

Paying Your Federal Tax Bill

The IRS offers several payment options. You can pay online or by phone, mobile device, cash (maximum \$1,000 per day and per transaction), check, or money order. Go to <http://www.irs.gov/payments> for payment options.

Pay online. Paying online is convenient and secure and helps make sure the IRS gets your payments on time. To pay your taxes online or for more information, go to www.irs.gov/payments. You can pay using any of the following methods:

1. **IRS Direct Pay.** Use this secure service to pay your individual tax bill or 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.
2. **Pay by Card.** To pay by debit or credit card, go to www.irs.gov/payments. A convenience fee is charged by participating service providers.
3. **IRS2Go.** You can access Direct Pay or Pay By Card by downloading IRS2Go, the mobile application of the IRS.
4. **Pay by phone.** Call one of the following IRS service providers to pay by credit or debit card. Each provider charges a fee that varies by provider, card type, and payment amount.

Link2Gov Corporation

888-729-1040

www.pay1040.com

WorldPay US, Inc.

844-729-8298

www.payusatax.com

Official Payments

888-872-9829

www.officialpayments.com

5. **Pay with cash.** Individuals can pay up to \$1,000 per day per transaction through retail partners. To make a cash payment you must first be registered online at www.officialpayments.com, the official payment provider for the IRS. The service provider charges a fee for this payment method.
6. **Pay by check or money order.** Before submitting a payment through the mail, please consider alternative methods. The IRS offers a number of safe, quick and easy electronic payment options might be right for you. If you choose to mail a tax payment make your check or money order payable to "United States Treasury" for the full amount due. Do not send cash. Do not attach the payment to your return. On your payment, put your name, current address, daytime phone number, and SSN. If you are filing a joint Form 1040X, enter the SSN shown first on the return. Also, enter the tax year and type of return you are amending (for example, "Amended 2015 Form 1040"). The IRS will figure any interest due and send you a bill.

What to Do if You Can't Pay Your Federal Tax Bill

If you can't pay the full amount due within 120 days of the due date, you can ask for an installment agreement. Under an installment agreement, you can pay all or part of the tax you owe in monthly installments. However, even if the IRS grants you an installment agreement, you will be charged interest and may be charged a late-payment penalty on the tax not paid by the due date of your return (not including extensions). You must also pay a fee. To limit interest and penalty charges, pay as much of the tax as possible when you file. But before requesting an installment agreement, you should consider other less costly alternatives, such as a bank loan or credit card payment. To ask for an installment agreement, you can apply online or use Form 9465. To apply online, go to IRS.gov and click on "Apply for an online payment plan."

Note: If you can pay within 120 days, then you may be able to set up a short-term agreement for no fee (though interest and any applicable penalties continue to accrue until your liability is paid in full). To set up the agreement, use the Online Payment Agreement (go to www.irs.gov and then type "OPA" in the search box in the upper right) or call 800-829-1040.

Penalties

The penalty for filing late is normally 5% of the unpaid taxes for each month or part of a month that a tax return is late. That penalty starts accruing the day after the tax filing due date and will not exceed 25% of your unpaid taxes.

If you do not pay your taxes by the tax deadline, you normally will face a failure-to-pay penalty of 0.5% of your unpaid taxes. That penalty applies for each month or part of a month after the due date and starts accruing the day after the tax-filing due date.

Interest & Fees

Generally, interest accrues on any unpaid tax from the due date of the return until the date of payment in full. The interest rate is determined quarterly and is the federal short-term rate plus 3%. Interest compounds daily.

Setup Fees

If the IRS approves your payment agreement, one of the following fees will be added to your tax bill:

- \$31 for a direct debit agreement established through the Online Payment Agreement Application (OPA)
- \$149 for agreements established through OPA and not debited directly from your bank account
- \$107 for a direct debit agreement not established through OPA
- \$225 for agreements not direct debited from your bank account and not established through OPA
- \$43 if your income is below a certain level (\$31 for a direct debit agreement secured through OPA)
- No setup fee if you qualify for a short-term agreement (120 days or less)

How to Pay the State of Illinois

Pay online. Visit mytax.illinois.gov to set up an account with MyTax Illinois to manage and make payments. All requests to set up **installment agreements** must be mailed using form **CPP-1** and approved by the Illinois Department of Revenue.

Pay by check or money order. You can send a payment via check or money order to:

Illinois Department of Revenue
Springfield, IL 62726-0001

Penalties: The late-filing penalty is the lesser of \$250 or 2% of the tax due. The late-payment penalty is based on the number of days the tax required to be shown due on the return is late: 1-30 days=2%; 31+ days=10%.