GENERAL INSTRUCTIONS

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 E-checks 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 or VISA, 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.

- **Pay by E-check**—To request that your monthly payments be withdrawn electronically from a bank account, attach a voided copy of a deposit slip to the completed form below. You may also call (502) 564-4921, ext. 5354 to request this option.

- **Pay by Mail**—Make your checks payable to the Kentucky State Treasurer. Please specify the taxpayer's full name, 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**.

CUT HERE

ATTACH THIS FORM TO THE FRONT OF YOUR RETURN

12A200 (11-08) **DEPARTMENT OF REVENUE**	**KENTUCKY INDIVIDUAL INCOME TAX INSTALLMENT AGREEMENT REQUEST**	**200___**

Taxpayer full name(s)	Taxpayer Social Security number	Spouse Social Security number

Address	City	State	ZIP Code

Home telephone number	Convenient time to call
Business telephone number ext.	

Kentucky adjusted gross income (Form 740, Form 740-EZ, Form 740-NP)

Pay by E-check ➤ ☐ Check if paying by E-check ***(Attach voided deposit slip)***

Amount paid with return	Amount you owe (Form 740, Form 740-EZ, Form 740-NP)
$	$

Proposed Monthly Payment Amount

Amount I am able to pay each month	Date each month I am able to pay
$	

Pay by Credit Card ➤	Type of credit card	Credit card number	Expiration date

Your signature	Date
Spouse's signature (joint or combined returns only)	Date

INDIVIDUAL INCOME TAX
INSTALLMENT AGREEMENT REQUEST
GENERAL INFORMATION

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

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

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 (7 percent for 2009). 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 an original Form 12A200 to the front of the return. This form is color coded for easy recognition during processing.** Copies will delay processing and may result in additional penalties and interest. The Department of Revenue will make every effort to acknowledge the request within 90 days. 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**.

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.

Making Payment

Interest, penalties and fees may be reduced by making a partial payment with the return or making payments prior to obtaining a payment agreement. When making payments, **please include the taxpayer's name(s), Social Security number(s), tax period and the type tax being paid**. Checks should be made payable to the Kentucky State Treasurer and mailed to the Division of Collections at the address below. For E-checks (automatic electronic withdrawals from a checking account) or credit card payments, see Form 12A200.

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**, or by contacting the Division of Collections or:

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