

# Indiana Department of Revenue

## Claim for Hardship

### What is required to apply for a Claim for Hardship?

- Complete a Financial Statement, form FS-H.
- Must be current with all tax filings.
- Any Bankruptcy filings must have already been discharged or dismissed.

### Who *may* qualify for a Claim for Hardship?

- Taxpayers who are facing financial difficulties due to:
  - Terminal and/or critical medical illness within the immediate family.
  - Personal devastation resulting from a natural disaster or an uncontrollable event.

### What the Claim for Hardship *can not* do for you....

- Cancel your outstanding liabilities with no payment.
- Leave your liabilities on hold indefinitely.
- Settle for a lesser amount.
- Release a professional license, permit, or tax lien on any type of property until the amount due is paid in full.
- Intervene when a legal action has been filed, such as wage garnishment, bank account levy, collection suit, or court ordered appearance.

### What the Claim for Hardship *can* do for you?

- Place a temporary hold on your account for a specified time period, with the intention of establishing a payment plan at the end of that time period.
- Establishing a payment plan with the taxpayer's special needs in mind, allowing additional time for repayment of the taxes due.

### **Attention: Your application can be rejected for the following reasons:**

- Advanced collection proceedings: If a legal action has been filed (i.e. levy of wages and/or bank account, collection suit, or appearance in court).
- Past and/or Present income levels.
- Information listed on the Financial Statement: Failure to provide verification of all income, accounts, and expenses must be submitted for the current month and previous three (3) months
- Failure to submit the following required documentation:
  - A Letter of Circumstances answering in detail what prevented you from paying the taxes when they were due and what is currently preventing you from entering into a payment plan with the Collection Division of the Department.
  - A medical statement from your physician detailing the diagnosis and prognosis of your and/or a family members medical condition(s), if applicable.
  - Incomplete, illegible, and/or unsigned Financial Statement.
  - Bankruptcy Discharge or Dismissal notice, if applicable.
  - If you are a current or recently out-of-state resident, copies of the state tax return filed for the last three (3) years that was filed.
  - Copies of the federal tax return filed for the last three (3) years, including all pertinent schedules.

- If a corporation:
  - The last three (3) years of corporate returns or financial statements.
  - Proof of borrowing power.
  - Each owner/officer must provide a completed Financial Statement, form FS-1
- Any required tax filings not on file with the Department, both individual and business.

**Claim for Hardship instructions:**

- All pertinent information must be completed on the Financial Statement
- If a payment plan is being requested, a specific down payment and monthly payment amount must be requested.
- **Please note: the down payment must be received with the Claim for Hardship.**
- If a hardship hold is being requested, a specific amount of time must be requested (i.e. six months) prior to the start of your payment plan.

**Please note:** *If accepted into the Claim for Hardship program, your case may be reviewed periodically and you will be required to update **all** information previously submitted to this office. **You must file all future returns on time and any amount due must be paid timely. Failure to do so will result with your payment plan being cancelled, your case closed, and normal collection pursuit resuming.***

You can contact us at:

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[www.in.gov/dor/taxforms/fs1.html](http://www.in.gov/dor/taxforms/fs1.html)