



State of California
Franchise Tax Board

3561 BOOKLET

Installment Agreement

You may be eligible to make monthly installment payments if you have a financial hardship and cannot pay your tax amount in full. If we approve your request, we agree to let you pay the tax amount you owe in monthly installments instead of immediately paying the amount in full. You must make your monthly payments through electronic funds transfer (EFT). EFT allows you to automatically make payments to the Franchise Tax Board by a direct transfer of funds from your checking or savings bank account.

When you request an installment agreement, you agree to meet all future tax liabilities. You must file your future returns timely and have enough withholding or estimated tax payments to pay your tax liability in full for future years. You will be in default on your agreement, if you do not make your payments on time or if you have an outstanding past due amount in a future year. We may take collection actions to collect the entire amount you owe. Please, check your W-4 or DE-4 on file with your employer to be sure that your withholding rate is correct. If you have income from other sources, be sure that your estimate payments are adequate.

What you should know if you are approved for an installment agreement

- We will automatically deduct your payments from your bank account.
- Additional interest and some penalties continues to accrue while you make your scheduled payments.
- You must contact your employer to adjust your W-4 form to ensure that your tax is covered each year. You may need to change your W-4 form to ensure enough money is being withheld to pay any future tax.
- We will keep (offset) any state tax refund you are due and deduct it from the total amount you owe. This offset will not replace your monthly payment.
- We may file a state tax lien to protect the state's interest until you pay off your balance (Government Code Section 7170-7173). The lien may appear on your credit record.

State of California – Franchise Tax Board Installment Agreement Financial Statement

Please furnish the information requested on this form. It is important that all questions are answered. If you run out of space, please attach additional pages (write your name and social security number on all additional pages). All information will be verified.

1. Taxpayer Information

| | | |
|------------------|--|--|
| Name | Home Telephone Number () - | Work Telephone Number () - |
| Address | Spouse's Work Phone Number () - | Personal Fax Number () - |
| | Taxpayer's Social Security Number - - | Spouse's Social Security Number - - |
| City, State, ZIP | Taxpayer's Date of Birth / / | Spouse's Date of Birth / / |

2. List all dependents and non-relatives living with you

| Name | Age | Relationship | Name | Age | Relationship |
|------|-----|--------------|------|-----|--------------|
| | | | | | |
| | | | | | |
| | | | | | |

3. Employment Information

| Taxpayer | Spouse |
|---------------------------------------|---------------------------------------|
| Employer/ Business Name: _____ | Employer/ Business Name: _____ |
| Address: _____ | Address: _____ |
| City, State, ZIP: _____ | City, State, ZIP: _____ |
| Employer/Business Tel Number: () - | Employer/Business Tel Number: () - |
| Employer/Business Fax Number: () - | Employer/Business Fax Number: () - |
| Occupation/Profession: _____ | Occupation/Profession: _____ |
| How long employed: _____ | How long employed: _____ |
| Marital Status on your W-4: _____ | Marital Status on your W-4: _____ |
| Number of exemptions you claim: _____ | Number of exemptions you claim: _____ |

4. Bank Accounts (Includes Savings & Loans, Credit Unions, IRA's)

| Name of Institution | Address | Type of Account (Checking/Savings) (Joint/Separate) | Account Number | Balance |
|---------------------|---------|---|----------------|---------|
| | | | | \$ |
| | | | | \$ |
| | | | | \$ |
| Total ▶ | | | | \$ |

5. Real Estate

| Address/County of Property | Date Purchased | Current Value | Mortgage Balance | Paid to: (Lender Name) |
|----------------------------|----------------|---------------|------------------|------------------------|
| | / / | \$ | \$ | |
| | / / | \$ | \$ | |
| | / / | \$ | \$ | |
| Total ▶ | | \$ | \$ | |

6. Motor Vehicles

| Year, Make, and License Number | Date Purchased | Current Value | Loan Balance | Date Loan Will Be Paid Off |
|--------------------------------|----------------|---------------|--------------|----------------------------|
| | / / | \$ | \$ | / / |
| | / / | \$ | \$ | / / |
| | / / | \$ | \$ | / / |
| Total ▶ | | \$ | \$ | |

7. Life Insurance

| Name of Company | Amount You Can Borrow on Policy | Name of Company | Amount You Can Borrow on Policy |
|-----------------|---------------------------------|-----------------|---------------------------------|
| | \$ | | \$ |

8. Other Assets (Stocks, Bonds, Boats, etc.)

| Description | Current Value | Loan Balance | Date Loan Will Be Paid Off |
|----------------|---------------|--------------|----------------------------|
| | \$ | \$ | / / |
| | \$ | \$ | / / |
| | \$ | \$ | / / |
| | \$ | \$ | / / |
| Total ▶ | | \$ | \$ |

9a. Monthly Income and Expenses (Based on all members of the household)

Monthly Income

| Item | Amount | FTB Use Only |
|--|--------|--------------|
| Net Pay (amount you take home from wages and/or self employment) | \$ | |
| Spouses Net pay (amount spouse takes home from wages and/or self employment. If self employed, see Page 6) | \$ | |
| Rents Received | \$ | |
| Pensions | \$ | |
| Disability/Social Security | \$ | |
| Commissions | \$ | |
| Other Income: | \$ | |
| Dividends | \$ | |
| Interest | \$ | |
| Child Support | \$ | |
| Royalties | \$ | |
| Alimony | \$ | |
| Other (list) _____ | \$ | |
| Income contributed from other people living in your home | \$ | |
| Total Monthly Income ▶ | | \$ |

9b. Monthly Income and Expenses (Expense must be reasonable for the size of your family, location, and circumstances).

| Monthly Expenses | | | Amount | FTB Use Only |
|--|--------------------------|----------------------------------|--------|--------------|
| Item | | | | |
| Homeowner | <input type="checkbox"/> | Enter Monthly mortgage payment ▶ | \$ | |
| Renter | <input type="checkbox"/> | Enter Monthly rent payment ▶ | \$ | |
| Payments made to: _____ | | | | |
| Address: _____ | | | | |
| City/State/ZIP: _____ | | | | |
| Telephone Number: (____) ____ - _____ | | | | |
| Alimony/Child Support (If payroll deduction, do not enter) | | | \$ | |
| Groceries | | | \$ | |
| Childcare/Daycare | | | \$ | |
| Utilities: | | | | |
| | | Electricity | \$ | |
| | | Heat | \$ | |
| | | Water | \$ | |
| | | Sewer | \$ | |
| | | Telephone | \$ | |
| Transportation (Number of miles to and from work _____) | | | \$ | |
| Doctor and medical bills not paid by insurance | | | \$ | |
| Insurance (not paid through payroll deductions): | | | | |
| | | Vehicle | \$ | |
| | | Health | \$ | |
| | | Life | \$ | |
| | | Homeowners/Renters | \$ | |
| IRS Installment Agreement – (Total Amount Due \$ _____) | | | \$ | |
| Quarterly Estimate Income Tax Payments | | | | |
| | | Federal | \$ | |
| | | State | \$ | |
| Vehicle Payments (List Lien Holder below) | | | | |
| | | 1. | \$ | |
| | | 2. | \$ | |
| | | 3. | \$ | |

Credit Obligations

| Name of Creditor/Card | Credit Limit | Amount Owed | Available Cash Advance | Minimum Monthly Payment | |
|-----------------------|--------------|-------------|------------------------|-------------------------|--|
| 1. | \$ | \$ | \$ | \$ | |
| 2. | \$ | \$ | \$ | \$ | |
| 3. | \$ | \$ | \$ | \$ | |
| 4. | \$ | \$ | \$ | \$ | |
| 5. | \$ | \$ | \$ | \$ | |
| 6. | \$ | \$ | \$ | \$ | |
| 7. | \$ | \$ | \$ | \$ | |

Other Expenses (List all other personal obligations not included above)

| | | | | |
|---|--|--------|----|--|
| 1. | | AMOUNT | | |
| 2. | | \$ | | |
| 3. | | \$ | | |
| Total Monthly Expenses ▶ | | | \$ | |
| Monthly Payment Proposal ▶ | | | | |
| (Begin making payments NOW. You will be notified of our decision.) | | | \$ | |

10. Do you expect changes to income or health that may change your monthly expenses? If yes, explain:

Have you filed bankruptcy? Yes No If yes, complete the following:

District: _____

Case Number: _____

Judge's Name: _____

Petition Date: ____ / ____ / ____ Discharge Date: ____ / ____ / ____

Attorney's Name: _____

Attorney's Telephone Number: (____) ____ - _____

Documentation

You must submit the following documentation with your financial statement. **An installment agreement may be delayed if all required documentation is not included.**

1. Verification of income and expenses **for the past three months:**

- Copies of all pay stubs and statements of any other income.
- Copies of IRS tax payments for delinquent taxes and estimated payments.
- Copies of alimony and child support payments.

In addition, **if self employed:**

- Current balance sheet and income statements.
- Annual balance sheets and income/expense statements for the last two years (such as IRS FORM 1040 Schedule C).
- Current list of accounts receivable (names, addresses, and balance due statements).
- Current list of notes receivable (names, addresses, and balance due statements).

2. Bank information **for the past three months:**

- Bank statements for all personal and business accounts.

3. Tax Returns:

- We cannot process the installment agreement until all past due returns are filed.

4. Other:

- Documentation and explanation of other household expenses that may exceed a reasonable amount.

If we approve your request, we agree to let you pay the tax you owe in monthly installments instead of immediately paying the amount in full. In return, you agree to make your monthly payments through electronic funds transfer (EFT). Additional information and instructions about EFT will be sent to you if your installment agreement is approved. In addition, you agree to pay a fee for establishing this installment agreement.

Under penalty of perjury, I declare that to the best of my knowledge and belief this statement of assets, liabilities and other information is true, correct and complete. I understand that a state tax lien may be filed (Government Code Section 7170-7173), I also understand that future state income tax returns must be filed when due and the tax liability paid in full or my installment agreement will be cancelled.

| Taxpayer's Signature | Spouse's Signature | Date |
|----------------------|--------------------|------|
| | | |

For Privacy Notice, see page 7.

Taxpayers' Bill of Rights

The California Taxpayers' Bill of Rights (R&TC Sections 21001-21028) requires that we adequately protect the rights, privacy, and property of all California taxpayers during the process of assessing and collecting taxes. Our goal is to make certain we protect your rights. We want you to have the highest confidence in the integrity, efficiency, and fairness of our state tax system. FTB 4058, *California Taxpayers' Bill of Rights*, includes information on state taxpayers' rights and how to request written tax advice from us. Get FTB 4058 at ftb.ca.gov or call us at 800.338.0505 (select Personal Income Tax), or mail us at FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0040.

Alternatives to Collection Actions

If you contact us, you can prevent collection actions by doing any of the following:

- Paying your tax liability in full.
- Making an installment agreement.
- Filing any required returns or providing proof that no return is due.
- Making an Offer in Compromise that we accept.
- Establishing that your financial hardship prevents you from paying this liability.

Laws Regarding Collection Actions

Third Party Contacts: We may contact third parties to determine or collect your tax liabilities. To the extent the law allows, we will provide you, upon your request, a list of individuals or organizations we contacted during the 12-month period following the date of the enclosed notice. We must receive your request no later than 60 days after the 12-month period has ended. (R&TC Section 19504.7)

Installment Agreement Cancellation: If we cancel your installment agreement, we will notify you in writing 30 days prior to the cancellation. (R&TC Section 19008)

Tax Liens: If we file a tax lien, you can get it released by paying the total tax liability (including any penalties and accrued interest) for the tax years represented by the lien. We will record a certificate of release in the office of the county recorder where we filed the tax lien and/or with the California Secretary of State no later than 40 days after you pay the liability. If you pay by check, the 40-day period does not begin until your financial institution honors the check. (R&TC Section 19206) Unfortunately, we sometimes file a tax lien in error. If this happens to you, please write to us and tell us why you think we are wrong. If we agree with you, we will send a notice to the applicable county recorder's office and to credit reporting companies in that county stating that we filed the tax lien in error. (R&TC Section 21019)

Bank, Wage, or Other Levies: If we take your property and you believe our action is improper, you have the right to a hearing. At the hearing, you should provide information that demonstrates to us the need to change or withdraw our levy or stop the sale of your property.

If we seize your bank account in error, and you did not contribute to that error, we may reimburse you for related bank charges. You must file your reimbursement claim within 90 days of the levy. (R&TC Section 21018)

The California Code of Civil Procedure Sections 700.010 through 704.995, and the California Revenue and Taxation Code Sections 18670 and 18671 govern the seizure and sale of real and personal property. The California Code of Civil Procedure Sections 706.020 through 706.154 govern wage garnishment.

You can contact the **Taxpayers' Rights Advocate** by:

MAIL: Taxpayers' Rights Advocate
Executive and Advocate Services MS A381
PO BOX 157
RANCHO CORDOVA CA 95741-0157
TELEPHONE: 800.883.5910
WEBSITE: www.ftb.ca.gov

Internet and Telephone Assistance

Website: ftb.ca.gov

Telephone: 800.852.5711 from within the United States
916.845.6500 from outside the United States

TTY/TDD: 800.822.6268 for persons with hearing or speech impairments