

IRM PROCEDURAL UPDATE

DATE: 11/01/2024

NUMBER: sbse-05-1124-1100

SUBJECT: Updated for Language Clarity Securing Financial Information

AFFECTED IRM(s)/SUBSECTION(s): 5.19.13

CHANGE(s):

IRM 5.19.13.3(1) Securing Financial Information For language clarity placed the 4th Reminder within paragraph 1 and following the 4th reminder corrected the 3 subsequent alpha list payment option scenarios, labeling from A to C.

(1) The goal of securing financial information is to determine the taxpayer's maximum ability to pay their delinquent tax debt based upon their current financial situation. Obtaining financial information verbally (phone call or face to face) or from a Collection Information Statement (Form 433 A, F, or H) is ONLY required when a taxpayer indicates one of the following:

Reminder: When following the guidance for securing financial information throughout this IRM, please refer to IRM 5.19.1.2.3, Disclosure Overview - Verifying Identity of Contact Party, to ensure disclosure guidelines are followed when interacting with taxpayers and/or their authorized representatives.

Reminder: Conduct a full compliance check (FCC) - see IRM 5.19.1.4.4.1, Full Compliance Check. Do not input a financial where the taxpayer is not within filing compliance.

Exception: If the taxpayer is experiencing a financial hardship and indicates cannot pay, currently not collectible (CNC) is being considered, see IRM 5.19.17.2.4, CNC Unable to Pay - Hardship.

Reminder: If during the course of the contact with taxpayer, they advise you they are experiencing an economic hardship situation or if they ask for assistance in resolving their tax problems, see IRM 5.19.1.3.2.3, Taxpayer Advocate Service (TAS), for guidance about referring taxpayers to TAS.

Reminder: If the taxpayer states they are experiencing an economic hardship due to a levy, secure enough financial information to confirm the levy is causing the taxpayer to be unable to meet necessary living expenses, see IRM 5.19.4.4.10 (5)(j), Levy Release: General Information, for levy

release determinations even in situations where the taxpayer has unfiled returns.

- a. Taxpayer indicates they cannot pay, and a partial pay installment agreement (PPIA) is being considered.
- b. Taxpayer qualifies for Non-Streamlined Installment Agreement (NSIA)

Exception: Financial analysis is no longer required for certain NSIAs, refer to IRM 5.19.1.6.4 (11) (a), Installment Agreements (IAs).

- c. Taxpayer payment amount requested is insufficient based on the following installment agreement criteria:

Reminder: Any Installment Agreement (IA) established based upon the results of a financial statement must be input as an Non-Streamlined Installment Agreement (NSIA) or PPIA, as applicable. See IRM 5.19.1.6.4, IAs, or IRM 5.19.1.6.5, PPIA.

IRM 5.19.13.3.2.1(2) Shared Expenses Added Reminder paragraph 2 where to locate the Community Property via Pub 555.

(2) Although the assets and income of a non-liable person may be reviewed to determine the taxpayer's proportionate share of the total household income and expenses, they are not generally included when calculating the amount the taxpayer can pay. One notable exception is community property states. Follow the community property laws in these states to determine what assets and income of the otherwise non-liable spouse are subject to collection of the tax.

Reminder: Community property laws affect how taxpayers calculate their income on a federal tax return if when married, live in a community property state or country, and file separate returns. Community property laws also affect registered domestic partners domiciled in certain states. The law of the state or country where the taxpayer lives will determine if the taxpayer has community property, community income, or both. See Pub 555, Community Property.

The following states and territories have community property laws:

- Alaska,

Note: Alaska is an "opt-in" state in which married taxpayers by written agreement may elect to have all or part of their property treated as community property.

- Arizona,
- California,
- Guam,
- Idaho,

- Louisiana,
- Nevada,
- New Mexico,
- Puerto Rico,
- Texas,
- Washington, and
- Wisconsin.