

Instructions for Form CPP-1, Payment Installment Plan Request

General Information

Who should file this form?

You should file Form CPP-1, Payment Installment Plan Request, if you have tax delinquencies that you cannot pay in full because of a financial hardship and you would like to enter into a payment installment plan with us.

What is a payment installment plan?

A payment installment plan is an agreement between you and the Illinois Department of Revenue to pay your tax delinquencies using regularly scheduled payments. Your scheduled payment amount and the length of time that you have to pay is based on your financial condition.

When will my payment installment plan request be approved?

Approval of your request for a payment installment plan will depend upon the completeness of the information you provide on this form. If additional information is needed to process your request, we will contact you.

In addition to providing all requested information, you must have filed all of your tax returns. If you are a business, all owners, officers, partners, etc., must have filed all applicable Form IL-1040, Illinois Individual Income Tax Returns.

If our review shows that you can pay in full, then we will require you to do so. If our review shows that you qualify for a payment installment plan, we will send you a letter of approval and the conditions of the payment installment plan.

What payment methods may I use?

If you have a checking or savings account, you may be required to

make your installment payments using the Automated Clearing House (ACH) debit program.

- **ACH debit program** (all persons requesting a payment installment plan) — You may make installment plan payments using the ACH debit program, which is the recommended form of payment. This program allows you to have the installment payments automatically withdrawn from a savings or checking account. Your signature is required in Step 4 for this option to be used.

Otherwise, you should use one of the following payment methods to make your installment payments.

- **Credit card** (individuals requesting a payment installment plan for an Individual Income Tax liability only) — You may make installment plan payments using your Visa, Discover, MasterCard, or American Express. If you use this method, a convenience fee will be charged to your credit card account. To use this payment option, call 1 800 2PAYTAX (1 800 272-9829) and use jurisdiction code 2300 or go to tax.illinois.gov/Individuals/Pay.
- **“Check by phone”** (all persons requesting a payment installment plan) — You can make your payment by phone by calling 217 785-8556. The agent answering the call will ask you for your check number, account number, and bank routing number. We then prepare and print a “check” to submit to your financial institution.
- **Mail** (all persons requesting a payment installment plan) — You may mail your remittance to us at the address below.
INSTALLMENT CONTRACT UNIT
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19035
SPRINGFIELD IL 62794-9035

When is this form due?

There is no specific due date. We recommend that you file this form as soon as you are aware that you are unable to pay your tax liability because of a financial hardship. If you have received a bill or notice, you should return this form within 10 days.

Note: Interest continues to accrue on the payment installment plan liability.

Where do I send my completed form?

- **If a department employee mailed this form to you**, please mail your completed form, along with any attachments, to the address at the bottom of the letter. This is the fastest way for your form to be processed. The person who sent this form to you will be determining whether or not your request will be approved.
- **If you received a copy of this form from our web site**, please fax it to us at 217 785-2635 or mail it to
INSTALLMENT CONTRACT UNIT
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19035
SPRINGFIELD IL 62794-9035

Where do I get help?

- Visit our web site at tax.illinois.gov
- Call the department employee who mailed the letter to you
- Call our Pay Plan Unit at 217 785-8556
- Write to
INSTALLMENT CONTRACT UNIT
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19035
SPRINGFIELD IL 62794-9035

Step-by-step Instructions

Which steps must I complete?

Everyone must complete Steps 1, 3, 4, and 5. Complete Step 2 if you are a business requesting a payment installment plan for a debt other than Individual Income Tax.

To avoid processing delays,

- complete all lines for each part that you are required to complete; and
- do **not** mail this form to the address on your tax return. Instead, mail it to the appropriate address as discussed under “Where do I send my completed form?”.

Step 1: Personal Information (including your spouse, if applicable)

Complete all requested information. If you are married, complete the lines regarding your spouse’s name, Social Security number, and work phone number.

Step 2: Identify your business and the person responsible for remitting payments (businesses only)

Complete this section if you are a **business** requesting a payment installment plan. Be sure to complete all of the requested information, including the name of the person who will be responsible for remitting the payment installment plan payments. Please include all relevant tax identification numbers.

Step 3: Describe your debt and payment installment plan request

Line 5 Tell us whether or not you have filed all tax returns by writing an “X” in the appropriate box provided.

Note: If you have not filed all tax returns, you must complete and attach those returns to this form before we can consider your request for a payment installment plan.

Line 6 Identify all tax periods (*i.e.*, month, quarter, or year) for which the liability on Line 7 exists.

For individual or business income tax liabilities, write the tax year covered by the return.

If you need additional space, write the tax period beside the line provided or list the tax periods on a separate sheet of paper and attach it to this form.

Note: If the liability on Line 7 includes more than one type of tax (*i.e.*, sales, withholding, excise, or income tax) you should write the type of tax beside the line provided or list the tax types and periods on a separate sheet of paper and attach it to this form.

Line 7 Write the total amount of your unpaid liability. If the amount, including any penalty or interest, is over \$5,000, you must complete a financial statement.

- **Individuals** requesting a payment installment plan for an Individual Income Tax liability must complete Form EG-13-I, Financial and Other Information Statement for Individuals.
- **Businesses** requesting a payment installment plan for a debt other than Individual Income Tax must complete Form EG-13-B, Financial and Other Information Statement for Businesses.

Both of these forms are available on our web site at tax.illinois.gov.

Line 8 Write the amount of your good faith downpayment. We recommend that this figure be equal to 25 percent (0.25) of the total amount due on Line 7.

Line 10 Describe your payment installment plan to pay the amount on Line 9. Write the date you plan to make your first installment payment. Then complete **one** line (a, b, or c) to tell us how frequently you will make your installment payments and the payment amount. Please make the payment amount as large as possible to reduce additional interest accrual. Interest accrues on the tax (and, if the liability is from a return due before January 1, 2001, on the penalty) until paid. We will contact you if we do not approve the amount or need additional information.

Step 4: Provide your financial institution and account information and

Line 11 Complete all requested information about your financial institution and account. If you do not have a bank account, please state this on the form.

Line 12 You (or in the case of a business, the person responsible for remitting payments) must sign this line to use the ACH payment option. This signature authorizes the Illinois Department of Revenue to use the information on this form to make your pay plan withdrawals from the account listed in Line 11. This authorization remains in force until the department receives written notification from you.

Step 5: Read the statement and sign below

You (or in the case of a business, the person responsible for remitting payments) must sign the statement. If you do not, processing of your request will be delayed and we may take collection action to collect the unpaid debt.