

What Kind of Tax Cases Can Legal Aid Handle?

We may be able to assist you with your federal income tax matters, including:

- **Audits and Notices.** If you have been contacted by the IRS about a problem with your taxes we may be able to assist you.
- **Tax Debts.** If you owe money to the IRS and cannot afford to pay, we may be able to assist you in negotiating payment.
- **Non-filers.** If you have not filed, we may be able to assist you in filing your prior year tax return(s).
- **Other Tax Issues.** We will consider providing assistance for any other federal tax issues.

Contact us for more information.

Legal Aid Society of Hawai'i
924 Bethel Street
Honolulu, Hawai'i 96813



LEGAL AID SOCIETY OF
HAWAII

Federal Tax Debts: Your Options

FOR FREE TAX ASSISTANCE,
CALL:

OAHU: 536-4302

MAUI: 242-0724

HILO: 934-0678

KONA: 329-8331

KAUAI: 245-7580

MOLOKAI: 553-3251

LANAI: 565-6089

<http://www.legalaidhawaii.org/>

Who is the Legal Aid Society of Hawai'i?

The Legal Aid Society of Hawaii (Legal Aid) is Hawaii's largest non-profit law firm. Legal Aid is a statewide organization with 9 offices on 6 of Hawaii's islands. We concentrate our efforts on assisting low-income individuals with their non-criminal legal matters.

Legal Aid can provide assistance with many types of legal problems.

This brochure provides information about Federal Tax Debts and does NOT provide information on tax debts you may have with the state.

I have a tax debt with the IRS.

What can I do?

If you have a tax debt with the Internal Revenue Service (IRS), you have options—even if you cannot afford to pay it right away.

Option #1:

Installment Agreement

You may be able to enter into an installment agreement with the IRS. This means that you can make affordable monthly payments instead of paying the entire debt at once.

Keep in mind that you may have to provide information about your income and assets to the IRS. Call the IRS directly at 1-800-829-1040 to ask for an installment agreement.

Option #2:

Currently Not Collectible Status

You may contact the IRS directly to request that your account be placed in “currently not collectible status.” This means that you cannot pay your tax debt.

You can only request this if your current income and assets do not allow you to make payments. Penalties and interest will continue to grow, although collection activity (including levies and garnishments) will temporarily stop.

To request “Currently Not Collectible Status,” call 1-800-829-1040.

Option #3:

Taxpayer Assistance Order

You may contact the IRS Taxpayer Advocate at 877-777-4778 to request a Taxpayer Assistance Order to stop collection activity based on significant hardship. Make this request on Form 911.

Option #4:

Offer in Compromise

You can contact the IRS to make an “Offer in Compromise.” This means that you offer to settle your tax debt with the IRS for less than the full amount owed. The IRS will consider the amount you are able to pay out of your assets and future income in deciding whether to accept your offer.

To submit an offer, you must have filed tax returns for each year you were required to file. You must also provide the IRS with your income and asset information. After the offer is submitted, the IRS's processing time can

sometimes take a while. To apply as an individual, file Form 656 and Form 433-A. You can get these forms by calling 1-800-829-3676.

Option #5:

Bankruptcy

You can discharge (get rid of) some tax debts in bankruptcy under certain conditions. Please consult an attorney to discuss your particular situation.

Other options...

There are other options not listed here that may apply to your situation. Please contact an attorney to discuss your particular situation.

Keep in mind...

Once you file your taxes, the IRS has three years to determine if your tax return was correct.

If the IRS finds that a correction needs to be made and that you owe them additional taxes, the IRS may attempt to collect from you for up to ten years.

The 10-year collection deadline does not begin until you file your tax return.

This is meant to be an informational brochure, and is not intended to take the place of legal counsel. The distribution of this brochure by the Legal Aid Society of Hawai'i does not imply that an attorney-client relationship has been formed. This brochure is not intended to be a complete statement of law nor intended to fully describe or evaluate your options.