Tax Debt Settlement: What Your Options Could Be by Jacob Smith

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A lot of people have tax debts, and seek tax debt settlements with the IRS. However, not everyone can qualify but it is important that you know your options if you are looking forward to settling. There are a lot of criteria that you need to meet if you want to qualify for settlement. Nevertheless, it is still important to settle taxes because if you donâ€™t, it will only create a bad history about you, and your creditors will clearly view your financial habits, which may result in the refusal to offer you any kind of credit in the future.

Let us take a look at the types of tax debt relief that you may receive, provided that you qualify for the options.

1. Installment agreement: This option is for those individuals who can settle tax debt, but need more than 120 days to do it. Some kind of an installment agreement may be a good option. There are, again, a lot of factors involved in this option and, provided you meet all of these, then you can easily pay off your remaining taxes with some help from the IRS themselves. Your interest, as well as penalties, may be reduced but they will still be charged on the money that you owe.In case you do not qualify for this option, the IRS has made other options available to you.

2. Payment in full: This may not be a feasible option for a lot of you,but there may be other tax payers who may be granted this option to pay their taxes in full. This option can be availed by borrowing money from the bank to pay off your pending tax debt. If you have the luxury, you may also borrow from friends or family members and simply pay in full. It is advisable that you do not pay this tax off using your credit card because eventually, you will end up with more debt with the added interest rate on your card.

3. Short-term payment extensions: This is yet another method of tax debt settlement that the IRS may offer to you. Once you have finished calculating your tax returns, and realized that you cannot afford to pay the money, then you may have the liberty to buy a time period of 90 days to make the payment in full before the IRS can send any formal letters to you. In fact, when you seek IRS debt settlement in such a manner and make partial payment, you will receive a letter from the IRS 45 days later stating that balance amount that you owe, in addition to the interests and late penalties, may apply. This process will likely be repeated unless a formal notice is sent to you by the IRS where they state that they will proceed with their collection procedure.

There are several settlement options that you may seek, and in case you do not think that you can handle this yourself there are professional workers who can handle it for you. Get your tax settlements in place and heave a sigh of relief.

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Jacob Smith is a contributing writer for New Life Tax Relief on a tax debt settlement , a IRS debt settlement and a senior debt analyst. He writes mostly on a tax debt relief, IRS debt relief.

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