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a tax liability, is the most common IRS notice sent to taxpayers, according to the Taxpayer Advocate Service, and requests payment within 21 days. The reason why taxpayers have a balance due can be related to a number of issues, such as failing to report some income or failing to pay a balance in full, Tiffany Gonzalez, CPA, CEO of Miami-based accounting firm Accounting to Scale, stated last week on LinkedIn.

Jason Bramwell • Jun. 21, 2022

Form 1040	Department of the Treasury—Internal Revenue Service (99)		2021	OMB No. 1545-0074	IRS Use Only—Do not write or staple in this space.
Filing Status Check only one box.	<input type="checkbox"/> Single <input type="checkbox"/> Married filing jointly <input type="checkbox"/> Married filing separately (MFS) <input type="checkbox"/> Head of household (HOH) <input type="checkbox"/> Qualifying widow(er) (QW) If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent ▶				
Your first name and middle initial		Last name		Your social security number	
If joint return, spouse's first name and middle initial		Last name		Spouse's social security number	
Home address (number and street). If you have a P.O. box, see instructions.				Apt. no.	
City, town, or post office. If you have a foreign address, also complete spaces below.			State	ZIP code	
Foreign country name		Foreign province/state/county		Foreign postal code	
				Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. <input type="checkbox"/> You <input type="checkbox"/> Spouse	
At any time during 2021, did you receive, sell, exchange, or otherwise dispose of any financial interest in any virtual currency? <input type="checkbox"/> Yes <input type="checkbox"/> No					
Standard Deduction	Someone can claim: <input type="checkbox"/> You as a dependent <input type="checkbox"/> Your spouse as a dependent <input type="checkbox"/> Spouse itemizes on a separate return or you were a dual-status alien				
Age/Blindness	You: <input type="checkbox"/> Were born before January 2, 1957 <input type="checkbox"/> Are blind Spouse: <input type="checkbox"/> Was born before January 2, 1957 <input type="checkbox"/> Is blind				
Dependents (see instructions): If more than four dependents, see instructions and check here ▶ <input type="checkbox"/>	(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) <input checked="" type="checkbox"/> if qualifies for (see instructions): Child tax credit Credit for other dependents
					<input type="checkbox"/> <input type="checkbox"/>
					<input type="checkbox"/> <input type="checkbox"/>
					<input type="checkbox"/> <input type="checkbox"/>
					<input type="checkbox"/> <input type="checkbox"/>
Attach Sch. B if	1 Wages, salaries, tips, etc. Attach Form(s) W-2				1
2a	Tax-exempt interest		2a	b Taxable interest	
				2b	

The IRS has begun mailing out CP14 notices to millions of taxpayers who have a balance of \$5 or more in unpaid taxes, kindly reminding them that the federal government would like its money.

“The IRS is not too active collecting immediately after tax season. After all, they have

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The CP14, which is required by law to be issued within 60 days after the IRS assesses a tax liability, is the most common IRS notice sent to taxpayers, according to the [Taxpayer Advocate Service](#), and requests payment within 21 days. The reason why taxpayers have a balance due can be related to a number of issues, such as failing to report some income or failing to pay a balance in full, Tiffany Gonzalez, CPA, CEO of Miami-based accounting firm Accounting to Scale, [stated last week on LinkedIn](#).

“It’s always a scary feeling receiving a letter or notice from the IRS in the mail, but these shouldn’t go unnoticed and ignored,” said Mark Steber, chief tax information officer at Jackson Hewitt, in a [press release](#). He added that if a taxpayer does not pay what is owed by the due date in the CP14 notice, interest will accrue and penalties will be assessed back to the due date of the tax return.

The IRS’s **failure-to-pay penalty** is 0.5 percent for each month or part of a month that the tax balance goes unpaid, up to a maximum of 25 percent of the remaining amount due. If the taxpayer does not pay the amount due within 60 days, the IRS will not be so kind—it can proceed with collection activity, including by levy or via the filing of a Notice of Federal Tax Lien.

The IRS could send taxpayers a series of reminder notices, known as the collection notice stream, to ask for payment before enforced collection starts.

“Just because you get a notice does not mean that you necessarily owe the additional amounts due shown by the IRS. A CP14 means that the IRS shows a balance due on a tax return,” Steven Weil, EA, president of Fort Lauderdale, Fla.-based firm RMS Accounting, [wrote this past weekend on LinkedIn](#). “This could be due to a number of things, including missing payments or credits. Check the notice to see if it accounts for all the payment shown on your return. If for some reason a payment is missing,

or was mis-posted by the IRS, you will need to provide proof of payment and a timely

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Get an extension to pay in full: For taxpayers who need a little more time than what is included on their CP14 notice, they can work with the IRS to get an [extension-to-pay agreement](#). The IRS allows a free extension to pay balance due up to 180 days. The IRS calls this a short-term payment agreement.

Enter into a payment plan with the IRS: This is the No. 1 option for most taxpayers and is the most common option for those who receive a CP14 notice. There is a [fee to enter into a payment plan](#) that varies based on financial status and monthly payment method.

Other options for those in financial hardship: For taxpayers who cannot afford to pay in full immediately, with an extension, or from a payment plan, there are other options to consider, including temporary not collectible status or a tax settlement called an [Offer in Compromise](#).

The CP14 notice was not among the dozen or so IRS notices [the agency said in February](#) that it would stop sending to taxpayers.

Income Tax • Taxes

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