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# The Collection Financial Standards on the Internet

## Announcement 97-87

The standards used by the Internal Revenue Service as the basis for determining

collection actions, including installment agreements and offers in compromise, are now on the Internet. The Collection Financial Standards are on the IRS' World Wide Web site "The Digital Daily," under "Tax Info for You."

The Collection Financial Standards are used when a taxpayer claims an inability to pay a delinquent tax liability.

Allowances for food, clothing and other items, known as the National Standards, apply nationwide except for Alaska and Hawaii, which have their own tables. Taxpayers are allowed the total National Standards amount for their family size and income level, without questioning amounts actually spent.

Maximum allowances for housing and utilities and transportation, known as the Local Standards, vary by location. Unlike the National Standards, the taxpayer is allowed the amount actually spent or the standard, whichever is less.

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