Installment Agreement with case study.

When you can’t pay the IRS all at once

Owing the IRS doesn’t always mean you have to pay everything immediately. For many taxpayers an IRS Installment Agreement provides a practical way to resolve tax debt without disrupting your life and while avoiding aggressive collection actions.

At **Thornton Tax Advisory**, we help taxpayers set up installment agreements that are financially realistic and sustainable for the long run.

What is an IRS Installment Agreement?

An installment agreement is a formal payment plan with the IRS that allows you to pay your tax balance in monthly payments.

Once approved, the IRS generally pauses enforcement actions such as bank levies and wage garnishments, as long as payments are made on time and you stay compliant.

Case of taxpayer with a slow business year
We have all had those slow years, where the economy is sluggish or you had an unexpected large expense. Ronnie owed $42,000 in back taxes after falling behind because of slow work due to a new contractor in the area. Ronnie couldn’t afford to pay the $42,000 all at once but he still had a stable income from the business.

With professional guidance, Ronnie submitted the required information and negotiated a monthly payment that fit his budget. The IRS approved the installment agreement and stopped collections actions and allowed him to continue with his business.

How can we help?

Not all installment agreements are the same. The wrong payment can create long-term problems. Thornton Tax Advisory helps by reviewing your IRS account and figuring out the right type of agreement and implementing an affordable payment plan by communicating directly with the IRS on your behalf.

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