

**From:** nmtaxtalk@googlegroups.com on behalf of Larry H <larry.hess@gmail.com>  
**Sent:** Friday, April 03, 2020 12:46 PM  
**To:** NMTaxTalk  
**Subject:** [NMTaxTalk] Re: IRS: Canceling or Rescheduling a Prescheduled Payment

Here's the IRS resolution of this sort of situation.

To help people facing the challenges of COVID-19 issues, the IRS through the [People First Initiative](#), will temporarily adjust and suspend key compliance programs.

For taxpayers under an existing Installment Agreement, payments due between April 1 and July 15, 2020 are suspended. Taxpayers who are currently unable to comply with the terms of an Installment Payment Agreement, including a Direct Debit Installment Agreement, may suspend payments during this period if they prefer. Furthermore, the IRS will not default any Installment Agreements during this period. By law, interest will continue to accrue on any unpaid balances.

## **Q. Will direct debit payments continue to be deducted from my bank for Direct Debit Installment Agreements (DDIAs) during the suspension period?**

**A.** Yes. IRS will continue to debit payments from the bank for Direct Debit Installment Agreements (DDIAs) during the suspension period. However, taxpayers who are unable to comply with terms of their Installment Agreement may suspend payments during this period. Installment agreements will not default due to missing payments during the suspension period through July 15.

## **Q. If necessary, what is the best way to suspend direct debit payments for a Direct Debit Installment Agreement (DDIA)?**

**A.** Taxpayers should contact their bank directly to stop payments if they prefer to suspend direct debit payments during the suspension period. Banks are required to comply with customer requests to stop recurring payments within a specified timeframe. IRS may be able to suspend certain single DDIA payments upon request, but due to disruptions caused by COVID-19 issues it may be difficult to reach an assistor. Note that if payments are stopped, in order to avoid possible default of the agreement once the suspension period expires on July 15, 2020, taxpayers must inform their bank to allow the debits to resume at least two weeks before their next payment is due.

On Wednesday, April 1, 2020 at 9:55:25 AM UTC-6, Larry Hess wrote:  
I then I sent the following email to Lisa Novack regarding direct debit installment agreements.

When you elevate this, please relate this example of a client who has a direct debit IA and has asked me to know how to suspend payments. The problem with them being proactive is that there is no way to contact the IRS to request this.

They have looked at the Online Payment Agreement and see that the tool offers to revise a payment. There is no apparent way to suspend. The only action I can think of that might help my client is to try to lower the current payment. But the tool is automated and may not accept a small payment. When I've used the OPA I offer a payment which I am pretty sure will be rejected; but, my experience has been that the system will specify a minimum acceptable amount. And even if the process gets that far, the minimum payment may not be any more affordable during the coronavirus crisis than the original payment. Finally, if a revised payment goes through successfully, the effect on the status of the direct debit IA is unknown.

I have a number of clients with DDIA's. The matter will become more urgent as their payment dates get closer.

Of course, the approach I have described is only hypothetical knowing that there limitations on the IAs the OPA will create.

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