

## **Federal Tax Day - Current, I.2, Taxpayers Taking Advantage of People First Initiative Tax Relief Need to Resume Payments by July 15 (IR-2020-142), (Jul. 9, 2020)**

Federal Tax Day - Current

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The IRS has reminded taxpayers who took advantage of the People First Initiative tax relief and did not make previously owed tax payments between March 25 to July 15 that they need to restart their payments to avoid penalties and possible default on their agreements. Further, the IRS explained what taxpayers should do to resume their payment agreements to the IRS, including Installment Agreements, Offers in Compromise, and Private Debt Collection program payments:

### **Installment Agreement**

Those who suspended their installment agreement payments between April 1 and July 15, 2020, would need to resume their payments by their first monthly payment due date after July 15. It is worth noting that while the IRS did not default their agreement, interest did accrue and the balance remained. Accordingly, taxpayers who suspended direct debit payments through their bank should contact the bank immediately to ensure their first monthly payment is sent. However, taxpayers who cannot meet their current installment agreement terms due to COVID related hardship may revise the agreement on [IRS.gov/paymentplan](https://www.irs.gov/paymentplan) or contact the customer service number on their IRS notice if they have a Direct Debit Installment Agreement (DDIA).

### **Offer in Compromise**

Taxpayers with pending offers that have not yet been accepted by the IRS should resume their required payments starting July 15, 2020. The IRS will amend the taxpayer's offer to allow them to pay any skipped payments at the end of the offer period, if the offer is accepted. Similarly, taxpayer who were unable to make payments on their accepted offer in compromise agreements because of a COVID-19 hardship should resume payments and make up the missed payments by July 15, 2020. However, if the taxpayer is unable to make up the missed payments, they can contact the number on the IRS notice to discuss their situation.

### **Private Debt Collection**

Taxpayers who had their Private Collection Agencies (PCA) payments on hold should resume payments by July 15. Further, the IRS had encouraged taxpayers to work with their assigned PCA to establish a new payment arrangement or restructure an existing one based on their current situation.

Finally, taxpayers who are experiencing a hardship or those who have questions about their payments can call the customer service number provided on their notice, however, the wait time could be long. Taxpayers also have a variety of options through [IRS.gov/payments](https://www.irs.gov/payments) to make one time or recurring payments without having to contact the IRS.

[IR-2020-142](#)