



## General Instructions

Section references are to the Internal Revenue Code.

### Purpose of Form

Use Form 1127 to request an extension of time to pay income tax or an income tax deficiency under section 6161.

### Who Should File

You should file Form 1127 if:

1. You will have a tax liability that you cannot pay with your return without causing undue hardship, or
2. You have been notified of a tax deficiency you are unable to pay without causing undue hardship.

**Undue hardship.** "Undue hardship" means more than inconvenience. You must show you will have a substantial financial loss (such as selling property at a sacrifice price) if you pay your tax on the date it is due. For more information, see the instructions for Part II later.

**Note.** If you need an extension to pay estate tax, file Form 4768, Application for Extension of Time To File a Return and/or Pay U.S. Estate (and Generation Skipping Transfer) Taxes.

### When To File

Form 1127, and its supporting documents, should be filed as soon as you are aware of a tax liability or a tax deficiency you cannot pay without causing undue hardship.

If you are filing Form 1127 based on a tax due on an upcoming return, Form 1127 must be received on or before the due date of that return, not including extensions.

### Where To File

File Form 1127 with the Internal Revenue Service (Attn: Advisory Group Manager), for the area where you maintain your legal residence or principal place of business. See Publication 4235, Technical Services (Advisory) Group Addresses, to find the address for your local advisory group.

However, if the tax is to be paid to the Assistant Commissioner (International), Form 1127 must be filed with that office.

### Period of Extension

An extension based on a tax due on a current return is generally 6 months. However, an extension greater than 6 months may be granted if you are out of the country.

An extension based on an amount determined as a deficiency is generally limited to 18 months from the date payment is due. However, in exceptional circumstances, an additional 12 months may be granted.

**Note.** An extension to pay a deficiency will not be granted if the deficiency is due to negligence, intentional disregard of rules and regulations, or fraud with intent to evade tax.

### Payment Due Date

You must pay the tax before the extension runs out. Do not wait to receive a bill from the IRS.

**Interest.** You will owe interest on any tax not paid by the due date of the return, or the due date of any amount determined to be a deficiency, regardless of whether an extension of time to pay the tax has been obtained. The interest runs until you pay the tax.

**Penalties.** Penalties may be imposed if you fail to pay the tax within the extension period granted.

## Specific Instructions

### Name, Address, and Identification Number

**Individuals.** Enter your name, address, and social security number (SSN) or individual taxpayer identification number (ITIN). If you are filing a joint return, enter your spouse's name and SSN/ITIN on the line below. Enter your and your spouse's name in the same order they will appear on your return.

**Corporations.** Enter your company's name, address, and employer identification number.

**Foreign Address.** Enter the information in the following order: City, province or state, and country. Follow the country's practice for entering the postal code. Do not abbreviate the country name.

### Part I

Enter the due date of your return or the due date of the amount determined to be a deficiency. Enter the date you propose to pay the tax. The proposed date may be up to:

- 6 months for an extension based on a tax due on a current return, unless out of the country, or
- 18 months from the deficiency due date. (An additional 12 months may be requested for a deficiency in exceptional circumstances.)

### Part II

**Undue hardship.** Enter a detailed explanation outlining how denial of this request will result in an undue hardship. An undue hardship means more than inconvenience. You must show that you will suffer a substantial financial loss (such as selling property at a sacrifice price) if you pay your tax on the date it is due.

You must show that you do not have enough cash, above necessary working capital, to pay the tax. In determining cash available, include anything you can convert into cash, using current market prices.

**Inability to borrow.** Enter a detailed explanation explaining what prevents you from borrowing to pay the tax owed by the due date, except under terms that will cause you severe loss or hardship.

**Supporting documentation.** You must attach:

1. A statement(s) of your assets and liabilities at the end of the last month (showing book and market values of assets and whether securities are listed or unlisted), and
2. An itemized list of your income and expenses for each of the 3 months prior to the due date of the tax.

### Security

Security is required to ensure the underlying tax is paid at the end of the extension granted. Please indicate the type of collateral you will use to secure the payment of your tax or deficiency during this period. Collateral can include: a bond, notice of lien, mortgage, deed of trust of specific property or general assets, personal surety, etc. Ordinarily, you must deposit the pledged collateral with the IRS when your extension is approved.

**Note.** No collateral is required if you have no assets.

### Signature and Verification

This form must be signed. If you are filing a joint return, both of you must sign. If your spouse cannot sign the return, see Pub. 501, Exemptions, Standard Deduction, and Filing Information.

## Determination Chart

Use this chart to determine if Form 1127 is the correct form for you to file.

IF you . . .	THEN . . .
Are seeking an extension of time to file your income tax return	File Form 4868, Application for Automatic Extension of Time To File U.S. Individual Income Tax Return, or Form 2350, Application for Extension of Time To File U.S. Income Tax Return. <b>Do not file Form 1127.</b>
Have already filed an income tax return and are unable to pay the tax by the due date of the return	Call, write, or visit your local IRS office to discuss your situation. For more information, see Publication 594, the IRS Collection Process. <b>Do not file Form 1127.</b>
Are requesting to make installment payments	Complete Form 9465, Installment Agreement Request, and attach it to your tax return. <b>Do not file Form 1127.</b>
Are seeking an extension of time to pay estate tax	File Form 4768, Application for Extension of Time To File a Return and/or Pay U.S. Estate (and Generation Skipping Transfer) Taxes. <b>Do not file Form 1127.</b>
Are requesting to postpone the payment of the full amount of tax shown on your return or any amount determined as a deficiency by the due date because of undue hardship	File Form 1127 by the due date of your return or by the due date for the amount determined as a deficiency.

**Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual taxpayers filing this form is approved under OMB control number 1545-0074 and is included in the estimates shown in the instructions for their individual income tax return. The estimated burden for all other taxpayers who file this form is shown below.

**Recordkeeping** . . . . . **3** hr. **35** min.

**Learning about the law or the form** . . . . . **55** min.

**Preparing and sending the form to the IRS** . . . . . **3 hr., 25** min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.