

TITLE 4: ECONOMIC RESOURCES
DIVISION 1: REVENUE AND TAXATION

§ 1854. Agreement for Payment of Tax Liability in Installments.

(a) *Authorization of Agreements.* The Secretary is authorized to enter into written agreements with any taxpayer under which such taxpayer is allowed to satisfy liability for payment of any tax in installment payments if the Secretary determines that such agreement will facilitate collection of such liability.

(b) *Extent to Which Agreements Remain in Effect.*

(1) In General. Except as otherwise provided in this subsection, any agreement entered into by the Secretary under subsection (a) shall remain in effect for the term of the agreement.

(2) Inadequate Information or Jeopardy. The Secretary may terminate any agreement entered into by the Secretary under subsection (a) if:

(A) Information which the taxpayer provided to the Secretary prior to the date such agreement was entered into was inaccurate or incomplete, or

(B) The Secretary believes that collection of any tax to which an agreement under this section relates is in jeopardy as defined in 1871(d)(2).

(3) Subsequent Change in Financial Conditions.

(A) In General. If the Secretary makes a determination that the financial condition of a taxpayer with whom the Secretary has entered into an agreement under subsection (a) has significantly changed, the Secretary may alter, modify, or terminate such agreement.

(B) Notice. Action may be taken by the Secretary under subparagraph (A) only if:

(i) Notice of such determination is provided to the taxpayer no later than 30 days prior to the date of such action, and

(ii) Such notice includes the reasons why the Secretary believes a significant change in the financial condition of the taxpayer has occurred.

(4) Failure to Pay an Installment or Any Other Tax Liability When Due or To Provide Requested Financial Information. The Secretary may alter, modify, or terminate an agreement entered into by the Secretary under subsection (a) in the case of the failure of the taxpayer:

(A) To pay any installment at the time such installment payment is due under such agreement,

(B) To pay any other tax liability at the time such liability is due, or

(C) To provide a financial condition update as requested by Secretary.

Source: PL 14-35, § 4 (1854).