

Offer in Compromise



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Offer in Compromise Pre-Qualifier Tool

- Good candidate?
- Reasonable offer amount?
- Use as guide for
 - Doubt as to Collectibility offer

Offer in Compromise

What has not changed?

- Offer not first option
- Consider other options first
 - Borrowing
 - Liquidating assets
 - Installment agreement

Offer in Compromise

Offers in Compromise are –

- Sound business practice, and
- Good tax policy

OIC Program Objectives

- Best interest of taxpayer and government
- Provide a fresh start
- Collection at earliest time - least cost
- Secure revenue not collected by other means

Fresh Start and OIC

- Expanded streamlined processing
 - Fewer information requests
 - Information requests by phone
 - Case discussions by phone
 - Internal verification

Fresh Start and OIC

Revised Financial Analysis Procedures

1. Future income

2. Asset equity

$1 + 2 = \text{offer amount}$

Fresh Start and OIC

Revised Financial Analysis Procedures

- Future income
- **Asset equity**
 - Additional reductions

Allowable Living Expenses

The following payments may be allowed:

- Student loans that are –
 - Federally guaranteed
 - For post high school education
- Delinquent state and local taxes

Fiscal Year 2014 Program Results

- Receipts: 67,935

Dispositions:	%	Total
—Not processable	10%	7,534
—Acceptances	43%	26,924
—Rejections	13%	8,332
—Returns	21%	13,481
—Withdrawals/Term	12%	8,061
Total	100%	64,332

Helpful Hints

- Explore all collection options
- Utilize the OIC Pre-Qualifier Tool
- Complete financial statements and forms carefully
- Include Form 433-A/B (OIC)
- Complete the checklist(s)

Helpful Hints

- Ensure taxpayer is/stays current
- Include fees and payments
- Respond promptly
- Accurately value property and assets

Resources

- IRS.gov keyword Offer in Compromise
- Form 656-B, Offer in Compromise Booklet, revised January 2015

In Closing...

- Improvements and changes
- We welcome feedback

THANK YOU!!!

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