IRS Urges Travelers Requiring Passports to Pay Their Back Taxes or Enter into Payment Agreements; People Owing $51,000 or More Covered

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WASHINGTON — The Internal Revenue Service today strongly encouraged taxpayers who are seriously behind on their taxes to pay what they owe or enter into a payment agreement with the IRS to avoid putting their passports in jeopardy.

This month, the IRS will begin implementation of new procedures affecting individuals with “seriously delinquent tax debts.” These new procedures implement provisions of the Fixing America's Surface Transportation (FAST) Act, signed into law in December 2015. The FAST Act requires the IRS to notify the State Department of taxpayers the IRS has certified as owing a seriously delinquent tax debt. See Notice 2018-1. The FAST Act also requires the State Department to deny their passport application or deny renewal of their passport. In some cases, the State Department may revoke their passport.

Taxpayers affected by this law are those with a seriously delinquent tax debt. A taxpayer with a seriously delinquent tax debt is generally someone who owes the IRS more than $51,000 in back taxes, penalties and interest for which the IRS has filed a Notice of Federal Tax Lien and the period to challenge it has expired or the IRS has issued a levy.

There are several ways taxpayers can avoid having the IRS notify the State Department of their seriously delinquent tax debt. They include the following:

- Paying the tax debt in full
- Paying the tax debt timely under an approved installment agreement,
- Paying the tax debt timely under an accepted offer in compromise,
- Paying the tax debt timely under the terms of a settlement agreement with the Department of Justice,
- Having requested or have a pending collection due process appeal with a levy, or
- Having collection suspended because a taxpayer has made an innocent spouse election or requested innocent spouse relief.

A passport won't be at risk under this program for any taxpayer:

- Who is in bankruptcy

- Who is identified by the IRS as a victim of tax-related identity theft
- Whose account the IRS has determined is currently not collectible due to hardship
- Who is located within a federally declared disaster area
- Who has a request pending with the IRS for an installment agreement
- Who has a pending offer in compromise with the IRS
- Who has an IRS accepted adjustment that will satisfy the debt in full

For taxpayers serving in a combat zone who owe a seriously delinquent tax debt, the IRS postpones notifying the State Department and the individual’s passport is not subject to denial during this time.

- In general, taxpayers behind on their tax obligations should come forward and pay what they owe or enter into a payment plan with the IRS. Frequently, taxpayers qualify for one of several relief programs, including the following:
- Taxpayers can request a payment agreement with the IRS by filing Form 9465. Taxpayers can download this form from IRS.gov and mail it along with a tax return, bill or notice. Some taxpayers can use the online payment agreement to set up a monthly payment agreement for up to 72 months.

Some financially distressed taxpayers may qualify for an offer in compromise. This is an agreement between a taxpayer and the IRS that settles the taxpayer’s tax liabilities for less than the full amount owed. The IRS looks at the taxpayer’s income and assets to determine the taxpayer’s ability to pay. To help determine eligibility, use the Offer in Compromise Pre-Qualifier, a free online tool available on IRS.gov.

IRS.gov has other tips for taxpayers to catch up on their filing and tax obligations and more information about the revocation or denial of passports because of unpaid taxes.

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