

How to prepare a Collection Information Statement (Form 433-A)

Who should use Form 433-A?

Form 433-A is used to obtain current financial information necessary for determining how a wage earner or self-employed individual can satisfy an outstanding tax liability.

You may need to complete Form 433-A:

- if you are an individual who owes income tax on Form 1040,
- if you are an individual who may be a responsible person for a Trust Fund Recovery Penalty,
- if you are an individual who may be personally responsible for a partnership liability,
- if you are an individual owner of a limited liability company that is a disregarded entity,
- or if you are an individual who is self-employed or has self-employment income. You are self-employed if you are in business for yourself, or carry on a trade or business as a sole proprietor or an independent contractor.

If you are a wage earner:

Complete Sections 1, 2, 3 and 4, including the signature line on page 4.

Include the attachments required on page 4.

Answer all questions in these sections or write N/A.

Include attachments if additional space is needed to respond completely to any question.

If you are a self-employed individual:

Complete sections 1, 2, 3, 4, 5 and 6, and the signature line on page 4.

Include the attachments required on page 4.

Answer all questions in these sections or write N/A.

Include attachments if additional space is needed to respond completely to any question.

Certification for Signature Line on page 4

This requires the taxpayer's signature. For joint income tax liabilities, both husband and wife must sign the statement.

If you do not complete the form, we will not be able to help determine the best method for you to pay the amount due. This may result in significant delay in account resolution. The areas explained in this publication are the ones we have found to be the most confusing to people completing the form.



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Section 4 (Wage earners and Self-employed Individuals)

Items 12 – Personal Bank Accounts

Enter all accounts, even if there is currently no balance. Include stored value cards such as a payroll card from an employer, an electronic benefit card from a government agency, or a child support payment card. *Do not* enter bank loans.

Item 13 – Investments

Include any investment or interest you have in a business.

Item 14 – Available Credit

Enter only credit cards issued by a bank, credit union, or savings and loan (*MasterCard, Visa, overdraft protection, etc.*)

Items 17, 18 and 19 – Real Estate, Vehicles and Personal Assets

Current Fair Market Value – Indicate the amount you could sell the asset for today.

Date of Final Payment – Enter the date the loan or lease will be fully paid.

Item 17 – Real Estate

List locations of all property that you lease, own or are purchasing. If you are leasing or renting, list lessor or landlord. If you are purchasing, list lender.

Item 18 – Personal Vehicle

List all vehicles owned and leased (cars, boats, RVs, etc.) If you are leasing, list lessor. If you are purchasing, list lender.

Item 19 – Personal Assets

List other personal assets you own such as artwork, jewelry, antiques, furniture, collections (coins, guns etc.) not included in previous sections.

Section 5 (Self-employed only) Business Information/Assets

Item 54 – Payment Processor

List all third-party processors you use for business to accept credit card payments.

Item 57 – Business Bank Accounts

Enter all business bank accounts, even if there is currently no balance. Include stored value cards such as a telephone card or prepaid debit card for expenses. Do not enter bank loans.

Item 59 – Business Assets

List all other assets used in trade or business that were not included in previous sections.

Section 6 (Self-employed only) Business Income and Expenses

Complete Business Income and Expenses in Section 6 before completing Monthly Income/Expense Statement in Section 4. The business information in Section 6 should reconcile with your business profit and loss statement. See footnote 6 on page 6 if using Form 1040, Schedule C.

Section 4 Monthly Income/Expense Statement

If only one spouse has a tax liability, but both have income, list the total household income and expenses.

TOTAL INCOME

Items 20 and 21 – Wages

Enter your *gross* monthly wages and/or salaries. Do not deduct withholding or allotments you elect to take out of you pay such as insurance, credit union deductions, car payments, etc. List these deductions in Total Living Expenses.

Item 23 – Net Business Income

Enter your monthly *net* business income from line 82 on page 6.

Item 25 – Distributions

Enter the monthly average of your distributions from Partnerships, Subchapter S Corporations or Limited Liability Companies.

TOTAL LIVING EXPENSES (necessary)

To be necessary, expenses must provide for the health and welfare of you and your family and/or provide for the production of income, and must be reasonable in amount. We may ask you to provide substantiation of certain expenses.

Item 33 – Standard for Food, Clothing and Misc.

Enter the total amount for this item from the chart in the next column. If you claim a higher amount for a specific expense, you must verify and substantiate that amount.

Item 34 – Housing and Utilities

Enter the monthly rent or mortgage payment for your principal residence. Add the average monthly payment for the following expenses, if they are *not* included in your rent or mortgage payments: property taxes, homeowner's or renter's insurance, necessary maintenance and repair, homeowner dues, condominium fees, and utilities.

Item 35 – Vehicle Ownership Costs

Enter your monthly lease, purchase or loan payments.

Item 36 – Vehicle Operating Costs

Enter the average monthly costs for insurance, licenses, registration fees, inspections, normal repairs and maintenance, fuel, parking and tolls.

Item 37 – Public Transportation

Enter the average monthly public transportation expenses you pay for bus, train and taxi fares and any other mass transit fares.

Item 38 – Health Insurance

Enter your monthly expense for health insurance.

Item 39 – Out-of-Pocket Health Care Costs

Enter the amount for this item from the chart in the next column. If you claim a higher amount, you must verify and substantiate the expenses.

Item 40 – Court Ordered Payments

Includes child support, alimony, etc.

Item 44 – Other Secured Debts

Enter your average monthly payments for any other secured debts. Do not duplicate mortgage or car payments entered in Items 34 or 35 above.

Total Monthly National Standards for Food, Clothing and Misc. (Section 4, Item 33)

Effective 03/01/2008

Expense	One Person	Two Persons	Three Persons	Four Persons
Food	\$277	\$528	\$626	\$752
Housekeeping supplies	\$28	\$60	\$61	\$74
Apparel & services	\$85	\$155	\$209	\$244
Personal care products & services	\$30	\$53	\$58	\$65
Miscellaneous	\$87	\$165	\$197	\$235
Total	\$507	\$961	\$1,151	\$1,370

More than four persons	Over Four Persons Amount
For each additional person, add to four-person total allowance:	\$262

To calculate the allowance, please read across to the column that matches the number of persons in your family.

When you have more than four persons in your family, you need to multiply the amount of additional persons over four by the dollar amount in the "Over Four" column; then add the answer to the dollar amount in the "Four" column. For example, when you have six persons in your family, you would multiply \$262 by the two members of your family over four to get \$524. You then would add this \$524 to the \$1,370 allowed for a family of four. As a result, your allowed expenses would equal \$1,894 (\$524 + \$1,370).

Total Monthly National Standards for Out-of-Pocket Health Care Costs (Section 4, item 39)

Effective 03/1/2008

	Out-of-Pocket Health Care Costs
Under 65	\$57
65 and Older	\$144

To calculate the allowance, determine the number and age of persons in your household and multiply by the amount reflected in the chart.

For example, a family of three persons, all under 65, would be allowed \$171 (\$57 x 3)