized and processed as a pending IA (TC 971 AC 043).

Procedural Change:

This Interim Guidance Memorandum SBSE-05-0525-0030 outlines the procedural criteria that must be met for an IA request to qualify as pending. An IA request is considered pending if **all** of the following elements are met, including the new requirement (highlighted in **bold**):

- Sufficient taxpayer identification information is provided.
- The tax liability to be covered by the agreement is identified.

- A proposed monthly or other periodic payment in a specific amount.
- The taxpayer is in compliance with all filing requirements.
- **If required, a completed collection information statement (CIS) is provided. Refer to Exhibit 5.14.1-5, Installment Agreement table, for details on the types of IAs that require a CIS and IRM 5.15.1, Financial Analysis Handbook, for guidance on when a CIS is required.**

Pending IA requests received prior to the issuance of SBSE-05-0525-0030 may still qualify as pending, even if a completed CIS is not provided.

Note: A CIS can be completed verbally or in writing. For the CIS to be considered complete, the information provided must be sufficient for the revenue officer to make an initial collection decision (e.g., full pay, CNC, etc.). An IA request is still considered pending even if additional supporting financial documentation is needed to validate the CIS, or if equity in assets needs to be addressed.

Reminder: If the completed CIS shows that a taxpayer may qualify for an alternative case resolution (e.g., full pay, CNC, etc.), input a TC 971 AC 043 to document that the taxpayer has provided enough information to make an initial collection decision. Should the taxpayer agree to a different case closure action determined to be more appropriate case resolution, they may withdraw their IA request. See IRM 5.14.4.5, Withdrawal of Installment Agreement Requests.

Sufficient CIS Example: A taxpayer calls the IRS, provides their name and social security number (SSN), and identifies the outstanding liability (or balances due). The revenue officer confirms compliance with all filing requirements and the taxpayer states they want to pay \$500 per month. The proposed payment amount does not meet a simple payment plan or streamlined IA, therefore, a CIS is required. The taxpayer provides a completed CIS that is sufficient to make an initial collection decision. However, the revenue officer determines that bank statements are required to verify the CIS, and the taxpayer must liquidate assets to partially pay the tax owed before the IA request may be accepted. The revenue officer provides the taxpayer with a deadline and inputs a TC 971 AC 043.

Insufficient CIS Example: A taxpayer requests an IA and proposes a \$500 monthly payment amount that meets partial payment installment agreement criteria. A CIS is required. However, when the revenue officer attempts to complete the CIS with the taxpayer, she can only provide basic asset information, and is unable to provide complete income, expense and asset information. The taxpayer advises she needs more time to gather verification of all income, expenses and assets. she owns and her monthly income and expenses. The IA request is not considered pending because the CIS does not have enough information to make an initial collection decision, a TC 971 AC 043 will not be entered.

If all five elements are present and clearly documented in ICS, Field Collection must request input of the pending IA (TC 971 AC 043) indicator within 24 hours. Documentation must support the presence of all required elements.

Note: An unreversed TC 971 AC 043 posted to a taxpayer's account with no account history confirming the taxpayer submitted a processable pending IA (AMS, ICS, IDRS history, correspondence, etc.) is not considered a pending IA. Attempt to contact the taxpayer to confirm if the taxpayer did request a pending IA before reversing the TC 971 AC 043. See IRM 5.14.1.3.1, Cases received from ACS or Campuses.

Effect on Other Documents:

This guidance (including the **bolded** sections in the attachment) will be incorporated into IRM 5.14.1.3, Identifying Pending, Approved and Rejected Installment Agreement Proposals on IDRS, within two years from the date of this memorandum.

Effective Date:

This guidance is effective May 21, 2025.

Contact:

If you have any questions regarding the guidance in this memorandum, you may contact Case Resolution Alternatives Program Manager, Eric Slayback.

Attachment:

Revised IRM 5.14.1.3

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Attachment to Interim Guidance Memorandum: SBSE-05-0525-0030

The following changes are hereby effective on the date of this memorandum for IRM 5.14.1.3, Identifying Pending, Approved and Rejected Installment Agreement Proposals on IDRS.

(5) In order for the IRS to process an IA request (to identify a **pending** IA), the taxpayer must provide specific information. Also, if the information in (a) through (e) below is provided, but it is determined that the agreement request was made to delay collection action, accounts should **not** be identified as being in pending IA status. See IRM 5.14.3.3, Installment Agreement Requests Made to Delay Collection Action. To identify accounts as pending IAs, taxpayers must:

- a. Provide information sufficient to identify the taxpayer: generally, the taxpayer's name and taxpayer identification number (TIN). If a taxpayer furnishes a name, but no TIN, and the taxpayer's identity can be determined, then pending status should be identified.
- b. Identify the tax liability to be covered by the agreement.
- c. Propose a monthly or other periodic payment of a specific amount.
- d. Be in compliance with filing requirements, see IRM 5.14.1.4.2, Compliance and Installment Agreements.
- e. **If required, provide a completed collection information statement (CIS). Refer to Exhibit 5.14.1-5, Installment Agreement table, for details on the types of IAs that require a CIS and IRM 5.15.1, Financial Analysis Handbook, for guidance on when a CIS is required.**

Note: A CIS can be completed verbally or in writing. For the CIS to be considered complete, the information provided must be sufficient for the revenue officer to make an initial collection decision (e.g., full pay, CNC, etc.). An IA request is still considered pending even if additional supporting financial documentation is needed to validate the CIS, or if equity in assets needs to be addressed.

Reminder: If the completed CIS shows that a taxpayer may qualify for an alternative case resolution (e.g., full pay, CNC, etc.), input a TC 971 AC 043 to document that the taxpayer has provided enough information to make an initial collection decision. Should the taxpayer agree to a different case closure action determined to be more appropriate case resolution, they may withdraw their IA request. See IRM 5.14.4.5, Withdrawal of Installment Agreement Requests.

Note: An unreversed TC 971 AC 043 posted to a taxpayer's account with no account history confirming the taxpayer submitted a processable pending IA

(AMS, ICS, IDRS history, correspondence, etc.) is not considered a pending IA. Attempt to contact the taxpayer to confirm if the taxpayer did request a pending IA before reversing the TC 971 AC 043. See IRM 5.14.1.3.1, Cases received from ACS or Campuses.

Note: If requesting a delinquent return(s) from the taxpayer, advise the taxpayer that they **do not** have a pending IA and that they will have to make a subsequent IA proposal and meet all of the pending IA requirements at that time in order to establish a pending IA (and the need for the input of a TC 971 AC 043).

Note: If the RO secures an unpaid return from the taxpayer and creates a balance due module (pre-assessed) on ICS and the taxpayer wants to include the created balance due return in an IA proposal and meets all of the pending IA requirements at that time to establish a pending IA, request input immediately (within 24 hours).

Note: Restitution Based Assessment (RBA) modules do not qualify for pending IA, if the proposed payment will not fully satisfy the RBAs by the CSED. See IRM 5.14.4.6, Establishing Installment Agreements on Restitution Based Assessments and related Civil Assessments - Overview.

Note: The IRS may not accept IA proposals when they are not considered processable (unless the IA request meets Guaranteed IA criteria; see IRM 5.14.5.3, Guaranteed Installment Agreements). An IA is not considered to be "pending" until it has been accepted for processing. See 26 CFR 301.6159-1(b)(2). This means that the taxpayer is not already pursuing another case resolution alternative. If so, an IA request is not processable, and it is **not** a "pending" IA request.

SITUATIONS THAT DO RESULT IN IDENTIFICATION OF PENDING INSTALLMENT AGREEMENTS
Example: (1) A taxpayer wants to make payments. RO completes Collection Information Statement (CIS) including the taxpayer's name and SSN and tells the taxpayer \$500 per month is appropriate. The taxpayer is in compliance with filing requirements. The taxpayer verbally agrees to the payment amount.
Example: (2) A taxpayer calls the IRS, provides their name and social security number (SSN), and identifies the outstanding liability (or balances due). The revenue officer confirms compliance with all filing requirements and the taxpayer states they want to pay \$500 per month. The proposed payment amount does not meet a simple payment plan or streamlined IA criteria, therefore, a CIS is required. The taxpayer provides a completed CIS that is sufficient to make an initial collection decision. However, the revenue

officer determines that bank statements are required to verify the CIS, and the taxpayer must liquidate assets to partially pay the tax owed before the IA request may be accepted. The revenue officer provides the taxpayer with a deadline and inputs a TC 971 AC 043.

**SITUATIONS THAT DO NOT RESULT IN IDENTIFICATION OF PENDING
INSTALLMENT AGREEMENTS**

Example: (1) A revenue officer evaluates a taxpayer's CIS. The taxpayer's name, social security number and balances due are all known and/or identified. The revenue officer informs the taxpayer that a \$1,500 per month installment agreement is appropriate. There is no response from the taxpayer.

Example: (2) A revenue officer mails a Form 433-D, Installment Agreement, (with the taxpayer's name, SSN and balances due listed) to a taxpayer. The Form 433-D Installment Agreement, provides a payment amount based on an analysis of the taxpayer's CIS. No response is received by phone, FAX, Document Upload Tool (DUT), e-mail or other means of communication from the taxpayer.

Example: (3) A taxpayer who knows they owe taxes tells their employer to send \$500 per month of their paycheck to the IRS. The taxpayer does not communicate with the IRS. The taxpayer's employer sends \$500 per month referencing the taxpayer's SSN. (Note: if \$500 per month is being received, contact should be attempted prior to taking collection action).

Example: (4) A revenue officer begins a trust fund recovery penalty (TFRP) investigation. Meanwhile, an officer of the corporation states she wants an installment agreement, identifies the trust fund portion of the corporation's liability (as the balance due account to be paid) and provides a specific payment amount (to be paid from her own funds and applied to the corporate liability – trust fund only). However, no liability has been recommended for assessment and/or the officer has not signed Form 2751, Proposed Assessment of Trust Fund Recovery Penalty, indicating responsibility for the trust fund portion of the liability (i.e., there is no balance due account for payment application). Therefore, the potentially responsible officer is informed that there is no pending installment agreement and payments made are considered voluntary. Information about designating these payments to the trust fund portion of a liability is provided in IRM 5.7.4.4, Payments by Responsible Party on Behalf of the Employer (also see IRM 5.14.7.4.1, Trust Fund Recovery Penalties and Installment Agreements and IRM 5.14.7.5, Payments on Trust Fund Accounts During Approved In-Business Trust Fund Installment Agreements).

Example: (5) A taxpayer wants to make payments on an installment agreement. The revenue officer completes a CIS including the taxpayers name and PII/SSN. The revenue officer tells the taxpayer that \$500 per month appears to be an appropriate

amount for an installment agreement, but notes that the taxpayer has not been compliant with filing Forms 1040 for the last two years. The taxpayer states that their accountant is away, and that the returns, which are complicated, will take some time to prepare. The revenue officer requests that the taxpayer submit original, signed returns within 60 days, along with a \$500 payment (based on the financial statement received). In addition, the revenue officer requests that a payment of \$500 be received within 30 days. These requests are made in accordance with the procedures provided in IRM 5.14.3.2, Setting Deadlines and Receiving Payments, and IRM 5.1.10, Taxpayer Contacts.

Example: (6) A taxpayer requests an IA and proposes a \$500 monthly payment amount that meets partial payment installment agreement criteria. A CIS is required. However, when the revenue officer attempts to complete the CIS with the taxpayer, she can only provide basic asset information, and is unable to provide complete asset, income, and expense information. The taxpayer advises she needs more time to gather verification of her monthly income and expenses and assets. The IA request is not considered pending because the CIS does not have enough information to make an initial collection decision, a TC 971 AC 043 will not be entered.