



How to Complete IRS Form 2159

Payroll Deduction Installment Agreement

This form is used when you are wanting to set up an Installment Agreement with the IRS to be deducted from your paycheck.

Get form 2159 <https://www.irs.gov/pub/irs-pdf/f2159.pdf>

This is a great option for taxpayers who get paid more than one time a month and want to budget their IRS payment over each paycheck rather than making one payment a month. It also allows the funds to come directly out of your pay before you get paid so there is no risk of forgetting to make the IRS payment or it not arriving to them on time if you mail it in.

Both the taxpayer and the employer need to fill out portions of this form before it is sent back to the IRS.

Taxpayer sections to complete:

- Fill in your employer name and contact person in the “TO” Section of the form. The contact person should be whoever the IRS will contact if they have questions.
- The “Regarding” section is your information. Complete this section with your name, SSN and phone numbers. Below that fill in your financial institutions name.
- Next is the kind of taxes you owe. This is the tax form you are requesting a payment for. For this form, this will most commonly be 1040. You will then put in the tax years you owe for and how much you owe as of a certain date. This amount can be obtained by looking at notices that span each year or by calling the IRS to find out.
- You will then mark the box indicating how often you are paid and how much you agree to have deducted per paycheck. If you have an agreement to pay \$200.00 per month and are paid every two weeks, then you want to put \$100.00 and the next date you get paid when your employer will begin to withhold it. If you are paid weekly, then you would put \$50.00 to get to the \$200.00 per month amount.
- If there are any agreed to changes in the amount you will pay over time, put those in the increase and decrease section of the form.
- You will then sign and date at the bottom of the first page of the form.

Employer section to complete:

Your employer must complete a section of this form agreeing to deduct the payments out of your pay. There is a section right under where the “To” Section is that the employer needs to complete. They simply mark how often you are paid and then sign and date it including their title within the company. This signature is their agreeance to withhold the Installment Agreement amounts and turn them over to the IRS on your behalf.



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