



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

December 3, 2025

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Expiration Date: December 3, 2027  
Affected IRM: 5.14.1; 5.14.5; 5.14.7;  
5.14.10

MEMORANDUM FOR DIRECTORS, ALL COLLECTION FIELD AREAS

FROM: Thomas Kramer  
Director, Collection Policy

SUBJECT: Interim Guidance for Field Collection on new Simple Payment  
Plans for Business Master File (BMF) Taxpayers

Thomas D. Kramer  
  
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Date: 2025.12.03 17:05:53 -08'00'

This memorandum provides interim procedural guidance to SB/SE Field Collection employees about new payment plan (installment agreement) criteria for BMF taxpayers. The guidance outlined in this memorandum will remain in effect until updates to the Internal Revenue Manuals (IRMs) 5.14.1, 5.14.5, 5.14.7, 5.14.10 are published.

Please ensure this information is distributed to all impacted employees within your organization.

**Purpose:**

This memorandum introduces simplified procedures for securing and processing payment plans (installment agreements) for BMF taxpayers. These changes will make criteria more flexible and accessible for BMF accounts. Revenue officers (ROs) must follow these updated procedures, in addition to existing IRM requirements, when accepting and closing payment plans.

**Procedural Change:**

Under these new changes, the Streamlined Installment Agreement is now referred to as the Simple Payment Plan, and the In-Business Trust Fund Express is now called the Simple Payment Plan (Business Trust Fund). The installment agreements that do not qualify under the Simple Payment Plan or Simple Payment Plan (Business Trust Fund) criteria remain unchanged, as do the criteria for the Simple Payment Plan for Individual Master File (IMF) accounts.

## **Summary of Changes:**

- **Removal of Direct Debit Installment Agreement (DDIA) requirement.**
- **Removal of 72 month or 24 month payment requirement:** It must now be paid in full by the Collection Statute Expiration Date (CSED).
- **Establish Simple Payment Plans for non-trust fund tax cases with a UBA of \$50,000 or less.**
- **Establish Simple Payment Plans for trust fund tax cases with a UBA of \$25,000 or less.**
- **TFRP determination not required:** No Trust Fund Recovery Penalty (TFRP) determination is required before the Assessment Statute Expiration Date (ASED) expires for Simple Payment Plans (Business Trust Fund) with an unpaid balance of assessment (UBA) of \$25,000 or less.
- **Simple Payment Plan criteria does not apply for business taxpayers when any of the following conditions apply:**
  - The payment plan request is made in conjunction with a request for levy release.
  - The case meets “Solely to Delay” criteria under IRM 5.14.3.3, Installment Agreement Requests Made to Delay Collection Action. This includes situations where there is an indication the business may be using pyramiding or successor entities to avoid tax responsibilities.
  - In these situations, ROs should proceed with financial analysis and TFRP determinations, as required.
- **All Simple Payment Plans must now be calculated using the IAT Compliance Suite Payment Calculator.** This tool validates the minimum payment required to resolve all balances, including accrued penalties and interest, by the Collection Statute Expiration Date (CSED).

The chart below summarizes the criteria for Simple Payment Plan and Simple Payment Plan (Business Trust Fund) until IRM 5.14 is updated.

| <b>Types of Payment Plans</b> | <b>Simple Payment Plan</b> | <b>Simple Payment Plan (Business Trust Fund)</b> |
|-------------------------------|----------------------------|--|
| <b>Amount</b>                 | \$50,000 or less           | \$25,000 or less                                 |

|                                    |  |                         |
|------------------------------------|--|-------------------------|
| <b>Type of Tax Liability</b>       | IMF, OOB<br>Sole Proprietor,<br>BMF Non-Trust Fund | BMF Trust Fund          |
| <b>Payment Terms</b>               | Pay in full by the CSED                            | Pay in full by the CSED |
| <b>CIS Required</b>                | No   | No                      |
| <b>NFTL Determination Required</b> | No   | No                      |
| <b>TFRP Determination</b>          | No   | No                      |
| <b>DDIA or PDIA Required</b>       | No   | No                      |
| <b>Extend CSED?</b>                | No   | No                      |
| <b>Must View Assets</b>            | No   | No                      |
| <b>Managerial Approval</b>         | No   | No                      |

## ICS Procedures

Until ICS is updated, a Simple Payment Plan or Simple Payment Plan (Business Trust Fund) may be closed on ICS by selecting Streamlined Installment Agreement or IBTF Express. However, due to ICS system limitations, the following temporary procedures should be taken:

| <b>IF closing the...</b>       | <b>AND the balance is...</b> | <b>THEN take the following action:</b>  |
|--------------------------------|------------------------------|---|
| Simple Payment Plan (non-DDIA) | \$25,001 to \$50,000         | <ul style="list-style-type: none"> <li>In the ICS Installment Agreement menu, select 'Option A-IA' and choose Routine, Not PPIA under IA type.</li> </ul> |
| Simple Payment Plan (DDIA)     | \$25,001 to \$50,000         | <ul style="list-style-type: none"> <li>For BMF accounts that are <b>not</b> Trust Fund accounts, go to the ICS Installment Agreement menu,</li> </ul>     |

|  |                      |  |
|--|----------------------|--|
|  |                      | select 'Option A-IA' and choose Direct Debit IA.   |
| Simple Payment Plan<br>(Business Trust Fund)<br>(non-DDIA) | \$10,001 to \$25,000 | <ul style="list-style-type: none"> <li>For BMF accounts that are Trust Fund accounts, go to the ICS Installment Agreement menu, select 'Option A-IA' and choose Routine IA, Not PPIA under IA type.</li> </ul> |

**Note: Manager approval is not required for Simple Payment Plans.** If ICS requires GM approval, document the bolded history below in the ICS case history with justification for the closure type before submitting the payment plan for approval:

**This is a Simple Payment Plan based on the new Simple Payment Plans criteria outlined in IGM SBSE-05-1125-0065. Managerial approval is not required.**

**Effect on Other Documents:**

This guidance will be incorporated into IRM 5.14.1, Installment Agreements, Securing Installment Agreements, IRM 5.14.5, Installment Agreements – Streamlined, Guaranteed and In-Business Trust Fund Express, IRM 5.14.7, Installment Agreements, BMF Installment Agreements, IRM 5.14.10, Installment Agreements, Payroll Deduction Agreements and Direct Debit Installment Agreements, within two years from the date of this memorandum.

**Effective Date:**

This guidance is effective December 3, 2025.

**Contact:**

If you have any questions regarding the guidance in this memorandum, you may contact Case Resolution Alternatives Program Manager, Eric Slayback.

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