Dr. Friday.

TAX & FINANCIAL FIRM, INC.

QUICK CHECKLIST

What If I Can't Pay My Taxes?
10-Minute Checklist

A 10-Minute Checklist Before You Ignore the IRS Bill

Owing taxes you cannot pay can feel embarrassing and scary. But doing nothing usually makes the problem more expensive and more stressful.

DR. FRIDAY, EA

TAX YEAR & ADVICE NOTICE

Tax laws and IRS guidance can change and may differ by tax year. This guide provides general educational information, not personalized tax advice. Confirm the rules and deadlines for the tax year of your return, and consult a qualified tax professional about your situation.

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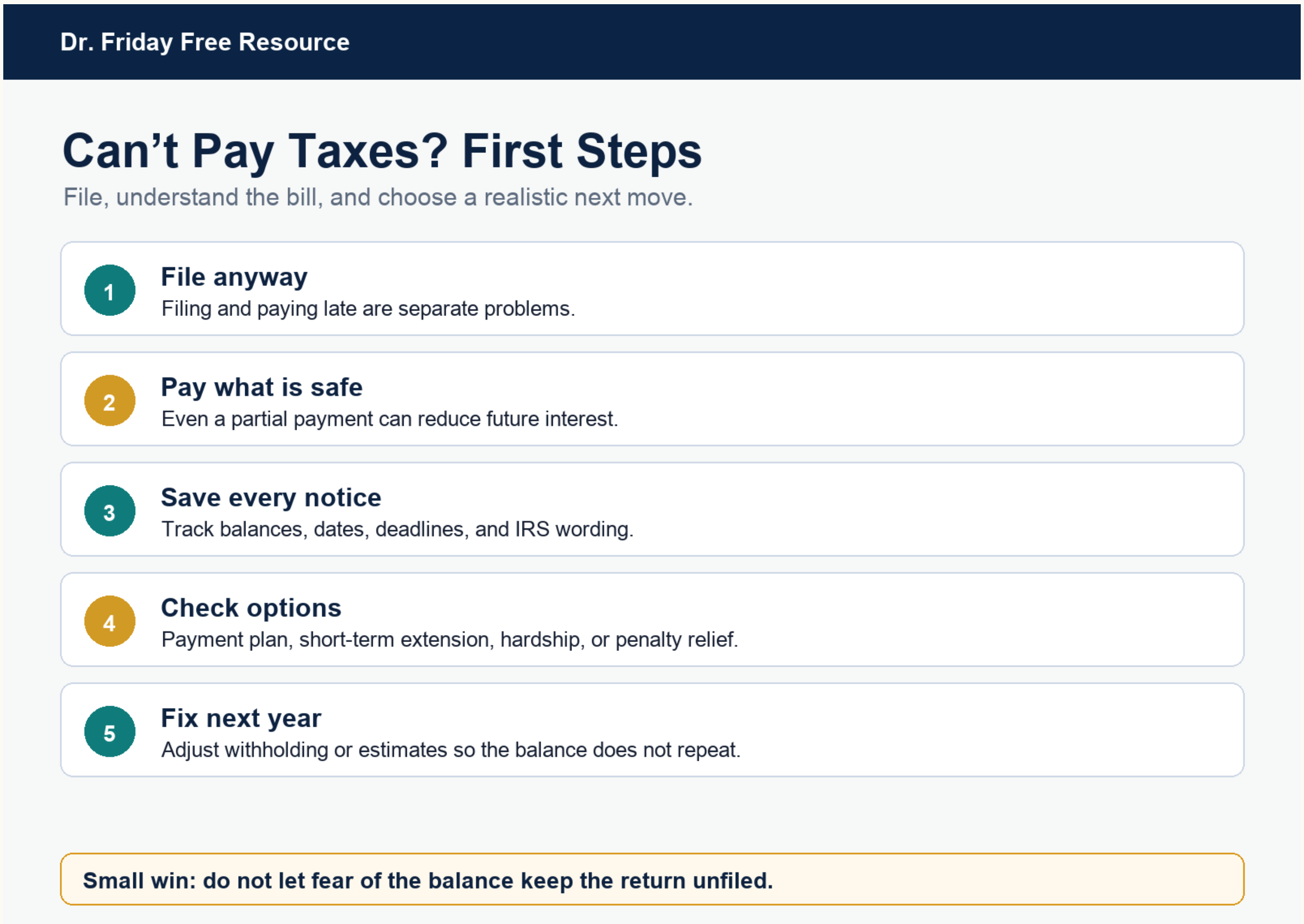
This checklist helps you take the first safe steps: file the return, understand the bill, pay what you can, save the right notices, and decide whether you need help before collection gets more serious.

> **Key Takeaway:** File the tax return even if you cannot pay in full. Filing late and paying late are different problems, and filing on time can help reduce avoidable penalties.



Can't Pay Taxes First Steps infographic for Dr. Friday resource guide.

Quick Answer

If you cannot pay your taxes in full, you should still file the return on time or as soon as possible, pay what you can safely afford, and review IRS payment or hardship options.

Owing taxes does not automatically mean the IRS will garnish wages, levy a bank account, or seize property. But ignoring bills and notices can move the case closer to collection action.

Educational only. Check rules for your return's tax year.

Who This Checklist Is For

Use this checklist if:

- [ ] You filed a return and owe more than you can pay.
- [ ] You have not filed because you are afraid of the balance.
- [ ] You received an IRS bill or reminder notice.
- [ ] You are self-employed and fell behind on estimated taxes.
- [ ] A life event, medical issue, job loss, divorce, or business slowdown affected your ability to pay.
- [ ] You need a first-step plan before calling the IRS or a tax professional.

Educational only. Check rules for your return's tax year.

First Safe Steps

Use this as your starting point.

- [ ] File the return on time, even if you cannot pay in full.
- [ ] If the return is already late, file as soon as possible.
- [ ] Pay what you can without missing basic living expenses.
- [ ] Save the IRS bill, envelope, and every page of the notice.
- [ ] Write down the tax year, balance, notice date, and deadline.
- [ ] Check whether you can pay in full within a short time.
- [ ] Review whether a payment plan may be needed.
- [ ] Review whether paying anything would create financial hardship.
- [ ] Gather income, expense, asset, and debt records.
- [ ] Keep opening every IRS letter.

Do Not Wait for Perfect: If you cannot pay everything, filing and paying something is usually better than ignoring the return or the bill.

Educational only. Check rules for your return's tax year.

What Usually Happens If You Wait

Timing	What may happen
Return filed with balance due	The IRS records the unpaid balance
A few weeks later	The IRS generally sends a bill or notice
Later notices	Penalties and interest may continue, and notices may become more urgent
If ignored	The IRS may move toward liens, levies, or other collection action
After serious collection notices	Appeal rights and deadlines may matter

Mail Rule: Open every IRS notice. The notice may explain the balance, deadline, payment options, appeal rights, or what happens next.

Educational only. Check rules for your return's tax year.

Common Options To Ask About

The right option depends on the balance, tax years, income, expenses, assets, filing compliance, and timing.

Option	Plain-English idea	Good first record to gather
Pay in full	Clear the balance if possible	Current IRS balance and payoff amount
Short-term payment	More time to pay when full payment is possible soon	Cash-flow estimate
Installment agreement	Monthly payments over time	Income, expenses, balance, and tax years
Offer in Compromise	Possible settlement for less than the full balance when strict rules are met	Full financial records
Temporary delay or hardship review	Collection may be delayed when payment would prevent basic living expenses	Income, expenses, assets, hardship proof
Professional review	Help choosing the safer path	Notices, return, income, expense, and payment records

Educational only. Check rules for your return's tax year.

Mistakes To Avoid

- Not filing because you cannot pay.
- Ignoring IRS notices because the balance feels impossible.
- Assuming the IRS will immediately garnish wages.
- Setting up a payment plan you cannot afford.
- Forgetting next year's taxes while solving this year's balance.
- Using credit or loans without understanding the cost.
- Waiting until a levy notice or wage garnishment begins.
- Calling the IRS without the notice and income records in front of you.

When To Stop and Get Professional Help

Consider getting qualified help if:

- You owe for more than one year.
- You have missing tax returns.
- You are self-employed and also behind on current estimated taxes.
- You received a final notice, levy notice, lien notice, or collection deadline.
- You cannot afford basic living expenses.
- You are considering an Offer in Compromise.
- You already have a payment plan and cannot keep up.
- You disagree with the balance.
- You have payroll tax, business tax, or divorce-related tax issues.

> **Ask Early:** The IRS is usually easier to work with before enforced collection begins. If the balance is large, old, or tied to hardship, do not wait until the deadline is close.

Educational only. Check rules for your return's tax year.

Public IRS Resources

- IRS payment plan information: https://www.irs.gov/payments/payment-plans-installment-agreements
- IRS payment options: https://www.irs.gov/payments
- IRS penalties: https://www.irs.gov/payments/penalties
- IRS Offer in Compromise information: https://www.irs.gov/payments/offer-in-compromise
- IRS temporary delay collection process: https://www.irs.gov/businesses/small-businesses-self-employed/temporarily-delay-the-collection-process

Educational Disclaimer

This resource is for general educational purposes only and is not personalized tax advice. Tax situations vary. Before acting on information in this guide, consult a qualified tax professional about your specific facts and circumstances.

Educational only. Check rules for your return's tax year.

Next Step: Build Your Tax Payment Plan File

If this checklist helped you see that ignoring the bill is not the answer, the next step is to organize the numbers before choosing a payment path.

The **Tax Balance Action Workbook** helps you list the tax years owed, build a monthly cash-flow snapshot, compare payment plan and hardship questions, track IRS notices, prepare for a call, and make a plan to avoid repeating the same balance next year.

It is a good fit if you:

- Owe more than you can pay right now.
- Need help deciding whether a payment plan is realistic.
- Are self-employed and behind on estimated taxes.
- Have IRS notices you do not understand.
- Want your facts organized before contacting Dr. Friday's office.

For help reviewing an IRS balance, payment plan, hardship question, or related notice, contact Dr. Friday Tax and Financial Firm, Inc.

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Explore the companion workbook

drfriday.com/resources/cant-pay-taxes/#workbook

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