



10 | 08 | 19

## **New payment option available to taxpayers in private debt collection program**

IR-2019-165

WASHINGTON — Internal Revenue Service officials today announced that a new payment option has been added to the private debt collection program to make it easier for those who owe to pay their tax debts.

Taxpayers now can choose the convenient option of a preauthorized direct debit to make one payment or a series of payments toward their federal tax debt. With direct debit, the taxpayer will give their written permission to the private collection agency (PCA) to authorize a payment on the taxpayer's behalf to the U.S. Department of the Treasury. This enables the taxpayer to conveniently and securely schedule multiple payments with the ease of a single phone call with their assigned PCA.

When taxpayers choose the preauthorized direct debit option, they'll complete and sign a written authorization which can be submitted to the PCA by mail or fax. The authorization contains the payment schedule and bank account information.

Once the PCA receives the taxpayer's signed authorization, it will send a confirmation letter containing the details of the preauthorized direct debit. The PCA will create a check according to the payment schedule made out to the U.S. Department of the Treasury. The check is securely mailed to the IRS within 24 hours.

The new direct debit supplements existing IRS-sponsored payment options and can be changed or canceled up to one business day prior to the scheduled payment. Taxpayers can still opt to use the electronic payment options available on [IRS.gov/Paying Your Taxes](http://IRS.gov/PayingYourTaxes). Payments by check should be payable to the U.S. Treasury and sent directly to the IRS, not the PCA.

The private debt collection program, enacted by Congress, requires the IRS to contract PCAs to collect certain outstanding tax debts. In June, the IRS began assigning a small number of business accounts to PCAs. These cases meet the requirements under federal law for inclusion in the private debt collection program.

From the start of the program in April 2017 through June 13, 2019, the IRS has given four PCAs more than 1.9 million total cases that represent more than \$16.2 billion of the IRS's balance-due inventory. To date, the PCAs have assisted more than 163,000 taxpayers who either paid their balances in full or set up a payment arrangement.

### **Be aware of scammers**

Taxpayers should be on alert for scammers and identity thieves pretending to be from a PCA.

When representatives from one of the four PCAs contacts a taxpayer, they will state that they are from one of these collection agencies: CBE, Performant, Pioneer or ConServe. These agencies will respect the [Taxpayer Bill of Rights](#) and abide by the consumer protection provisions of the [Fair Debt Collection Practices Act](#).

Whether a taxpayer selects the preauthorized direct payment option or mails a check, the IRS reminds taxpayers to be on the lookout for scam telephone calls from anyone claiming to be collecting on behalf of the IRS.

Even with private debt collection, taxpayers will not get unexpected phone calls demanding payment. Before a taxpayer is contacted, the taxpayer will receive two letters; one from the IRS and one from the PCA. Both letters will include a Taxpayer Authentication Number (TAN). The TAN will be used to authenticate the PCA and to verify the identity of the taxpayer, instead of using their social security number. Taxpayers are advised to safeguard their TAN as they would a social security number. Taxpayers can report a suspected phone scam or inappropriate behavior to the Treasury Inspector General for Tax Administration on their website at [www.treasury.gov/tigta](http://www.treasury.gov/tigta), or by calling 800-366-4484.