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The [Internal Revenue Service](#) has proposed a revised schedule of user fees that would take effect on Jan. 1, 2017, and apply to any taxpayer who enters into an [installment agreement](#).

The proposal, one of several user fee changes made this year, reflects the law that federal agencies are required to charge a user fee to recover the cost of providing

certain services to the public that confer a special benefit to the recipient. Although

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approximately one in three taxpayer requests that qualify under low-income guidelines.

These guidelines, which change with family size, would enable a family of four with total income of around \$60,000 or less to qualify for the lower fee. Also, for the first time, any taxpayer regardless of income would qualify for a new low \$31 rate by requesting an installment agreement online and choosing to pay what they owe through direct debit.

The top rate of \$225 applies to taxpayers who enter into an installment agreement in person, over the phone, by mail or by filing [Form 9465](#) with the IRS. But a taxpayer who establishes an agreement in this manner can substantially cut the fee to just \$107 by choosing to make their monthly payments by direct debit from their bank account.

Alternatively, a taxpayer who chooses to set up an installment agreement using the agency's Online Payment Agreement application will pay a fee of \$149. Similarly, they can cut this amount to just \$31 by also choosing direct debit.

Proposed Fees

Here is the proposed schedule of user fees:

- Regular installment agreement: \$225
- Regular direct debit installment agreement: \$107
- Online payment agreement: \$149
- Direct debit online payment agreement: \$31
- Restructured or reinstated installment agreement: \$89
- Low-income rate: \$43

Further details on these proposed changes can be found in proposed regulations

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In the past, the IRS often charged less than the full cost for many services in an effort to make them accessible to a broader range of taxpayers. But given current constraints on agency resources, the IRS can no longer continue this practice in most cases.

Nevertheless, the IRS intends to continue providing reduced-fee or no-cost services to low-income taxpayers. For that reason, the IRS will continue subsidizing part of the cost of providing installment agreements to low-income taxpayers.

More information about the [IRS User Fee Program](#) is available on IRS.gov.

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