



GENERAL INSTRUCTIONS

DRAFT 6/20/14

If you are unable to pay the full amount due with your individual income tax return, you may request an installment agreement by completing this form and attaching it to the front of your return. Specify the amount of the monthly payment you propose to make in the block marked "Proposed Monthly Payment Amount." Payments should be as large as possible to lower penalty and interest charges.

You can make installment payments in three ways. Credit cards or ACH Debits will save you the time and trouble of mailing monthly payments and may help save you additional penalties, interest or fees.

- Pay by Credit Card - To charge your monthly payments to MasterCard, VISA, American Express or Discover provide the account number and other information on the form below. You must also provide the cardholder's name and billing address exactly as it appears on the credit card billing statement. You may also arrange credit card installments by phone. For more information, call (502) 564-4921, ext. 5354. A convenience fee may apply to each monthly payment. Please indicate date for credit card payment.
Pay by ACH Debit - To request that your monthly payments be withdrawn electronically from a bank account, attach a voided check to the completed form below. You may also call (502) 564-4921, ext. 5354 to request this option. Please indicate date for ACH Debit payment.
Pay by Mail - Make your checks or money orders payable to the Kentucky State Treasurer. Include the taxpayer's full name(s), Social Security number(s), and the tax period you are paying. Mail the payments to the Division of Collections, P.O. Box 491, Frankfort, KY 40602-0491.

You will be advised if your request for an installment agreement is approved or denied. If you do not receive a response to this request within 90 days from the date you file your return, please call the Division of Collections, (502) 564-4921, ext. 5354.

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ATTACH THIS FORM TO THE FRONT OF YOUR RETURN

Form with fields for: 12A200 (11-14) DEPARTMENT OF REVENUE, KENTUCKY INDIVIDUAL INCOME TAX INSTALLMENT AGREEMENT REQUEST, 20 \_\_, Taxpayer full name(s), Taxpayer Social Security number, Spouse Social Security number, Address, City, State, ZIP Code, Home telephone number, Convenient time to call, Pay by ACH Debit/Electronic Check, Check if paying by ACH Debit, Amount paid with return, Amount you owe, PROPOSED MONTHLY PAYMENT AMOUNT, Amount I am able to pay each month, Date of first payment, Date each month I am able to pay, Pay by Credit Card, Type of credit card, Credit card number, Expiration date, Name and address as it appears on card, Cardholder's signature, Date, Your signature/Spouse's signature, Date.

**INDIVIDUAL INCOME TAX  
INSTALLMENT AGREEMENT REQUEST  
GENERAL INFORMATION**

**DRAFT  
11/13/14**

A Kentucky taxpayer has the right to consideration of an installment agreement for the payment of delinquent taxes, interest, penalties and fees. The right to an installment agreement is provided for in KRS 131.081(9) and is primarily dependent on the taxpayer's inability to pay the amount due in full.

**Eligibility for an Installment Agreement**

**An installment agreement should be requested only when there is no other way of paying the liability on time.**

A taxpayer must clearly demonstrate an inability to pay the liability in full and the agreement must facilitate collection. Generally this means that taxpayers who have the ability to pay with available funds or borrow from a financial institution are not eligible.

**Proposed Monthly Payment Amount**

The monthly payment amount will be based upon the taxpayer's ability to pay after considering the taxpayer's monthly income and reasonable expenses. Allowable expenses generally include reasonable amounts for food, clothing, housing (and associated expenses), installment payments and other necessary living expenses. The proposed monthly payment amount should be as much as possible to minimize the length of the agreement and the accrual of interest, penalties and fees.

**Interest, Penalties, Fees and Refund Offsets**

The law provides for the assessment of interest, penalties and fees for tax liabilities paid after the due date. Interest accrues at the tax interest rate (6 percent for 2015). In addition, penalties of 2 percent per month may be assessed on the unpaid tax. A 25 percent Cost of Collection Fee is imposed on tax due which becomes due and payable (generally 46 days after the assessment date). Interest, penalties and fees continue to accumulate while an installment agreement is in place. Also, any money Kentucky may owe you (tax refunds, etc.) will be offset to your outstanding liability. Additionally, any federal income tax refund that may become due to you may be offset to this liability pursuant to 26 USC §6402(e). Penalties and fees may be waived or reduced if the taxpayer files the return on time, honors the payment agreement and/or demonstrates reasonable cause.

**Setting up the Agreement**

Taxpayers who believe they qualify for an installment agreement should complete Form 12A200, Individual Income Tax Installment Agreement Request, and **attach the form to the front of the return.**

**State Tax Lien**

Depending on the amount and length of the agreement, a State Tax Lien may be filed. If a lien is filed, it will remain on the taxpayer's credit record for up to seven years after the liability is paid and the lien is released.

**Assistance**

Questions should be directed to:

Division of Collections  
Kentucky Department of Revenue  
P.O. Box 491  
Frankfort, KY 40602-0491  
(502) 564-4921, ext. 5354

Form 12A200, Individual Income Tax Installment Agreement Request, is available at Kentucky Taxpayer Service Centers located throughout the Commonwealth. Forms may also be obtained from the Internet at **[www.revenue.ky.gov](http://www.revenue.ky.gov)**, or by contacting the Division of Collections or by sending a written request to:

**FORMS**

Operations and Support Services Branches  
Kentucky Department of Revenue  
501 High Street  
Frankfort, KY 40620  
(502) 564-3658