The TaxStache Back-Filing Action Plan Checklist

For taxpayers and business owners getting current on unfiled returns. Updated April 2026 — taxstache.com

If you haven't filed tax returns for one or more years, this checklist walks you through the process in the right order. Sequence matters here. Certain IRS relief options are only available after specific steps are complete, and filing out of order can cost you time, money and leverage.

Important reminder: Filing and paying are separate acts. Filing late (even without payment) stops the failure-to-file penalty clock. Do not wait until you can pay in full to file.

Phase 1: Get the Full Picture

☐ Request your IRS wage and income transcripts for each unfiled year at irs.gov/individuals/get-transcript or by calling 1-800-908-9946. These show every W-2, 1099 and other income document the IRS has on file under your Social Security number.

☐ Request your IRS account transcripts for each unfiled year. These show whether the IRS has already filed a Substitute for Return (SFR) on your behalf and whether any balance has been assessed.

☐ Check your IRS online account at irs.gov for any notices, open balances or active collection activity.

☐ Gather any financial records you have: bank statements, old tax documents, invoices, receipts. Your bank can typically provide statements going back seven to ten years upon request.

☐ Identify every year with a missing return. Note which years have SFRs filed, which have IRS correspondence and which have had no IRS contact.

Phase 2: Assess Your Situation

☐ Determine how many years need returns. The IRS's standard for compliance is generally the past six years. Start there.

☐ Identify any years where you are likely owed a refund. Refunds expire three years from the original due date of the return. Prioritize those years. Unclaimed refunds do not roll forward.

☐ Assess your penalty exposure for each year:

- Failure-to-file penalty: 5% of unpaid taxes per month, up to 25%
- Failure-to-pay penalty: 0.5% per month, up to 25%
- Interest: compounds daily on unpaid balances

☐ Determine whether your noncompliance was non-willful (circumstantial, accidental, overwhelm) or could be characterized as willful (deliberate non-filing, intentional underreporting). This distinction affects which resolution path is appropriate. If you're unsure, consult a tax professional before filing.

☐ Note whether any years involve: unreported cash income, foreign accounts or assets, payroll tax non-remittance, or prior IRS correspondence specifically about those years. Any of these factors warrant professional guidance before you proceed.

Phase 3: File the Returns

☐ Start with the oldest year first and work forward chronologically. Prior-year figures affect subsequent returns.

☐ Use IRS transcripts as your foundation for reconstructing income. Add any additional income not captured in transcripts (cash, self-employment, etc.).

☐ File even if you cannot pay the full balance. Payment arrangements come after filing, not before.

☐ If the IRS has filed an SFR for any year, file your own return to supersede it. Your actual return — with correct filing status, dependents and deductions — will almost always produce a lower liability than the SFR.

☐ Keep copies of everything you file, including proof of submission.

Phase 4: Address the Balance

☐ Once returns are filed, determine your total balance across all years including penalties and interest.

☐ Check first-time penalty abatement eligibility: if you have a clean compliance history for the three years prior to the earliest penalty year, you may qualify to have failure-to-file or failure-to-pay penalties removed. Request by calling 1-800-829-1040 or by written request.

☐ If your total balance is $50,000 or less, explore a Simple Payment Plan through the IRS Online Payment Agreement tool at irs.gov. No full financial disclosure required. Most taxpayers have up to 10 years to pay.

☐ If your balance exceeds $50,000 or you cannot pay within 72 months, a standard installment agreement with financial disclosure may be required.

☐ If you have limited assets and income with no realistic path to full payment, evaluate Offer in Compromise eligibility using the IRS pre-qualifier tool at irs.gov/payments/offer-in-compromise.

☐ If your situation involves potential criminal exposure, consult a tax professional about the IRS Voluntary Disclosure Practice before filing. Voluntary disclosure must be initiated before the IRS opens a civil examination or criminal investigation.

When to Get Professional Help

Situation	Recommended Action
1–2 unfiled years, straightforward income	Self-file using IRS transcripts as your guide
3+ unfiled years, mixed income sources	Enrolled agent or CPA recommended
Unreported cash income, multiple years	Enrolled agent or tax attorney
Foreign accounts or assets involved	Tax attorney with international experience
Prior IRS contact about these years	Professional representation before any action
Payroll tax non-remittance	Professional representation — do not delay

Key IRS Resources

- **Get Transcript:** irs.gov/individuals/get-transcript
- **IRS Online Account:** irs.gov/payments/your-online-account
- **Online Payment Agreement:** irs.gov/payments/online-payment-agreement
- **OIC Pre-Qualifier:** irs.gov/payments/offer-in-compromise
- **IRS main line:** 1-800-829-1040
- **Find an Enrolled Agent:** naea.org

This guide is for informational purposes only and does not constitute tax or legal advice. Tax laws change frequently. Always verify current rules at irs.gov before filing.
TaxStache · taxstache.com · For the 2025 tax year (returns filed in 2026).