

# Installment Agreement Information

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If you have a financial hardship and cannot pay your tax in full, you may be eligible to make monthly installment payments. If we approve your installment agreement, you may pay the tax you owe in monthly installments instead of immediately paying the amount in full. In return, you agree to make your monthly payments through electronic funds transfer. Electronic funds transfer allows you to automatically make payments to the Franchise Tax Board by a direct transfer of funds from your bank account.

## By requesting an installment agreement, you agree to:

- Make sure your installment payments are made in full and on time.
- File all future tax returns on time.
- Pay all future tax balances when they are due. You may need to adjust your W-4 or DE-4 with your employer to increase the taxes withheld from your paycheck. If you have income from other sources, you may need to make sufficient estimated tax payments.

## How to request an installment agreement:

- Complete the enclosed Installment Agreement Request, (form FTB 3567BK) in its entirety. Make sure you sign the form.
- The following illustration shows where to locate your bank routing number and your account number on your check. You need these numbers to answer questions 8 & 9 on form FTB 3567BK.



Do not use a deposit slip to find the bank numbers. Contact your financial institution for assistance in getting the correct routing number.

The illustration shows a check with the following details:

- Payor: John Doe, Mary Doe, 1234 Main Street, Anytown, CA 99999
- Amount: 20
- Pay to the order of: \$ [ ]
- Bank: ANYTOWN BANK, Anytown, CA 99999
- For: [ ]
- Routing number: 259259925 (circled with an arrow pointing to it from the text 'Routing number')
- Account number: 292929 (circled with an arrow pointing to it from the text 'Account number')
- Check number: 1234 (circled with an arrow pointing to it from the text '1234')
- A box labeled 'Do not include the check number' is shown next to the account number.

- Mail it to: FRANCHISE TAX BOARD  
PO BOX 942867  
SACRAMENTO CA 94267-0001

If you wish to make changes to your current installment agreement call us at (800) 689-4776.

## If you have questions:

- Visit our website at: [www.ftb.ca.gov](http://www.ftb.ca.gov) Select Bills and Notices and then Installment Agreements. You may fill out the application online, print it, and mail it to the address shown above.
- Our Interactive Voice Response system may answer many of your questions. Please call (916) 845-4470 to obtain your account balance and other important information seven days a week, 24 hours a day. The Interactive Voice Response system will also provide information regarding Installment Agreements, Earnings Withholding Orders for Taxes, and other Franchise Tax Board notices. If the system does not completely answer your questions, you may speak with a representative Monday through Friday, 7:30 a.m. to 5:00 p.m.

## Questions and Answers about Installment Agreements

Q. Why should I make my payments as large as possible?

A. You should make the largest monthly payment possible in order to limit the amount of interest you will have to pay. Penalties and interest will continue to accrue until your balance is paid in full.

Q. What happens if I have not filed all required tax returns?

A. We cannot approve your request for an installment agreement if all required tax returns are not filed.

Q. How can I be sure that enough money is withheld from my paycheck for current taxes?

A. Contact your employer for a W-4 or DE-4 form. Complete the worksheet with that form to ensure that enough money is being withheld from your paycheck.

Q. Why am I required to make my monthly payments through electronic funds transfer?

A. Electronic funds transfer is convenient for the taxpayer, helps prevent installment agreement defaults, and saves processing costs.

Q. What happens if I have insufficient funds for the electronic funds transfer deductions?

A. If there are not sufficient funds in your account to cover your payment, we will add a dishonored payment penalty to your balance, and we may cancel your installment agreement. You will receive a Notice of Intent to Cancel, and we may require you to pay your balance in full within 30 days.

Q. My bank account is located in another state. Can I still make payments using electronic funds transfer?

A. Yes, you can use an out-of-state bank account for your electronic funds transfer payments.

Q. Will the Franchise Tax Board file a lien against me if my installment agreement is approved?

A. In most cases, we will not file a state tax lien. If it is necessary to file a state tax lien, we will notify you in advance.

Q. Once I send you my installment agreement request, how soon should I expect to hear from the Franchise Tax Board?

A. You should receive an acknowledgement letter from the Franchise Tax Board within 30 days. The notice will show your monthly electronic funds transfer payment, the monthly bank transfer date, and provide you additional information regarding your installment agreement.

Q. What will happen to my future state tax refunds?

A. We will apply any state tax refund you are due to the total amount you owe. Tax refund credits are not in lieu of monthly payments.

Q. Where can I get help if I am having a problem paying all my debts?

A. Non-profit organizations, such as Consumer Credit Counseling Service, offer free or low-cost financial counseling for all kinds of debt problems.