HOW TO BREAK FREE FROM TAX DEBT

WITHOUT GOING BROKE IN 180 DAYS OR LESS

A Step-by-Step Guide for Black Women in the Health and Wellness Space

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How to
BREAK FREE
FROM
TAX DEBT
WITHOUT GOING BROKE
IN
180 DAYS
OR LESS
GET RELIEF
FROM TAX DEBT
PROTECT YOUR
FINANCES
BUILD FREEDOM.
LIVE YOUR LIFE.

Important Notice

This e-book is provided for educational and informational purposes only. It does not constitute legal or financial advice, and no attorney-client or professional relationship is created by reading or purchasing this guide. Every tax situation is unique. The information contained here is based on general IRS guidelines and procedures that are subject to change.

For personalized guidance specific to your situation, you are encouraged to consult with a licensed tax professional, such as an Enrolled Agent, CPA, or tax attorney. Lloydetta Bryant, EA with Ethical Tax and Business Services, is available to provide the personalized support you deserve.

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Welcome

Dear Beautiful Black Woman,

If you're reading this, chances are the IRS have become an unwanted part of your life. The notices, the fear of wage garnishments, the stress of not knowing what to do next, it's overwhelming, to say the least.

I wrote this guide specifically for you: the visionary businesswoman who's done everything she could to keep her business afloat but still finds herself owing the IRS. The wage earner warrior who has taxes coming out but not able to cover day-to-day expenses with confidence because she owes the IRS. You are not alone. More importantly, you are not beyond help.

In the pages ahead, I'm going to walk you through what the IRS won't explain in plain English, the relief options they rarely promote, and the real truth behind how to protect your peace and your power.

This guide is more than information — it's a roadmap to reclaim control and reset your financial foundation.

With clarity and confidence,

Lloydetta Bryant

Tax Relief Specialist | EA
#SolutionsBeyondTax

Introduction: A Message to You

You are here and something in you is ready.

Ready to stop avoiding the letters.

Ready to stop carrying the weight of what you owe in silence.

Ready to do something different.

The beautiful black woman building a health and wellness brand, leading with purpose, serving your clients with excellence, and yet carrying the quiet, heavy burden of tax debt.

I want you to know this is more common than you think.

You are not a failure.

You are not irresponsible.

You are a woman who hit real gaps in financial education, and those gaps have consequences…

But please know that consequences are not the end of your story, they are simply a chapter that calls for a different strategy.

My goal with this guide is simple: to pull back the curtain on how tax debt happens, what you can do about it.

This guide will help you:

Understand what you actually owe and why

See the IRS as a negotiable creditor, not an enemy

Learn exactly which payment options are available to you

Walk through a step-by-step process to set up a Short-Term Payment Plan

Create a 120-day action plan to move from fear to freedom

You do not need to figure this out alone. You simply need the right information, the right strategy, and the courage to take the next step. That is what this guide provides.

Let’s begin.

Chapter 1: Understanding Your Tax Situation

Before any solution can work, you must understand the problem clearly. Many women who come to a tax professional have been avoiding IRS correspondence for months, sometimes years. The result is that they do not actually know the full picture of what they owe, how the debt grew, or what triggered it.

This chapter will help you see your tax situation with clear fresh eyes, without panic and without shame.

How Tax Debt Happens

Tax debt for self-employed business owners and wage earners most often arises from a combination of the following:

- Not setting aside estimated quarterly taxes throughout the year
- Not having enough withheld from paychecks
- Underestimating how much is owed because income was irregular
- Filing returns late or not at all, which triggers failure-to-file penalties
- Owing self-employment tax (both the employee and employer portions of Social Security and Medicare), which many new entrepreneurs are unaware of
- Relying on a tax preparer without fully understanding the return that was filed
- Using business income for personal expenses without tracking it properly

None of these are signs of dishonesty or bad character. They are signs of knowledge gaps that, once closed, will never trip you up again.

The True Cost of Waiting

The IRS charges two types of additional costs when taxes go unpaid: penalties and interest.

Penalties include the failure-to-file penalty and the failure-to-pay penalty. The failure-to-file penalty is significantly larger and begins accruing the moment a return is past due without an extension. Interest accrues on the unpaid balance daily.

> Key Fact: The IRS is the largest collection agency in the United States. They do not forget, and they do not give up. However, they do negotiate and that is where your power lives.

The longer a balance sits unaddressed, the more it grows. A $30,000 balance from three years ago may now be $40,000 or more due to penalties and interest alone. Understanding this is not meant to frighten you, it is meant to motivate you to act now rather than later.

What the IRS Sees When They Look at Your Account

The IRS has a complete record of every return filed, every payment made, and every balance owed on your account. When you owe taxes, they track it by tax year. So, if you owe for multiple years, each year is treated as a separate balance.

Through your IRS online account, you can see exactly what they see. This is one of the most empowering steps you can take, and we will walk through how to do this in Chapter 6.

Chapter 2: Taking Responsibility Without Shame

This chapter is one of the most important in the entire guide because it addresses the internal work required before any external strategy will stick.

The Shame Spiral and Why It Keeps You Stuck

For many black women, tax debt carries enormous shame. There is a voice that says: you should have known better, you should have been more responsible, you should not have let this happen.

That voice is wrong. That voice is keeping you stuck…**No more**.

Shame causes avoidance. Avoidance causes penalties. Penalties cause more debt. More debt causes more shame. This is a cycle that has nothing to do with your intelligence, your worth, or your capability. It is simply a pattern that must be interrupted.

Truth to Hold Onto:

The IRS does not care about your feelings. But you do and those feelings matter for your ability to take action.

Shame is not a strategy. Accountability is.

You cannot solve a problem you are too afraid to look at directly.

Accountability Is Not Self-Punishment

Taking responsibility means looking at the facts clearly and deciding to handle them. It does not mean rehearsing all the ways you went wrong or punishing yourself for decisions made when you had less information.

Every person reading this guide made choices that contributed to their tax situation. Acknowledging that is necessary. But understand that acknowledgment is a starting point, not a destination.

Here is a simple framework for moving from shame to accountability:

1. **Name what happened factually.** "I did not pay estimated taxes for three years and now I owe $42,000."

2. **Own your role without over-explaining.** "I did not fully understand my obligations as a self-employed individual."
3. **Make a decision.** "I am going to resolve this within 120 days using the plan in this guide."

Creating Safety in This Process

This guide is a judgment-free space. The strategies here are based on IRS rules and procedures that exist specifically to help people who owe taxes but cannot pay them all at once.

The IRS has built-in options for hardship, for installment agreements, and for penalty relief because they know that circumstances change and that most people want to be in compliance. You do not have to be perfect. You have to be willing.

Willingness, not perfection, is the engine of resolution.

Chapter 3: Know Your Numbers Before You Act

Before you can choose the right resolution path, you need to know exactly where you stand. This chapter walks you through gathering the information you need to move forward with confidence.

Step 1: Gather All IRS Notices and Letters

Pull out every IRS letter you have received, even the ones you have been avoiding. Each notice has a notice number in the upper right corner. These numbers tell you what type of notice it is. Common ones include:

- CP14 — Initial balance due notice
- CP501 / CP503 — Reminder of balance due
- CP504 — Notice of Intent to Levy
- CP2000 — Proposed changes to your return based on third-party information
- LT11 / Letter 1058 — Final Notice of Intent to Levy (this requires immediate attention)

> Action Required: Sort your IRS letters by date and by notice type. Any letter containing the words "Final Notice" or "Notice of Intent to Levy" requires attention within 30 days.

Step 2: Identify All Years With a Balance or Unfiled Returns

Make a list of every tax year you believe may have an issue. This includes:

- Years for which you have not yet filed a return
- Years for which you filed but did not pay the full amount owed
- Years for which you received a notice of a discrepancy or proposed change

If you are unsure which years are a issue, your IRS online account (covered in Chapter 6) will show you the complete picture.

Step 3: Calculate Your Current Total Liability

For each year with a balance, note the following:

- Original tax owed
- Penalties assessed

- Interest accrued
- Any payments already made
- Current balance remaining

This information is available on your IRS online account by accessing your IRS transcript. A tax transcript is a summary of your account for a specific year.

Step 4: Assess Your Current Financial Picture

Once you know what you owe, you need to understand what you can realistically pay. Gather the following:

- Monthly business income (average the last three to six months)
- Monthly personal income if separate
- Monthly essential expenses (rent or mortgage, utilities, food, insurance, transportation)
- Any current business debts or obligations

This information will determine which resolution option is right for you and whether you can qualify for a Short-Term Payment Plan, which allows you to pay your full balance within 180 days without a formal installment agreement on record.

Chapter 4: Payment Plan Options Overview

The IRS offers several structured options for taxpayers who cannot pay their full balance immediately. Understanding the differences will help you choose the path that fits your situation.

Option 1: Short-Term Payment Plan

A Short-Term Payment Plan allows you to pay your full balance — taxes, penalties, and interest — within 180 days. There is no formal installment agreement set up, which means no ongoing direct debit requirement and no user fee for online applications.

Best for: Individuals who owe $100,000 or less in combined tax, penalties, and interest, and who can pay the full balance within 180 days.

User fee: None when applying online.

Interest and penalties: Continue to accrue until the balance is paid in full.

Collection actions: Generally paused while the agreement is active.

Option 2: Guaranteed Installment Agreement

A Guaranteed Installment Agreement is available to individuals who owe $10,000 or less in income tax (not including penalties and interest) and who have filed all required tax returns. The IRS is legally required to accept this type of agreement if you meet the criteria.

Best for: Taxpayers with a relatively small balance who are fully compliant with filing and have not had an installment agreement in the prior five years.

Term: Up to 36 months (3 years).

User fee: Reduced fees may apply; waived for low-income taxpayers.

Requirement: Must not default on the agreement.

Option 3: Streamlined Installment Agreement

A Streamlined Installment Agreement is available to individuals who owe $50,000 or less in combined tax, penalties, and interest, and to businesses that owe $25,000 or less. This option does not require a detailed financial disclosure.

Best for: Taxpayers who need more time than 180 days and whose balance is at or below the $50,000 threshold.

Term: Up to 72 months (6 years).
User fee: Applies; reduced or waived for low-income taxpayers who set up direct debit.
Financial disclosure: Not required below the threshold.

Which Option Is Right for You?

The full, detailed walkthrough in this guide focuses on the Short-Term Payment Plan because it is the fastest path to full resolution for those who qualify, carries no user fee, and removes the burden of a long-term monthly obligation from your business operations.

If your balance is too high to pay within 180 days, or if your cash flow does not support the Short-Term Plan, a Streamlined Installment Agreement is your next best option. A licensed Enrolled Agent can help you determine which path is most advantageous based on your specific numbers.

Chapter 5: The Short-Term Payment Plan — Step by Step

This chapter is the core of your micro win. By the end of it, you will know exactly how to apply for a Short-Term Payment Plan directly through the IRS website. No intermediary required. No mystery.

Before You Begin: Confirm Your Eligibility

You may apply for a Short-Term Payment Plan if:

- You are an individual taxpayer (not a business entity applying separately)
- You owe $100,000 or less in combined tax, penalties, and interest
- You have filed all required tax returns, or you are working to file missing returns before applying
- You can pay the full balance within 180 days

If you have unfiled returns, file them or work with a professional to file them before applying. The IRS requires filing compliance before approving a payment agreement.

Step 1: Access the IRS Online Payment Agreement Tool

Go to IRS.gov and search for "Online Payment Agreement" or navigate directly to the IRS Payment Plans page. The direct path is:

> IRS.gov > Pay > Payment Plans (Installment Agreements) > Apply/Revise as Individual > Online Payment Agreement Application

You will need to sign in using your IRS online account. If you have not created one yet, Chapter 6 walks you through the full setup process.

Step 2: Log In to Your IRS Account

Once on the Online Payment Agreement page, click the button that says "Apply/Revise as Individual" and sign in with your IRS.gov credentials or ID.me account. You will be required to verify your identity if this is your first time.

Step 3: Review Your Balance Information

After logging in, the system will display your current balance by tax year. Review this carefully and confirm that the amounts align with what you know you owe. If there are discrepancies, do not proceed until you understand them. Contact the IRS or consult a tax professional.

Step 4: Select "Short-Term Payment Plan"

The system will present you with payment plan options. Select "Short-Term Payment Plan (180 Days or Less)" or the option that allows full payment within 180 days, depending on how the system displays it in the current version.

> Note: The IRS website interface is updated periodically. The option may appear as "Pay in full in 180 days" or similar language. Choose the option that does not involve a formal installment agreement and does not assess a setup fee.

Step 5: Choose Your Payment Method

You will be asked how you intend to make payments. Options typically include:

- Direct Pay: a free electronic payment from your checking or savings account
- Electronic Federal Tax Payment System (EFTPS): a free government payment system that requires prior enrollment
- Check, money order, or cashier's check
- Credit or debit card (a third-party processing fee applies)

Direct Pay is the simplest option for most taxpayers. You do not need to enroll separately, and there is no fee. You will enter your bank account information at the time of payment.

Step 6: Confirm the Agreement Terms

Before submitting, the system will show you a summary of the agreement, including:

- The total balance due
- The final payment due date (your 180-day deadline)
- The payment method you selected

Review this carefully. Once you confirm, the agreement is in effect. The IRS will send confirmation to the email address associated with your account.

Step 7: Make Your First Payment

Your plan will not automatically deduct payments for you under a Short-Term Payment Plan. So, this means that **YOU** are responsible for making payments on your own schedule, as long as the full balance is paid by the due date.

Recommended strategy: Divide your total balance by the number of months remaining until your deadline and make consistent monthly payments. If you receive additional income, whether business or personal income, apply it toward the balance. You can make as many payments as you need to as often as you need to.

Step 8: Monitor Your Account

Log in to your IRS account regularly, at minimum once per month, to verify that your payments have been applied correctly and to see your current remaining balance. Keeping a close eye on your account helps you catch errors early and stay on track.

Chapter 6: Setting Up Your IRS Online Account

Your IRS online account is one of the most powerful tools available to you as a taxpayer. It allows you to see exactly what the IRS sees — your balance, your payment history, your transcripts, and any notices sent to you. Setting it up is free, and the process takes approximately 15 to 30 minutes. In this chapter, we will walk you through the exact steps needed to get your online account setup.

What You Will Need

Before you begin, gather the following:

- A valid email address
- Your Social Security Number or Individual Taxpayer Identification Number (ITIN)
- A financial account number for identity verification (this may be a credit card, student loan, mortgage, or auto loan in your name, or the account number from a tax return)
- A mobile phone number associated with your name, for multi-factor authentication

Step-by-Step Account Setup

Step 1: Navigate to the IRS Account Setup Page

Go to IRS.gov and click on the "Sign In to Your Account" button or go directly to: IRS.gov/account. You will see options to sign in or create a new account.

Step 2: Create Your Account Through ID.me

The IRS uses a secure identity verification service called ID.me to authenticate new accounts. Click "Create an account" and you will be redirected to the ID.me platform.

Enter your email address and create a password. You will receive a verification email — click the link to confirm your email address.

Step 3: Verify Your Identity

ID.me will walk you through an identity verification process. You will be asked to:

- Enter your Social Security Number
- Provide a government-issued photo ID (driver's license or passport) and you will take photos of the front and back
- Take a selfie for facial recognition verification if asked
- Enter a financial account number to match against IRS records

If facial recognition is not available to you or if you have difficulty completing it, ID.me offers a video call option with a live agent for identity verification.

Step 4: Set Up Multi-Factor Authentication

You will be prompted to set up a second factor for login security, typically a code sent to your mobile phone by text message. Enter your phone number and verify the code you receive.

Step 5: Access Your IRS Account

Once identity verification is complete, you will be redirected back to IRS.gov and logged into your account. Your account homepage will display:

- Your total amount owed by tax year
- Payment history
- Tax records and transcripts
- Notices and letters sent to you
- Any active payment plans or agreements

Important: Bookmark the IRS account login page and save your ID.me credentials in a secure place. You will use this account regularly to monitor your balance and make payments.

Requesting a Tax Transcript

From your IRS account, you can request a free transcript of your tax account for any prior year.

The Account Transcript shows all activity on your account for a given year, including the original return, any adjustments, penalties assessed, and payments made.

To request a transcript: log in, navigate to "Tax Records" or "Get Transcript," select "Account Transcript," and choose the year you want to review. You can view it online immediately or request it by mail.

Chapter 7: Your 120-Day Action Plan

Knowledge without action does not produce change. It’s just stored information. The question here is, what will you do with what you know?!

This chapter gives you a concrete, week-by-week structure to move from wherever you are right now to a fully active payment agreement within 120 days.

Days 1 through 14: Get Clear

This phase is about gathering information and stopping the avoidance cycle.

4. **Open and sort** all IRS letters and notices you have received.
5. **Create your IRS online account** following the steps in Chapter 6.
6. **Log in and review your balance** by tax year.
7. **Request account transcripts** for each year with a balance.
8. **Identify any unfiled returns** and begin gathering documents for those years.

Days 15 through 30: Get Compliant

The IRS will not approve a payment plan if you have unfiled returns. This phase addresses compliance.

9. File any outstanding returns, even if you cannot pay what is owed. Filing reduces penalties.
10. If filing multiple back years, work with an Enrolled Agent for accuracy and strategy.
11. Verify that your most recent tax year is filed and that estimated tax payments are current.

Days 31 through 60: Know Your Numbers

Once you are compliant, get precise about what you owe and what you can afford.

12. Calculate your total current liability across all open years.
13. Create a simple monthly cash flow summary: income minus essential expenses.
14. Determine the amount you can commit to paying monthly toward your tax debt.
15. Verify you can pay your full balance within 180 days if pursuing the Short-Term Plan.

Days 61 through 90: Apply for Your Payment Plan

This is where the plan becomes official.

16. Log in to your IRS account and navigate to the Online Payment Agreement application.
17. Select the Short-Term Payment Plan and complete the application following the steps in Chapter 5.
18. Save or print your confirmation.
19. Set up your payment schedule and calendar reminders.

Days 91 through 120: Execute and Establish New Habits

The final phase is about building the habits that will keep you from returning to tax debt.

20. Make your first official payment under the plan.
21. Set aside a percentage of every business payment received for quarterly estimated taxes. A general starting point is 25 to 30 percent of net income. For wage earners, make sure you have updated your W-4 to reflect the correct withholding based on your specific situation.
22. Open a dedicated savings account for tax reserves if you have not already.
23. Review your IRS account balance monthly.
24. Schedule a financial review with a tax professional at the end of each quarter.

Reminder and Recommendations:
Getting into a payment plan is a significant step, but maintaining compliance going forward is what creates lasting financial freedom.

It is recommended for wage earners to update their W-4 to show Single in Step 1, box (c) and check the box in Step 2 (c).

Pay your estimated taxes quarterly. File your returns on time. Stay in contact with a professional you trust.

You are building a different financial future — one informed decision at a time.

Conclusion: You Are Not Behind. You Are Beginning.

There is a version of you on the other side of this — no longer afraid of IRS letters, no longer carrying this weight in silence, no longer making business decisions from a place of fear.

That version of you did not get there by accident. She got there because she decided, at some point, to stop avoiding and start acting. If you are reading these words, you may be making that decision right now.

Here is what you have learned in this guide:

- How tax debt accumulates and why it grows when left unaddressed
- How to take responsibility without shame and move forward with clarity
- How to gather your documents and know exactly what you owe
- The three primary payment plan options available to you
- Exactly how to apply for a Short-Term Payment Plan through IRS.gov
- How to set up and use your IRS online account
- A specific 120-day framework to move from problem to resolution

This is real, actionable information. But information alone is not enough — you must use it. You must take that first step.

Your next step:
Today, create your IRS online account if you have not already.
This week, log in and review your balance.
This month, file any outstanding returns.
Within 90 days, apply for your payment plan.
Within 120 days, be in a resolved, compliant position with the IRS.

If you need support at any point in this process, the team at Ethical Tax and Business Services is ready to walk alongside you. From filing back returns to negotiating relief options to representing you before the IRS, that support is available.

You did not come this far to stay stuck. The work you are willing to do today is the foundation of the financial freedom you will have tomorrow and I am here to cheer you on!

About the Author

Lloydetta Bryant, Enrolled Agent (EA), the ultimate tax specialist, licensed directly by the U.S government to speak on your behalf before the IRS for all tax matters. This makes her the strongest ally if you are ever audited or facing tax debt.

She is here to step in on your shoes through tax representation while helping you with Solutions Beyond Taxes.

A little more about who I am and how I got here. While preparing income taxes for family and friends for fun, love and passion was found in having that opportunity to serve them.

I am a US military veteran with a background in Accounting, Master's in Business Administration and a licensed Enrolled Agent. This background has prepared me to have a unique skillset like no other.

Working in the accounting field, preparing income taxes on the side, and continuing to learn and grow, ignited my passion to help taxpayers not feel alone or afraid when it comes to taxes.

A decision was made to create a firm that focuses on black women in health and wellness space where we educate them on the importance of being proactive with their finances.

This creates the opportunity to further help them to minimize tax liability through education, engagement, and raising awareness about essential business practices. My goal is to let women know that they are not alone and that I see them and I am here for them, with them.

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