



How to Complete IRS Form 433-A

Collection Information Statement for Wage Earners and Self-Employed Individuals

Form 433-A, Collection Information Statement for Wage Earners and Self-Employed Individuals is used for anyone who is dealing with a Revenue Officer or an Appeals Officer with the IRS.

Get form 433-A <https://www.irs.gov/pub/irs-pdf/f433a.pdf>

1. Fill in the top portion of the form with the primary taxpayer's name, SSN and EIN if applicable for a self-employed individual.
2. Section 1 is your and your spouses (if applicable) personal information.
3. Section 2 is for employment information. The pay period is really important to get correct here.
4. Section 3 is questions about your financial condition. Make sure you go through and answer each of these questions with a yes or no answer, explaining any yes answer by completing the information requested following the question.
5. Section 4 covers your persona asset information. Start by putting in the cash amount you have in your wallet on average. I use the term on average here because if you have \$100.00 in your wallet at the time of completing this form, but usually only have \$20.00 and only have the increased amount at this time in anticipation of paying a bill, then only list the \$20.00 not \$100.00.
6. Next list your bank accounts. When listing the balance in the account, use the amount in your account that is not currently allocated towards monthly bill payments.
7. Investment accounts will be listed next. If you have a loan against the value on one of your accounts make sure you list it as this decreases the equity value of the account. If you have equity in these account types that could be used to either full pay or pay down your account balance (especially if the amount you are able to pay on a monthly payment is not going to full pay your account in five years) then the IRS will ask you to utilize those funds so make sure the amounts are accurate and you are not over stating or under stating the account values.
8. Available Credit is the next section. Know that if there is available credit amount you have the IRS may ask you to use that amount to pay down your debt but they will typically not allow credit card payments as an expense in determining your monthly ability to pay.
9. Life Insurance. Only list life insurance that has a cash value here. Make sure to list any loans you have taken against the cash value as this is another area the IRS will ask you to utilize the cash available to pay down your debt.
10. Real estate property is the next section. Make sure you are using an accurate value in the fair market value as you don't want to overstate the amount of equity in your property. Any amount of equity exceeding 15% of the value of the home and the IRS will ask you to pursue an equity loan to use it to pay towards the tax bill. If you are unable to get a loan, then you will need to provide a copy of your loan application and the determination letter from the lender.
11. Vehicles is the next section. The same rules for value apply here as I have mentioned above so that you are not overstating the equity value in the vehicles. The IRS will not ask you to utilize the equity in a vehicle unless there is a substantial amount or unless you have more than one car per taxpayer with equity that could be used to pay down the taxes.
12. Section 5 is the income and expense section of this Collection Information Statement. Below this section are instructions on how to calculate your income based on how often you are paid. You want to make sure you are calculating your income right so it is not either over or under stated. If you over state your income the IRS may request a payment that is higher than what you can really afford, and if you under state your income the IRS may think you are trying to hide something.



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13. With the expense side, line 35 for food, clothing and misc. the IRS has a National Standard amount based on the number of people claimed in your household. If you exceed this amount, you will need to be able to prove a medical or dietary reason why and most likely a note from your physician.
14. The amount that is listed on line 50, net difference, is the amount the IRS is going to expect you can pay on a monthly payment plan so you want to ensure this number is correct.
15. Page 5 and 6 are used for self-employed individuals who have small business information to report. Section 6 is the basic information for the business.
16. Enter your bank accounts and accounts receivables. If you don't have accounts receivables, you should list your major clients here.
17. Page 6 begins your business assets section. This is everything from hand tools to major machines including business owned vehicles.
18. Section 7 is your business gross income and expenses to derive at your net income from business. This should match your profit and loss statement for the same period you are filling this form out for. Always use monthly averages on this form so as to not state your average income higher or lower than what it is.
19. If you are not self-employed then you do not need to fill out pages 5 and 6 and can sign the form on page 4 beneath the income and expense section. If you are self-employed, then you would complete pages 5 and 6 and then sign and date on page 4 of penalty of perjury.



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