



Department of the Treasury
Internal Revenue Service

www.irs.gov

Form 656-B (03-2009)
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Form 656-B

Offer in Compromise Booklet

IMPORTANT! THIS BOOKLET CONTAINS INFORMATION AND FORMS THAT YOU NEED IN ORDER TO PREPARE A COMPLETE AND ACCURATE OFFER IN COMPROMISE. PLEASE READ THESE INSTRUCTIONS CAREFULLY BEFORE ATTEMPTING TO COMPLETE THE ENCLOSED FORMS.

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Note: If you have any questions, please call our toll-free number at 1-800-829-1040. You can get forms and publications by calling toll free at 1-800-829-3676 (1-800-TAX-FORM), or by visiting your local Internal Revenue Service (IRS) office or our web site at www.irs.gov.

Funding Your Offer

If you do not have the cash to pay your offer amount immediately, you should begin the process of exploring options to finance your offer amount. Options you may want to consider include liquidating assets, obtaining a loan from a lending institution, borrowing on your home equity through a second mortgage or reverse mortgage, or borrowing funds from family members or friends.

NOTE: If your offer is returned or not accepted, any required payment made with the filing of your offer will not be refunded. Your payment will be applied to your outstanding tax liabilities.

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What is an Offer in Compromise?

An Offer in Compromise (OIC) is an agreement between the taxpayer and the government that settles a tax liability for payment of less than the full amount owed.

The IRS will generally accept an Offer in Compromise when it is unlikely that the tax liability can be collected in full and the amount offered reasonably reflects collection potential. An OIC is a legitimate alternative to declaring a case currently not collectible or to a protracted installment agreement. The goal is to achieve collection of what is potentially collectible at the earliest possible time and at the least cost to the government.

The success of the Offer in Compromise program will be assured only if taxpayers make adequate compromise proposals consistent with their ability to pay and the Service makes prompt and reasonable decisions. Taxpayers are expected to provide reasonable documentation to verify their ability to pay. The ultimate goal is a compromise which is in the best interest of both the taxpayer and the Service. Acceptance of an adequate offer will also result in creating a fresh start for the taxpayer and an expectation of compliance with all future filing and payment requirements.

- **Doubt as to Collectibility.** This means that doubt exists that the taxpayer could ever pay the full amount of tax liability owed within the remainder of the statutory period for collection. The IRS will consider a doubt as to collectibility offer when the taxpayer is unable to pay the taxes in full either by liquidating assets or through current installment agreement guidelines. The taxpayer **must** submit the appropriate collection information statement along with all required supporting documents.
- **Doubt as to Liability.** This means that a legitimate doubt exists that the taxpayer owes part or all of the

assessed tax liability. To submit a Doubt as to Liability OIC, the taxpayer must submit Form 656-L, which can be obtained by calling the toll free number 1-800-829-1040, by visiting the local IRS office or our web site at www.irs.gov.

- **Effective Tax Administration (ETA).** This means that the taxpayer **does not have any doubt** that the tax is correct and there is potential to collect the full amount of the tax owed, but an exceptional circumstance exists that would allow the Service to consider an offer. To be eligible for compromise on this basis, a taxpayer must demonstrate that collection of the tax would create an economic hardship or would be unfair and inequitable. For an ETA offer, a taxpayer must submit:
 1. A collection information statement with all appropriate attachments, and
 2. A written narrative explaining the taxpayer's special circumstances and why paying the tax liability in full would create an economic hardship or would be unfair and inequitable.

The taxpayer **must** also attach appropriate documentation that will support their request for an ETA offer such as proof of unusual expenses that would cause an economic hardship if the taxes were collected in full.

Note: An important factor in determining the type of offer to submit is the potential ability to pay the liability in full. If the taxpayer cannot pay their liability in full, then they should submit a Doubt as to Collectibility offer. If special circumstances exist, see Page 6 for additional information. However, if potential exists to pay their liability in full, but the collection of the tax would create an economic hardship or would be unfair or inequitable, then they should submit an Effective Tax Administration (ETA) offer.



PLEASE DO NOT GO ANY FURTHER WITHOUT FIRST DETERMINING WHETHER OR NOT YOU ARE ELIGIBLE TO HAVE YOUR OFFER IN COMPROMISE PROCESSED AT THIS TIME.

Step One:

Please answer the three questions below to determine if you are eligible to have your Offer in Compromise processed.

YES NO

1. Do you currently have an open bankruptcy proceeding? You should contact your Bankruptcy Attorney if you are not certain. If you are involved in an open bankruptcy proceeding, contact your local IRS Insolvency office. If you do not know the location of your local IRS Insolvency office, then you may call 1-800-829-1040. They will be able to provide you with the local number. Any resolution of your outstanding tax liabilities generally must take place within the context of your bankruptcy proceeding. If you answered **YES** to this question, then stop here. You **are not eligible** to have your offer considered or processed at this time.

2. **Offer in Compromise Application Fee** — Your offer must include the \$150 application fee or a completed Form 656-A, *Income Certification for Offer in Compromise Application Fee and Payment*, if you are requesting an exception of the fee because of your income. Offers received without the \$150 fee or a completed Form 656-A will not be accepted for processing. Please see Step Four on Page 12 of this package for more information on the application fee and to determine if you qualify for the exception.

Have you attached the \$150 application fee or the Form 656-A, whichever is applicable, to the Form 656? If you answered **NO** to this question, Stop Here. You **are not eligible** to have your offer considered or processed at this time.

3. **Cash Payment and Periodic Payment Offers** — Your offer must include your 20% payment for Lump Sum Cash payment offers, or your first installment payment of your Periodic Payment offer (Short Term or Deferred). If you are requesting an exception to the 20% down payment or your initial periodic payment because of your income level, then you must complete Form 656-A, *Certification of Offer in Compromise Application Fee and Payment*. Offers received without one of these will not be accepted for processing. Please see Step Four on Page 12 of this package for more information on the Cash Payment and Periodic Payment Offer.

Have you attached either the 20% payment for Lump Sum Cash payment offers or your first installment payment for a Periodic Payment Offer, or, the Form 656-A? If you answered **NO** to this question, Stop Here. You **are not eligible** to have your offer considered or processed at this time.

NOTE: If you currently have an approved installment agreement with IRS and are currently making installment payments to IRS, then you may stop making those installment agreement payments when you submit a Periodic Payment offer. This will allow you to make your payments required under the Periodic Payment guidelines. You do not have to make both installment agreement payments and periodic payments at the same time.

However this procedure does not apply to Lump Sum Cash Offers. If you submit a Lump Sum Cash offer and you are currently making installment agreement payments, then you must continue to make your installment agreement payments until your offer is accepted.

Step Two: What We Need to Fully Evaluate Your Offer

1. You must file all tax returns that you were legally required to file prior to submitting an Offer in Compromise. If you have not filed all required tax returns, you will be asked to do so before we begin to evaluate your offer.

This includes but is not limited to:

- All Income Tax, Employment Tax, and Excise Tax returns, along with all returns required to be filed by Partnerships, Limited Liability Companies, or closely held Sub-Chapter S Corporations.

If you did not file a return for a specific year prior to submitting your OIC because you were not legally required to file the return, then you **must** include a detailed explanation of your circumstances with your OIC.

If you used an employee leasing company for all or part of the time during the past three years, then please provide a detailed explanation of your circumstances with your offer by providing the exact dates you used the employee leasing company, the name and address of the leasing company, and EIN of the leasing company, and whether or not you are still using them.

2. If you are a business with employees, then you must have made all required federal tax deposits for the current quarter. If you have not made all the required deposits, you will be asked to do so before we begin to evaluate your offer. In addition, you must remain current on all filing and deposit requirements while your offer is being investigated.

3. Estimated tax payments must be up to date for the current year — We will not process your offer to completion if we determine that your estimated tax payments for the current year's income tax liability are not paid up to date. If we determine

this to be the case, you will have one opportunity to make the required payments before we return your offer.

NOTE: If you fail to comply with items 1, 2, or 3, then your offer will be returned to you and we will keep your \$150 application fee as well as any payments you made with your offer, such as the 20% payment or your first installment. Any money not returned will be applied to your tax liability.

4. Complete an accurate Form 656 — Complete all applicable items on Form 656, **which is the official compromise agreement.** You **must** sign Form 656. If someone else prepared the offer package, then please see the instructions in Step Eight, Section IX and X, found on Page 21 of this package. If your Form 656 was prepared by an authorized representative, you **must** include a completed Form 2848, *Power of Attorney and Declaration of Representative*, with your offer, unless a copy is already on file with the IRS

Detailed instructions for the completion of Form 656 are found on Pages 20 – 22 of this package.

Common errors to avoid in completing Form 656:

- The taxpayer's name is missing.
- The street address is missing or incomplete.
- The social security number (SSN) or employer identification number (EIN) is missing, incomplete, or incorrect.
- The preprinted terms and conditions listed on the Form 656 have been altered or deleted.
- An offer amount is missing.
- Payment terms are missing or terms do not equal the offer amount.
- A required signature is missing.

5. Complete an accurate collection information statement (Form 433-A and/or Form 433-B) —

You **must** provide financial information when you submit offers based on doubt as to collectibility and effective tax administration. You **must** send us current information that reflects your financial situation for the **three months** immediately prior to the date you submitted your Offer in Compromise. Collection information statements **must** show all assets and income. The offer investigator needs this information to evaluate your offer and may ask you to update it or verify certain financial information. These forms **must** be filled in completely. We may return offer packages that are incomplete. Annotate items that do not apply to you with “N/A.”

Provide all the information required to support your financial condition.

Required items of documentation are clearly indicated on the collection information statements under the signature blocks. Photo copies of these support documents are acceptable. If you mail your original documents to the IRS, they will not be returned to you unless you specifically request it.

When only one spouse has a tax liability but both have incomes, only the spouse responsible for the tax debt is required to sign the necessary collection information statements. The responsible spouse should include **only** his/her assets and liabilities on his/her collection information statements. However, the income and expenses of the entire household is required on the responsible spouse’s collection information statements. The entire household includes spouse, domestic partner, significant other, children, and others that contribute to the household. This is necessary for the IRS to evaluate the income

and expenses allocable to the liable taxpayer.

When both spouses have tax liabilities included in the offer, whether jointly or separately, and they maintain a household together, both spouses are required to sign the collection information statement and include income and expenses of the entire household.

In states with community property laws, we require collection information statements from both spouses. We may also require financial information on the non-liable spouse, or cohabitant(s), for offer verification purposes, even when community property laws do not apply.

6. Respond promptly to requests for additional information — While we are evaluating your offer, we may contact you for any information that is missing or requires clarification. You must respond within the time frame given to you by IRS or, we will not give your offer any further consideration. **Your offer will be returned to you and we will keep your \$150 application fee as well as any payments you made with your offer such as the 20% payment or your first installment. Any money not returned will be applied to your tax liability.**

7. We will not consider offers where liabilities have not been assessed — You cannot submit an offer that is solely for a tax year or tax period that has not been assessed. Your offer will be returned if you submit an offer that is solely for an unassessed tax year or tax period and you will forfeit your application fee. Any money not returned will be applied to your tax liability.

8. Trust fund taxes - Offers, from businesses seeking to compromise unpaid trust fund taxes that are

subject to assertion of the trust fund recovery penalty, will not be evaluated until the trust fund portion of the liability is either fully paid or the trust fund recovery penalty has been assessed against the responsible persons.

9. Make copies of removable forms and documents — This is a reminder that you should make copies of all the removable forms and documents that you send to the IRS. You should keep these copies with your records.

Step Three: Determining the Amount of Your Offer

Doubt as to Collectibility

Your offer amount must equal or exceed your reasonable collection potential amount. The information provided on the collection information statements (*Form 433-A and Form 433-B*) assists us in determining the reasonable collection potential (*RCP*). The RCP equals the net equity of your assets plus the amount we could collect from your future income. **If our financial analysis indicates that you have the ability to fully pay the tax liability, either immediately or through an installment agreement, your offer will be rejected. Exception: special circumstances. Please see below for more information on special circumstances. You must offer an amount greater than or equal to the RCP amount. All offer amounts must exceed zero.**

If special circumstances cause you to offer an amount less than the RCP, you **must** complete Section VI, "Explanation of Circumstances," on Form 656, explaining your situation. You **must** also attach to Form 656 any supporting documents to help support your special circumstances. Special circumstances

may include factors such as advanced age, serious illness from which recovery is unlikely, or any other factors that have an impact upon your ability to pay the total RCP and continue to provide for the necessary living expenses for you and your family.

If you are a wage earner or self-employed individual, completion of the worksheet on Pages 9 - 11 will give you a good estimate of what an acceptable offer amount may be. You will use the information on your Form 433-A to complete the worksheet.

Effective Tax Administration (ETA)

Complete Form 433-A or Form 433-B, as appropriate, and attach to Form 656. You **must** complete Section VI, "Explanation of Circumstances," on Form 656, explaining your exceptional circumstances and why requiring payment of the tax liability in full would either create an economic hardship or would be unfair and inequitable. You **must** also attach to Form 656 any documents to help support your exceptional circumstances.

Determine Your Payment Terms

There are three payment plans you and the IRS may agree to:

- **Lump Sum Cash Offer** – This option requires the offer amount to be paid **in five** or fewer installments, upon written notice of acceptance. Twenty percent of the total amount of the offer must be paid when you submit the Form 656.

If these installments will be paid in five months or less, you should offer the realizable value of your assets plus the total amount we could collect over 48 months of payments (or the remainder of the statutory period for collection, whichever is less).

If these installments will be paid in more than five months, but less than 24 months you should offer the realizable value of your assets plus the total amount we could collect over 60 months of payments.

If these installments will be paid in more than 24 months, you should offer the realizable value of our assets plus the number of months remaining on the statutory period for collection.

- **Short Term Periodic Payment Offer** – This option requires the offer amount to be paid within 24 months from the date IRS received the offer. The first payment **must** be submitted with your Form 656. You **must** continue to make regular payments during your offer investigation. Failure to make regular payments during your offer investigation will cause your offer to be withdrawn.

The offer must include the realizable value of your assets plus any amount we could collect over 60 months of payments (or the remainder of the statutory period of collection, whichever is less.)

NOTE: Generally the collection statute is 10 years from the date that your liability was assessed. If

you need assistance in calculating the remaining time on your collections statute, call 1-800-829-1040.

- **Deferred Periodic Payment Offer** – This option requires you to pay the offer amount over the remaining statutory period for collecting the tax. This offer option must include the realizable value of your assets plus the amount we could collect through monthly payments during the remaining life of the collection statute. As with the Short Term Periodic Payment above, the first payment must be submitted with your Form 656. You must make regular payments during your offer investigation. Failure to make regular payments during your offer investigation will cause your offer to be withdrawn.

Use the worksheet on pages 9 - 11, and use the amount in Box P as the basis for your offer amount in Section IV of Form 656.

- **Notice of Federal Tax Lien** – We may file a Notice of Federal Tax Lien with any of the above payment options.
- **How to Calculate an Offer Amount** – The worksheet on pages 9 - 11 instructs wage earners and self-employed individuals how to figure the appropriate amount of Lump Sum Cash, Short Term Periodic Payment and Deferred Periodic Payment Offers.
- **Exception to Application Fee and Payments** – If you believe that you qualify for the exception to the \$150 application fee and payments due to your low income, then please complete the Offer in Compromise Application Fee and Payment Worksheet. If you meet the qualifications, then you are not required to make any payments while we investigate your offer. Complete Form 656-A, *Income Certification for Offer in Compromise Application Fee and Payment*, and submit it with Form 656.

Worksheet to Calculate an Offer Amount

For use by Wage Earners and Self-Employed Individuals

Keep this worksheet for your records.
Do not send to the IRS.

Use this Worksheet to calculate an offer amount using information from the 433-A

1. Enter total Cash balances from lines 11 and 56

| |
|---|
| A |
|---|

2. Enter total Personal and Business account balances from lines 12c and 57c

| |
|---|
| B |
|---|

If less than 0, enter 0

3. Enter total investments from line 13d

| |
|---|
| C |
|---|

4. Enter total life insurance cash value from line 15g

| |
|---|
| D |
|---|

5. Enter total accounts/notes receivable from line 58e

| |
|---|
| E |
|---|

Subtotal: Add boxes A through E =

| |
|---|
| F |
|---|

6. Real Property Owned

| | Enter Fair Market Value (FMV) for each asset | Enter loan balance for each asset | Individual asset value (if less than 0, enter 0) |
|-----------------------------|---|--------------------------------------|--|
| From line 17a | \$ _____ x .8 = \$ _____ | - \$ _____ = | _____ |
| From line 17b | \$ _____ x .8 = \$ _____ | - \$ _____ = | _____ |
| Amount from any attachments | \$ _____ x .8 = \$ _____ | - \$ _____ = | _____ |
| Subtotal = | | | G |

7. Purchased Personal Vehicles and Other Licensed Assets

| | Enter FMV for each asset | Enter loan balance for each asset | Individual asset value (if less than 0, enter 0) |
|-----------------------------|-----------------------------|--------------------------------------|--|
| From line 18a | \$ _____ x .8 = \$ _____ | - \$ _____ = | _____ |
| From line 18b | \$ _____ x .8 = \$ _____ | - \$ _____ = | _____ |
| Amount from any attachments | \$ _____ x .8 = \$ _____ | - \$ _____ = | _____ |
| Subtotal = | | | H |

8. Personal Assets Except Furniture and Personal Effects

| | Enter FMV for each asset | Enter loan balance for each asset | Individual asset value (if less than 0, enter 0) |
|-----------------------------|-----------------------------|--------------------------------------|--|
| From line 19a | \$ _____ x .8 = \$ _____ | - \$ _____ = | _____ |
| From line 19b | \$ _____ x .8 = \$ _____ | - \$ _____ = | _____ |
| Amount from any attachments | \$ _____ x .8 = \$ _____ | - \$ _____ = | _____ |
| Subtotal = | | | I |

9. Furniture and Personal Effects

\$ _____ x .8 = \$ _____ - \$ _____ = _____

Allowable Exemption (subtract) – \$7900.00

Subtotal =
Cannot be less than 0

J

10. Business Assets Except Books and Tools

Enter current value
for each asset

Enter loan balance
for each asset

Individual asset
value (if less
than 0, enter 0)

From line 59a \$ _____ x .8 = \$ _____ - \$ _____ = _____

From line 59b \$ _____ x .8 = \$ _____ - \$ _____ = _____

Amounts from any attachments
\$ _____ x .8 = \$ _____ - \$ _____ = _____

Subtotal =

K

11. Books and Tools

\$ _____ x .8 = \$ _____ - \$ _____ = _____

Allowable Exemption (subtract) – \$3950.00

Subtotal =
Cannot be less than 0

L

12. Add amounts in Boxes F through L to obtain your total equity and assets =

M

13. Enter amount from line 32

\$ _____

Enter amount from line 45 and subtract –

\$ _____

Net Difference =

This amount would be available
to pay monthly on your tax liability.

N

If Box N is 0 or less,
STOP. Use the amount
from Box M to base
your offer amount in
Section IV of Form 656.
**Your offer amount
must equal or exceed
the amount shown in
Box M.**

14. Select the payment term below that you have chosen for your offer. For more information on payment terms, please see page 7 of this booklet.

| | | |
|---|--|---------------|
| A. Lump Sum Cash paid 5 installments within 5 months or less (or the remainder of the statutory period for collection, whichever is less) | Amount from Box N X 48 = | \$ _____ |
| B. Lump Sum Cash paid 5 installments in more than 5 months but less than 24 months (or the remainder of the statutory period for collection, whichever is less) | Amount from Box N X 60 = | \$ _____ |
| C. Lump Sum Cash paid 5 installments in more than 24 months | Amount from Box N X The number of months remaining on the statutory period for collection _____ = | \$ _____ |
| D. Short Term Periodic Payment paid within 6 – 24 months | Amount from Box N X 60 = | \$ _____ |
| E. Deferred Periodic Payment paid within the remainder of the statutory period for collection. | Amount from Box N X The number of months remaining on the statutory period for collection _____ = | \$ _____ |
| Insert in Box O the amount from the payment terms you chose above. | | O \$ _____ |
| Add Boxes M \$ _____ + O \$ _____ = | | P \$ _____ |

Enter the amount in **Box P** as your minimum offer amount in Section IV on the Form 656

Note: If you are submitting an offer under effective tax administration or doubt as to collectibility with special circumstances considerations then refer to page 6 of this booklet.

By law, the IRS has the authority to collect outstanding federal taxes for ten years from the date your liability is assessed. There may be circumstances that extend the ten year collection statute such as when a taxpayer files bankruptcy or an Offer in Compromise.

The IRS may adjust the Reasonable Collection Potential (RCP) during the investigation to a higher or lower amount, depending upon the facts and circumstances of your individual case. Occasionally, the IRS updates the amounts allowed for exempt property (i.e., Line 9, Furniture and Personal Effects, and Item 11, Books and Tools). Please use the amounts listed on page 10 (\$7900 and \$3950, respectively) until this booklet is revised again, or you can call our toll-free number (1-800-829-1040) to confirm the current amounts.

You can call the toll free number 1-800-829-1040 for assistance in calculating the remaining time on your collection statute.

Step Four: Offer in Compromise Application Fee and Payments

| | One person is liable | Two people are liable for one joint liability | Two people have joint liabilities but want to file separate offers | Two people have joint liabilities and one has joint and separate liabilities | Corporation has a liability | Partnership has a liability | Individual and Corporate or Partnership liabilities |
|--|--|--|--|--|--|--|--|
| Number of Forms 656 required | 1 | 1 | 2 Each will show the joint liabilities | 2 One with the joint and the 2nd with the joint and separate liabilities | 1 | 1 | 2 |
| Number of fees to be sent with the Form 656* | 1 - \$150 fee | 1 - \$150 | 2 - \$150 | 2 - \$150 | 1 - \$150 | 1 - \$150 | 2 - \$150 |
| Lump Sum Cash Offer amount to be sent with the Form 656 | 20% of the amount offered | 20% of the amount offered | 20% for each offered amount | 20% for each offered amount | 20% of the amount offered | 20% of the amount offered | 20% for each offered amount |
| Amount to be sent with the Short Term or Deferred Periodic Payment Offer | First payment amount shown in Section IV of the Form 656 | First payment amount shown in Section IV of the Form 656 | First payment for each offer that is shown in Section IV of the Form 656 | First payment for each offer that is shown in Section IV of the Form 656 | First payment amount shown in Section IV of the Form 656 | First payment amount shown in Section IV of the Form 656 | First payment for each offer that is shown in Section IV of the Form 656 |

A. The application fee and payment are due on all offers at the time you submit your offer. Please staple **both** the application fee **and** payment to the front of your Form 656. Any offer submitted without the application and payment will be returned to you without further consideration.

* **EXCEPTION:** If you certify that your total monthly household income is at or below levels based on the IRS OIC Low Income Guidelines, then you may be exempt from the application fee and the payments (20% of the amount offered, the initial payment, and required payments while your offer is being investigated) as described above. The exception for taxpayers with incomes below these levels only applies to individuals. It does not apply to other entities such as corporations, partnerships, and LLC's.

To determine if you qualify for the exemption, please complete the attached Offer in Compromise Application Fee and Payment Worksheet. If you do qualify, then you must complete and sign Form 656-A.

B. **Do not send cash.** Please make all checks or money orders payable to the "United States Treasury".

C. The application fee can only be returned to you if the IRS determines that your offer is not processable. If your offer is determined to be not processable (see Page 2 for the 3 processable requirements), the IRS will return your application fee.

However if your offer is determined to be not processable and you have made either the 20% initial payment for Lump Sum Cash offer, or the first initial installment for the Short Term Periodic Payment Offer or Deferred Periodic Payment Offer, these payments will not be refunded to you. They will be applied to your outstanding tax liability and your offer will be returned to you as not processable.

- D. If your offer is determined to be processable and later in the investigation, the offer is returned, rejected, or withdrawn, the application fee and payments will be applied to your outstanding tax liability.
- E. If you have any additional questions about your Offer in Compromise, application fee or payments, please call toll free at 1-800-829-1040, visit our web site at www.irs.gov or visit your nearest IRS office. You will find the exact address in your local phone book under U.S. Government.

Step Five: Where You Need to Send Your Offer

Where to File

IF YOU RESIDE IN

Alaska, Alabama, Arizona, California, Colorado, Hawaii, Idaho, Kentucky, Louisiana, Mississippi, Montana, Nevada, New Mexico, Oregon, Tennessee, Texas, Utah, Washington, Wisconsin or Wyoming,

AND

You are a wage earner, retiree, or a self-employed individual without employees,

THEN MAIL

Form 656 and attachments to:

Memphis Internal Revenue Service
Center COIC Unit
PO Box 30803, AMC
Memphis, TN 38130-0803

AND

You are **OTHER** than a wage earner, retiree, or a self-employed individual without employees,

THEN MAIL

Form 656 and attachments to:

Memphis Internal Revenue Service
Center COIC Unit
PO Box 30804, AMC
Memphis, TN 38130-0804

IF YOU RESIDE IN

Arkansas, Connecticut, Delaware, District of Columbia, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, South Dakota, Vermont, Virginia, West Virginia or have a foreign address,

AND

You are a wage earner, retiree, or a self-employed individual without employees,

THEN MAIL

Form 656 and attachments to:

Brookhaven Internal Revenue Service
Center COIC Unit
PO Box 9007
Holtsville, NY 11742-9007

AND

You are **OTHER** than a wage earner, retiree, or a self-employed individual without employees,

THEN MAIL

Form 656 and attachments to:

Brookhaven Internal Revenue Service
Center COIC Unit
PO Box 9008
Holtsville, NY 11742-9008

Step Six: What to Expect After the IRS Receives Your Offer

| | | |
|--|--|---|
| How We Consider Your Offer | An offer examiner will evaluate your offer and may request additional documentation from you to verify financial or other information you provide. The examiner will then make a recommendation to accept or reject the offer. The examiner may also | return your offer if you do not provide the requested information. The examiner may decide that a larger offer amount is necessary to justify acceptance. You will have the opportunity to amend your offer. |
| Additional Agreements | When you submit certain offers, we may also request that you sign an additional agreement requiring you to: | <ul style="list-style-type: none">■ Pay a percentage of your future earnings.■ Waive certain present or future tax benefits. |
| Withholding Collection Activities | There are certain circumstances where we will withhold collection activities while we consider your offer. We will not act to collect the tax liability: <ul style="list-style-type: none">■ While we investigate and evaluate your offer.■ For 30 days after we reject an offer. | <ul style="list-style-type: none">■ While you appeal an offer rejection. <p>The above do not apply if we find any indication that you submitted your offer to delay collection or cause a delay which will jeopardize our ability to collect the tax.</p> <ul style="list-style-type: none">■ A Notice of Federal Tax Lien may be filed at any time while your offer is being considered |
| Periodic Payments Requirements | If you choose one of the Periodic Payment options, then you are required to continue to make payments while your offer is being investigated. The removable Form 656-PPV is to be used to make these periodic payments. The instructions to complete Form 656-PPV are contained on the form as well as the proper address to mail your payments to. It is important to note that | the address where you send your periodic payments is different from the address where you submit your offer form. Be sure you send your periodic payment and Form 656-PPV to the address listed on the Form 656-PPV, as it applies to where you originally filed your offer. |

NOTE: Step Six continues on Page 16.

If We Accept Your Offer

If we accept your offer, we will notify you by mail. When you receive your acceptance letter, you must:

- Promptly pay any unpaid amounts that become due under the terms of the offer agreement. You must comply with the payment terms specified in the agreement in a timely manner or your offer and agreement will be in default.
- Comply with all the terms and conditions of the offer, along with those of any additional agreement.
- Promptly notify us of any change of address until you meet the conditions of your offer. Your acceptance letter will indicate the IRS office to contact if your address changes. Your notification allows us to contact you immediately regarding the status of your offer.

We will release all Notices of Federal Tax Lien when you satisfy the payment terms of the offered amount. For an immediate release of a lien, you can submit certified funds with a request letter to the address on the acceptance letter.

Once your offer is accepted, not filing returns or paying taxes when due could result in the default of an accepted offer (see Section V (d) of Form 656 for the

future compliance provision). If you default your agreement, we will reinstate the unpaid amount of the original tax liability, file a Notice of Federal Tax Lien on any tax liability without a filed notice, and resume collection activities. The future compliance provision applies to all offers based on **Doubt as to Collectibility and Effective Tax Administration offers**.

We will not default your offer agreement when you have filed a joint offer with your spouse or ex-spouse as long as you have kept or are keeping all the terms of the agreement, even if your spouse or ex-spouse violates the future compliance provision.

The offer agreement requires you to forego certain refunds, and to return those refunds to us if they are issued to you by mistake. These conditions are also listed on Form 656, Sections V (f) and (g). For example, if your offer was accepted by the IRS in the tax year 2008, the IRS would keep the refund due to you with respect to the tax year 2008, which you would normally receive in calendar year 2009 (*because the due date for filing the tax year 2008 is April 15, 2009*).

If We Reject Your Offer

We will notify you by mail if we reject your offer. In our letter, we will explain our reason for the rejection. We will also keep your \$150 application fee and payments. If your offer is rejected, you have the right to:

- Appeal our decision to the Office of Appeals within thirty days from the date of our letter. The letter will include detailed instructions on how to appeal the rejection.

- Information about appeals, including an online self-help tool to assist you in deciding whether to appeal the rejection of your offer, is available at www.irs.gov, using key word “appeals”.

Step Seven: Offer in Compromise Summary Checklist

Below is a checklist of items that you should review and complete prior to submitting your Form 656, *Offer in Compromise*. This checklist is solely for your benefit, so do not submit with your offer.

- Did you answer YES to question one on Page 2? If you did, then please do not submit Form 656 because you are not eligible to have your offer considered at this time.
- Did you answer NO to questions two or three on Page 2? If you did, then please do not submit Form 656 because you are not eligible to have your offer considered at this time.
- Have you properly completed Form 656, *Offer in Compromise*, by following the instructions on Pages 20 - 22?
- Are the preprinted terms and conditions listed on Form 656 unaltered?
- Are you using the most current versions of Form 656, Form 433-A, and Form 433-B as instructed on Page 4?
- Did you include your name (or names, if joint)?
- Have you included your social security number (SSN) (both SSNs are required if filing a joint offer) and/or employer identification number (EIN) and is it accurate?
- Have you included an offer amount (the amount must be greater than **zero**) and payment terms as instructed on Page 11, Box P?
- Have you signed the Form 656? If this is a joint Form 656, have both spouses signed Form 656?
- Have you included complete financial information (Form 433-A or Form 433-B, or both) and all attachments as instructed on Page 4?
- Have you either attached the application fee in the designated area on the Form 656 or attached the Form 656-A certification, whichever is applicable?**
- Have you attached to Form 656 either the 20% payment for the Lump Sum Cash offer, or the first installment payment for either the Short Term Periodic Payment or Deferred Periodic Payment, OR attached Form 656-A certification, whichever is applicable?
- Have you signed in all required places on Form 433-A and/or Form 433-B?
- Is your offer amount greater than or equal to the reasonable collection potential (RCP) as described on Page 6 and calculated on Page 11, unless your offer is based on Effective Tax Administration and/or special circumstances exist?
- If applicable, are Sections IX and XI, on Form 656 completed?
- If applicable, is Section X on Form 656 completed and **signed**?
- Have you properly identified where to mail your Form 656 from the instructions on Page 14?
- If applicable, did you attach Form 2848 as required in Section XI, Page 22?

If you have any questions, please call our toll-free number at 1-800-829-1040. You can get forms and publications by calling toll free at 1-800-829-3676 (1-800-TAX-FORM), or by visiting your local Internal Revenue Service (IRS) office or our website at www.irs.gov.

Important Information Regarding the Offer in Compromise

Statute of Limitations for Assessment and Collection is Suspended

— The statute of limitations for assessment and collection of a tax debt is suspended while an OIC is “pending,” or being reviewed. The Offer in Compromise is pending starting with the date an authorized IRS employee determines the Form 656 can be processed and signs the Form 656. The OIC remains pending until an authorized IRS employee accepts, rejects, returns, or acknowledges withdrawal of the offer in writing. If a taxpayer appeals an OIC that was rejected, the IRS will continue to treat the OIC as pending until the Appeals Office accepts or rejects the OIC in writing.

Taxpayers Must File and Pay Taxes

— In order to avoid defaulting an OIC once it is accepted by the IRS, taxpayers must remain in compliance in the filing and payment of all required taxes for a period of five years, or until the offered amount is paid in full, whichever is longer. Failure to comply with these conditions will result in the default of the OIC and the reinstatement of the full tax liability.

Federal Tax Liens Are Not Released

— If there is a Notice of Federal Tax Lien on record prior to the OIC being submitted, the lien is not released until the terms of the offer in compromise are satisfied, or until the liability is paid, whichever comes first.

The IRS generally files a Notice of Federal Tax Lien to protect the Government’s interest on all payment offers. This tax lien will be released when the payment terms of the offer agreement have been satisfied.

Effect of the Offer on the Taxpayer’s Refund

— The IRS will keep any refund, including interest due to the taxpayer because of overpayment of any tax or other liability, for tax periods extending through the calendar year that the IRS accepts the offer. The taxpayer may not designate an overpayment ordinarily subject to refund, to which the IRS is entitled, to be applied to estimated tax payments for the following year.

Effect of the Offer on Levies — The IRS will keep all payments and credits made, received or applied to the total original

tax liability before submission of this offer. The IRS may keep any proceeds from a levy served prior to submission of the offer, but not received at the time the offer is submitted. If a levy has been served prior to submission of the offer, or if a levy was served after the offer was filed, then immediately contact the IRS person or function whose name and phone number appear on the levy as the contact person.

Public Inspection Files for Accepted Offer in Compromise Files

— The law requires IRS to make certain information from accepted Offers in Compromise available for public inspection and review. These public inspection files are located in designated IRS Area Offices. It is important to know that certain information regarding your accepted Offer in Compromise will be publicly known.

Taxpayer Advocate Service

— The Taxpayer Advocate Service (TAS) is an independent organization within the IRS whose employees assist taxpayers who are experiencing harm, who are seeking help in resolving tax problems that have not been resolved through normal channels, or who believe that an IRS system or procedure is not working as it should. If you believe you are eligible for TAS assistance, you can reach TAS by calling toll free 1-877-777-4778, or TTY/TTD 1-800-829-4059.

Low Income Taxpayer Clinic (LITC)

— Low Income Taxpayer Clinics are independent organizations that provide low income taxpayers with representation in Federal tax controversies with the IRS for free or for a nominal charge. The clinics also provide tax education and outreach for taxpayers with limited English proficiency or who speak English as a second language. IRS Publication 4134, Low Income Taxpayer Clinic List, provides information on clinics in your area and is available through the IRS website at www.irs.gov, by phone at 1-800-TAX-FORM (1-800-829-3676), or at your local IRS office.

Penalties and Interest — Penalties and interest will continue to accrue on your unpaid balance of assessment(s) while your offer is being considered.

Terms and Definitions

An understanding of the following terms and conditions will help you to prepare offers based upon **doubt as to collectibility or effective tax administration**.

Current Value — The amount you could reasonably expect from the sale of an asset today. Provide an accurate valuation of each asset. Determine value from realtors, used car dealers, publications, furniture dealers, or other experts on specific types of assets. Please include a copy of any written estimate with your Collection Information Statement.

Expenses Not Generally Allowed — We typically do not allow you to claim tuition for private schools, public or private college expenses, charitable contributions, voluntary retirement contributions, payments on unsecured debts such as credit card bills, cable television charges and other similar expenses as necessary living expenses. However, we may allow these expenses when you can prove that they are necessary for the health and welfare of you or your family or for the production of income.

Future Income — We generally determine the amount we could collect from your future income by subtracting necessary living expenses from your monthly income over a set number of months. For a lump sum cash offer paid in five months or less, you must offer what you could pay in monthly payments over forty-eight months (*or the remainder of the ten-year statutory period for collection, whichever is less*). For a Lump Sum Cash Offer paid in more than five months or a Short Term Periodic Payment Offer, you must offer what you could pay in monthly payments over 60 months (*or the remainder of the statutory period for collection, whichever is less*). For a deferred periodic payment offer, you must offer what you could pay in monthly payments during the remaining time we could legally receive payments.

Necessary Expenses — Necessary expenses are the allowable payments you make to support you and your family's health and welfare and/or the production of income. These expenses do not apply to businesses. See our website at www.irs.gov for an explanation of National Standard Expenses and the amounts that are allowed. We derive these amounts from the Bureau of Labor Statistics Consumer Expenditure Survey. We also use information from the Bureau of the Census to determine local expenses for housing, utilities, and transportation.

NOTE:

If the IRS determines that the facts and circumstances of your situation indicate that using the scheduled allowance of necessary expenses is inadequate, we will allow you an adequate means for providing basic living expenses. However you must provide documentation that using national and local expense standards leaves you an inadequate means of providing for basic living expenses.

Quick Sale Value (QSV) — The amount you could reasonably expect from the sale of an asset if you sold it quickly, typically in ninety days or less. This amount generally is less than current value, but may be equal to current value, based on local circumstances.

Realizable Value — The quick sale value amount minus what you owe to a secured creditor. The creditor must have priority over a filed Notice of Federal Tax Lien before we allow a subtraction from the asset's value.

Reasonable Collection Potential (RCP) — The total realizable value of your assets plus your future income. The total is generally your minimum offer amount.

Step Eight: Completing Form 656, Offer in Compromise

Note: If you have any questions about completing this form, you may call toll free at 1-800-829-1040 or visit your local IRS office or our website at www.irs.gov. We may return your offer if you fail to follow these instructions.

Section I:

Enter your name and home and business street address. Show **both names** on a joint offer for joint liabilities. You also should include a mailing address if it is different from your street address.

If you owe a liability —

Jointly with another person and **both of you agree** to submit an offer, send only **one** Form 656, *Offer in Compromise*, and **one** \$150 application fee (or Form 656-A, if applicable) and one payment (20% of the amount offered or first initial payment).

By yourself (such as employment taxes), and other liabilities with another person (such as income taxes), but **only you** are submitting an offer, then list **all** tax liabilities on **one** Form 656 and submit **one** \$150 application fee (or Form 656-A, if applicable) and one payment (20% of amount offered or first initial payment).

By yourself and another one jointly, and **both of you** submit an offer, then you must show **all** tax liabilities on

your Form 656 and submit **one** \$150 application fee (or Form 656-A, if applicable) and payment (20% of offer amount or first initial payment). **The other person** should show **only** the joint tax liability on their Form 656 and submit **one** \$150 application fee (or Form 656-A, if applicable) and payment (20% of amount offered or first initial payment)

Please see the matrix in Step 4, Page 12, for further instructions and examples.

Enter the social security number(s) for the person(s) submitting the offer. For example, enter the social security number of both spouses when submitting a joint offer for a joint tax liability. However, when only one spouse submits an offer, enter only that spouse's social security number

Enter the employer identification number for offers from businesses.

Show the employer identification numbers for all other businesses that you own or in which you have an ownership interest, even if they are not included in the offer.

Section II:

Identify the type of tax liability you owe and enter the tax year or period. Letters and notices from us and Notices of

Federal Tax Lien show the tax periods for trust fund recovery penalties.

| | | |
|----------------------|---|--|
| Section III: | Check the appropriate box(es) describing the basis for your offer. | Effective Tax Administration offers require you to complete a Form 433-A, <i>Collection Information Statement for Wage Earners and Self-Employed Individuals</i> , if you are an individual taxpayer, or a Form 433-B, <i>Collection Information Statement for Businesses</i> , if you are a corporation or other business taxpayer. Complete Section VI, "Explanation of Circumstances." |
| | Doubt as to Collectibility offers require you to complete a Form 433-A, <i>Collection Information Statement for Wage Earners and Self-Employed Individuals</i> , if you are an individual taxpayer, or a Form 433-B, <i>Collection Information Statement for Businesses</i> , if you are a corporation or other business taxpayer. | |
| | Note: Attach to the upper left corner of Form 656 the six (6) pages of the collection information statement(s) and all related documents before you send it to us. | |
| Section IV: | Enter the total amount of your offer (see Page 6, Step Three, "Determining the Amount of Your Offer"). Your offer amount cannot include a refund we owe you or amounts you have already paid. | Check the appropriate payment box (<i>Lump Sum Cash Offer, Short Term Periodic Payment Offer, or Deferred Periodic Payment Offer</i> — see Page 7, "Determine Your Payment Terms") and describe your payment plan in the spaces provided. |
| Section V: | It is important that you understand the requirements listed in this section. Pay particular attention to Items (d), (f) | and (g), as they address the future compliance provision and refunds. |
| Section VI: | Explain your reason(s) for submitting your offer in the "Explanation of Circumstances." You may attach | additional sheets if necessary. Include your name and SSN or EIN on all attachments. If you believe you have special circumstances affecting your ability to fully pay the amount due, thoroughly explain your situation. |
| Section VII: | Explain where you will get the funds to pay the amount you are offering. | |
| Section VIII: | All persons submitting the offer must sign and date Form 656. Include titles of authorized corporate officers, | executors, trustees, Powers of Attorney, etc., where applicable. |
| Section IX: | If someone other than the taxpayer prepared this Offer in Compromise, the | taxpayer should insert the name and address of the preparer (<i>if known</i>) in Section IX. |
| Section X: | Paid Preparer Use Only. | Please see the "Privacy Act Notice" in Form 656. |

Section XI:

If you want to allow the IRS to discuss your Offer in Compromise with a friend, family member, or any other person, including an individual you paid to prepare this form, check the “Yes” box in Section XI, “Third Party Designee,” on your Form 656. Also enter the designee’s name and phone number. Checking the “Yes” box allows the IRS to contact another person and discuss with that person any additional information the IRS needs to process your offer.

This additional information may include information about tax liabilities you failed to list in Section II on your Form 656 or returns you have failed to file. If your contact person is an attorney, CPA, or enrolled agent and you wish to have them represent you regarding this offer, a Form 2848, *Power of Attorney and Declaration of Representative*, should be completed and submitted with your offer.

Note: Staple Form 2848, Power of Attorney and Declaration of Representative, to the upper left corner of Form 656 before you send it to us.

Offer in Compromise

Attach Application Fee and Payment (check or money order) here.

IRS RECEIVED DATE

Section I Taxpayer Contact Information

| | | | |
|--|--|-----------|--|
| Taxpayer's First Name and Middle Initial | | Last Name | |
| If a joint offer, spouse's First Name and Middle Initial | | Last Name | |
| Business Name | | | |
| Taxpayer's Address (Home and Business) (number, street, and room or suite no., city, state, ZIP code) | | | |
| Mailing Address (if different from above) (number, street, and room or suite no., city, state, ZIP code) | | | |

DATE RETURNED

| | | | | |
|---|---|-------------|---|-----------------------------|
| Social Security Number (SSN) (Primary) | | (Secondary) | Employer Identification Number (EIN) (EIN included in offer) | (EIN not included in offer) |
| - | - | - | - | - |

Section II To: Commissioner of Internal Revenue Service

I/We (includes all types of taxpayers) submit this offer to compromise the tax liabilities plus any interest, penalties, additions to tax, and additional amounts required by law (tax liability) for the tax type and period marked below: (Please mark an "X" in the box for the correct description and fill-in the correct tax period(s), adding additional periods if needed).

- 1040/1120 Income Tax - Year(s) _____
- 941 Employer's Quarterly Federal Tax Return - Quarterly period(s) _____
- 940 Employer's Annual Federal Unemployment (FUTA) Tax Return — Year(s) _____
- Trust Fund Recovery Penalty as a responsible person of (enter corporation name) _____, for failure to pay withholding and Federal Insurance Contributions Act taxes (Social Security taxes), for period(s) ending _____
- Other Federal Tax(es) [specify type(s) and period(s)] _____

Note: If you need more space, use a separate sheet of paper and title it "Attachment to Form 656 Dated _____." Sign and date the attachment following the listing of the tax periods.

Section III Reason for Offer in Compromise

I/We submit this offer for the reason(s) checked below:

- Doubt as to Collectibility — "I have insufficient assets and income to pay the full amount." You must include a complete Collection Information Statement, Form 433-A and/or Form 433-B.
- Effective Tax Administration — "I owe this amount and have sufficient assets to pay the full amount, but due to my exceptional circumstances, requiring full payment would cause an economic hardship or would be unfair and inequitable." You must include a complete Collection Information Statement, Form 433-A and/or Form 433-B and complete Section VI.

Section IV Offer in Compromise Terms

I/We offer to pay \$ _____ (must be more than zero). Complete Section VII to explain where you will obtain the funds to make this offer.

Check **only** one of the following:

- Lump sum cash offer** — 20% of the amount of the offer \$ _____ must be sent with Form 656. Upon written acceptance of the offer, the balance must be paid in 5 or fewer installments.
 - \$ _____ payable within _____ months after acceptance
 - \$ _____ payable within _____ months after acceptance
 - \$ _____ payable within _____ months after acceptance
 - \$ _____ payable within _____ months after acceptance
 - \$ _____ payable within _____ months after acceptance

- Short Term Periodic Payment Offer** - Offer amount is paid within 24 months from the date IRS received your offer. The first payment **must** be submitted with your Form 656. You **must** make regular payments during your offer investigation. Complete the following:
 - \$ _____ will be submitted with the Form 656. Beginning in the month after the offer is submitted (insert month _____), on the _____ day of each month, \$ _____ will be sent in for a total of _____ months. (Cannot extend more than 24 months from the date the offer was submitted.)

Section IV Cont.

Deferred Periodic Payment Offer – Offer amount will be paid over the remaining life of the collection statute. The first payment **must** be submitted with your Form 656. You must make regular payments during your offer investigation. Complete the following:

\$ _____ will be submitted with the Form 656. Beginning in the month after the offer is submitted (*insert month* _____), on the _____ day of each month, \$ _____ will be sent in for a total of _____ months.

Optional - Designation of Required Payment under IRC 7122(c)

You have the option to designate the required payment you made under Section IV above. If you choose not to designate your required payment, then the IRS will apply your payment in the best interest of the government. If the required payment is not paid, the offer will be returned even if you make a payment you designated as a deposit. Please complete the following if you choose to designate your payment:

\$ _____ paid under IRC 7122 (c) is to be applied to my _____ Tax Year/Quarter(s) (*whichever is applicable*) for my/our tax form _____.

If you pay more than the required payment when you submit your offer and want any part of that additional payment treated as a deposit, check the box below and insert the amount. It is not required that you designate any portion of your payment as a deposit.

I am making a deposit of \$ _____ with this offer.

Section V By submitting this offer, I/we have read, understand and agree to the following conditions:

(a) I/We voluntarily submit all tax payments made on this offer, including the mandatory payments of tax required under section 7122(c). These tax payments are not refundable even if I/we withdraw the offer prior to acceptance or the IRS returns or rejects the offer. If the offer is accepted, the IRS will apply payments made after acceptance in the best interest of the government.

(b) Any payments made in connection with this offer will be applied to the tax liability unless I have specified that they be treated as a deposit. Only amounts that exceed the mandatory payments can be treated as a deposit. Such a deposit will be refundable if the offer is rejected or returned by the IRS or is withdrawn. I/we understand that the IRS will not pay interest on any deposit.

(c) The application fee for this offer will be kept by the IRS unless the offer was not accepted for processing.

(d) I/We will comply with all provisions of the Internal Revenue Code relating to filing my/our returns and paying my/our required taxes for 5 years or until the offered amount is paid in full, whichever is longer. In the case of a jointly submitted Offer in Compromise of joint liabilities, I/we understand that default with respect to the compliance provisions described in this paragraph by one party to this agreement will not result in the default of the entire agreement. The default provisions described in Section V(i) of this agreement will be applied only to the party failing to comply with the requirements of this paragraph.

(e) I/We waive and agree to the suspension of any statutory periods of limitation (time limits provided by law) for the IRS assessment of the liability for the periods identified in Section II. I/We understand that I/we have the right not to waive these statutory periods or to limit the waiver to a certain length or to certain periods. I/we understand, however, that the IRS may not consider this offer if I/we refuse to waive the statutory periods for assessment or if we provide only a limited waiver. The amount of any Federal tax due for the periods described in Section II may be assessed at any time prior to the acceptance of this offer or within one year of the rejection of this offer. I/We understand that the statute of limitations for collection will be suspended during the period an offer is considered pending by the IRS (paragraph (k) of this section defines pending).

(f) The IRS will keep all payments and credits made, received or applied to the total original liability before submission of this offer and all payments required under section 7122(c). The IRS will also keep all payments in excess of those required by section 7122(c) that are received in connection with the offer and that are not designated as deposits in Section IV. The IRS may keep any proceeds from a levy served prior to submission of the offer, but not received at the time the offer is submitted. As additional consideration beyond the amount of my/our offer, the IRS will keep any refund, including interest, due to me/us because of overpayment of any tax or other liability, for tax periods extending through the calendar year in which the IRS accepts the offer. The date of acceptance is the date on the written notice of acceptance issued by the IRS to me/us or to my/our representative. I/We may not designate an overpayment ordinarily subject to refund, to which the IRS is entitled, to be applied to estimated tax payments for the following year.

(g) I/We will return to the IRS any refund identified in paragraph (f) received after submission of this offer.

(h) The IRS cannot collect more than the full amount of the liability under this offer.

(i) I/We understand that I/we remain responsible for the full amount of the liabilities, unless and until the IRS accepts the offer in writing and I/we have met all the terms and conditions of the offer. The IRS will not remove the original amount of the liabilities from its records until I/we have met all the terms and conditions of the offer. I/we understand that the liabilities I/we offer to compromise are and will remain liabilities until I/we meet all the terms and conditions of this offer. If I/we file for bankruptcy before the terms and conditions of this offer are completed, any claim the IRS files in the bankruptcy proceedings will be a tax claim.

(j) Once the IRS accepts the offer in writing, I/we have no right to contest, in court or otherwise, the amount of the liability.

(k) The offer is pending starting with the date an authorized IRS official signs the form. The offer remains pending until an authorized IRS official accepts, rejects, returns or acknowledges withdrawal of the offer in writing. If I/we appeal an IRS rejection decision on the offer, the IRS will continue to treat the offer as pending until the Appeals Office accepts or rejects the offer in writing.

If I/we don't file a protest within 30 days of the date the IRS notifies me/us of the right to protest the decision, I/we waive the right to a hearing before the Appeals Office about the Offer in Compromise.

(l) If I/we fail to meet any of the terms and conditions of the offer and the offer defaults, the IRS may:

- immediately file suit to collect the entire unpaid balance of the offer;
- immediately file suit to collect an amount equal to the original amount of the liability, minus any payment already received under the terms of this offer;
- disregard the amount of the offer and apply all amounts already paid under the offer against the original amount of the liability; and/or
- file suit or levy to collect the original amount of the liability, without further notice of any kind.

The IRS will continue to add interest, as section 6601 of the Internal Revenue Code requires, on the amount the IRS determines is due after default. The IRS will add interest from the date the offer is defaulted until I/we completely satisfy the amount owed.

(m) The IRS generally files a Notice of Federal Tax Lien to protect the Government's interest on offers with deferred payments. Also, the IRS may file a Notice of Federal Tax Lien during the offer investigation. This tax lien will be released when the payment terms of the offer agreement have been satisfied.

(n) I/We understand that IRS employees may contact third parties in order to respond to this request and I/we authorize the IRS to make such contacts. Further, by authorizing the IRS to contact third parties, I/we understand that I/we will not receive notice, pursuant to section 7602(c) of the Internal Revenue Code, of third parties contacted in connection with this request.

(o) I/We are offering to compromise all the liabilities assessed against me/us as of the date of this offer and under the taxpayer identification numbers listed in Section II above. I/We authorize the IRS to amend Section II, above, to include any assessed liabilities we failed to list on Form 656.

Section VI Explanation of Circumstances

I am requesting an Offer in Compromise for the reason(s) listed below:

Note: If you believe you have special circumstances affecting your ability to fully pay the amount due, explain your situation. You may attach additional sheets if necessary. Please include your name and SSN or EIN on all additional sheets or supporting documentation.

Section VII Source of Funds

I / We shall obtain the funds to make this offer from the following source(s):

Section VIII Mandatory Signatures

| | | | |
|-----------------------------|---|--------------------------------------|-----------------|
| Taxpayer Attestation | If I / we submit this offer on a substitute form, I / we affirm that this form is a verbatim duplicate of the official Form 656, and I/we agree to be bound by all the terms and conditions set forth in the official Form 656. | | |
| | Under penalties of perjury, I declare that I have examined this offer, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete. | | |
| | Signature of Taxpayer | Daytime Telephone Number () | Date (mmddyyyy) |
| | Signature of Taxpayer | | Date (mmddyyyy) |

Official Use Only

I accept the waiver of the statutory period of limitations on assessment for the Internal Revenue Service, as described in Section V(e).

| | | |
|---|-------|-----------------|
| Signature of Authorized Internal Revenue Service Official | Title | Date (mmddyyyy) |
|---|-------|-----------------|

Section IX Application Prepared by Someone Other than the Taxpayer

If this application was prepared by someone other than the taxpayer, please fill in that person's name and address below.

| |
|--|
| Name |
| Address (if known) (Street, City, State, ZIP code) |

Section X Paid Preparer Use Only

| | | | |
|--|-----------------|---|----------------------------|
| Name of Preparer | | | |
| Signature of Preparer | Date (mmddyyyy) | Check if self-employed <input type="checkbox"/> | Preparer's CAF no. or PTIN |
| Firm's name (or yours if self-employed), address, and ZIP code | | | |

Section XI Third Party Designee

| | | |
|---|---|-----------------------------|
| Do you want to allow another person to discuss this offer with the IRS? | <input type="checkbox"/> Yes. Complete the information below. | <input type="checkbox"/> No |
| Designee's Name | Telephone Number () | |

Privacy Act Statement

We ask for the information on this form to carry out the internal revenue laws of the United States. Our authority to request this information is Section 7801 of the Internal Revenue Code.

Our purpose for requesting the information is to determine if it is in the best interests of the IRS to accept an Offer in Compromise. You are not required to make an Offer in Compromise; however, if you choose to do so, you must provide all of the taxpayer information requested. Failure to provide all of the information may prevent us from processing your request.

If you are a paid preparer and you prepared the Form 656 for the taxpayer submitting an offer, we request that you complete and sign Section X on Form 656, and provide identifying information. Providing this information is voluntary. This information will be used to administer and enforce the internal revenue laws of the United States and may be used to regulate practice before the Internal Revenue Service for those persons subject to Treasury Department Circular No. 230, Regulations Governing the Practice of Attorneys, Certified Public Accountants, Enrolled Agents, Enrolled Actuaries, and Appraisers before the Internal Revenue Service. Information on this form may be disclosed to the Department of Justice for civil and criminal litigation.

We may also disclose this information to cities, states and the District of Columbia for use in administering their tax laws and to combat terrorism. Providing false or fraudulent information on this form may subject you to criminal prosecution and penalties.

Attention:

Instructions and pertaining forms for completing an accurate Offer in Compromise are available in the Form 656-B, Offer in Compromise Booklet. The Form 656-B is available through the IRS website www.irs.gov.

Offer in Compromise Application Fee and Payment Worksheet

This worksheet should only be completed if you are requesting an exception to the \$150 application fee and payment(s) because of your income.

It is important that you use the current version Form 656 (Rev. 03-2009), *Offer in Compromise*, and the (Rev. 1-2008) versions of Forms 433-A, *Collection Information Statement for Wage Earners and Self-Employed Individuals*, that are included in this package.

Individuals whose income falls at or below levels based on IRS Offer in Compromise Low Income Guidelines are not required to pay the application fee or the required initial payments. This exception only applies to individuals; it does not apply to other entities such as corporations or partnerships. You should use the worksheet below to determine if you meet the eligibility requirements.

If you are an individual, follow the steps below to determine if you must pay the application fee and any 20% payment or first initial installment with your Form 656, Offer in Compromise.

- Family Unit Size** _____. Enter the total number of dependants (including yourself and your spouse) listed in Section 1 of Form 433-A, *Collection Information Statement for Wage Earners and Self-Employed individuals*. Transfer this number to Form 656-A, Item 5.
- Total Household Monthly Income** _____. Enter the amount of your total household monthly income from Section 4, Line 32, "Total Income", of the Form 433A, *Collection Information Statement for Wage Earners and Self-Employed Individuals*. Please see Page 4 under Step Two, item 5, for a definition of total household income. Transfer this number to Form 656-A, Item 6.

If you are self-employed you must comply to footnote number 6 instructions regarding business deductions and treatment of depreciation before you compute the Net Business Income amount for line 82, and carry it over to Form 433A, section 4, line 23 to Form 656-A, Item 6.

- Compare the information you entered in items 1 and 2, above, to the IRS OIC Low Income Guidelines table below. Find the "Family Unit Size" equal to the number you entered in item 1. Next, find the column which represents where you reside (48 Contiguous states, DC ..., Hawaii or Alaska). Compare the "Total Household Income" you entered in item 2 to the number in the row and column that corresponds to your family unit size and residence. *For example, if you reside in one of the 48 contiguous states, and your family unit size from item 1 above is 4, and your total household monthly income from item 2 above is \$3000, then you are exempt from the application fee and payment because your income is less than the \$4,594 guideline amount.*

IRS OIC Low Income Guidelines

| Size of Family Unit | 48 Contiguous States and D.C. | Hawaii | Alaska |
|---------------------------------|-------------------------------|---------|---------|
| 1 | \$2,256 | \$2,596 | \$2,819 |
| 2 | \$3,035 | \$3,492 | \$3,794 |
| 3 | \$3,815 | \$4,388 | \$4,769 |
| 4 | \$4,594 | \$5,283 | \$5,744 |
| 5 | \$5,373 | \$6,179 | \$6,719 |
| 6 | \$6,152 | \$7,075 | \$7,694 |
| 7 | \$6,931 | \$7,971 | \$8,669 |
| 8 | \$7,710 | \$8,867 | \$9,644 |
| For each additional person, add | \$779 | \$896 | \$975 |

- If the total household monthly income you entered in item 2 is **more** than the amount shown for your family unit size and residence in the monthly IRS OIC Low Income Guidelines table above, **you must send the \$150 application fee and any 20% payment or first initial installment with each OIC you submit.**

Your check or money order should be made payable to the "**United States Treasury**" and attached to the front of your Form 656, *Offer In Compromise*. **Do Not Send Cash.** Send a separate application fee with each OIC; do not combine it with any other tax payments as this may delay processing of your OIC. Your OIC will be returned to you without further consideration if the application fee and the required payments are not properly remitted, or if your check is returned for insufficient funds.

- If the total income you entered in item 2 is **equal to or less than** the amount shown for your family unit size and residence in the table above, do not send the application fee or the required payments. Sign and date Form 656-A, *Income Certification for Offer in Compromise Application Fee and Payment*. **Attach the certification to the front of your Form 656.**

This page intentionally left blank

**Income Certification for Offer in Compromise
Application Fee and Payment**
(For Individual Taxpayers Only)

If you are not required to submit the fee or payments based on your income level, you must complete this form and attach it to the front of your Form 656. You do not need to attach the Offer in Compromise Application Fee and Payment Worksheet to the Form 656.

| | |
|--|---|
| 1. Your Name <i>(Last, First, Middle initial) (Please Print)</i> | 2. Social Security Number (SSN) or Taxpayer Identification Number (TIN) |
| 3. Spouse's Name <i>(Last, First, Middle initial) (Please Print)</i> | 4. Social Security Number (SSN) or Taxpayer Identification Number (TIN) |
| 5. Family Unit Size <i>(This number is transferred over from your Offer in Compromise Application Fee and Payment Worksheet)</i> | |
| 6. Total Household Monthly Income <i>(This amount is transferred over from your Offer in Compromise Application Fee and Payment Worksheet)</i> \$ | |

Certification: Under the penalty of perjury, I certify that I am not required to submit an Offer in Compromise application fee or payment, based on family unit size and income.

| | |
|---|------|
| Your Signature | Date |
| Spouse's Signature <i>(if submitting a joint Offer in Compromise)</i> | Date |

Offer in Compromise - Periodic Payment Voucher

If you filed an offer in compromise and the offered amount is to be paid in 24 months or fewer (*Short Term Periodic Payment Offer*) or monthly installments paid within the statutory period (*Deferred Periodic Payment Offer*) in accordance with the **Tax Increase Prevention and Reconciliation Act of 2005**, you must continue to make the payments during the investigation of the offer until you receive a decision letter (*accepted, rejected, returned, or withdrawn*). Mail this voucher with your check or money order payable to the "United States Treasury." Write your social security number or employer identification number on the check or money order. Do not send cash. You may designate a specific tax liability to apply the payments. If you choose to do this, please write it in the "Apply to" section of the **Form 656-PPV**.

Enclose your payment with this voucher and mail to:

For those offers originally sent to Holtsville, NY, please send payments to: P.O. Box 9011, Holtsville, NY 11742
For those offers originally sent to Memphis, TN, please send payments to: AMC-Stop 880, PO Box 30834, Memphis, TN 38130-0834

(Please Print or Type)

| | | | | | |
|--|----------------------|---|--|------------------------|----------------|
| Taxpayer's First Name and Initial | Taxpayer's Last Name | Your Social Security Number (SSN) or Employer Identification Number (EIN) | | | |
| Taxpayer's Address (<i>number, street, and room or suite no., city, state, ZIP code</i>) | | Amount of Your Payment <table border="1"><tr><td data-bbox="1117 699 1419 787"><i>(Dollars)</i> \$</td><td data-bbox="1419 699 1495 787"><i>(Cents)</i></td></tr></table> | | <i>(Dollars)</i> \$ | <i>(Cents)</i> |
| <i>(Dollars)</i> \$ | <i>(Cents)</i> | | | | |
| Offer Number (<i>If you are submitting a payment (as described above) and this Form 656-PPV with your offer, then please leave this section blank. An offer number will be assigned and sent to you once your offer is processed.</i>) | | Apply Payment to: (<i>optional</i>) Form _____ Period _____ | | | |

Collection Information Statement for Wage Earners and Self-Employed Individuals

Wage Earners Complete Sections 1, 2, 3, and 4, including signature line on page 4. *Answer all questions or write N/A.*
Self-Employed Individuals Complete Sections 1, 2, 3, 4, 5 and 6 and signature line on page 4. *Answer all questions or write N/A.*
For Additional Information, refer to Publication 1854, "How To Prepare a Collection Information Statement"
Include attachments if additional space is needed to respond completely to any question.

| | | |
|---|--|---|
| Name on Internal Revenue Service (IRS) Account | Social Security Number SSN on IRS Account | Employer Identification Number EIN |
|---|--|---|

Section 1: Personal Information

| | | | |
|---|---------------------------|---|--------------------------------------|
| 1a Full Name of Taxpayer and Spouse (if applicable) | | 1c Home Phone () | 1d Cell Phone () |
| 1b Address (Street, City, State, ZIP code) (County of Residence) | | 1e Business Phone () | 1f Business Cell Phone () |
| | | 2b Name, Age, and Relationship of dependent(s) | |
| 2a Marital Status: <input type="checkbox"/> Married <input type="checkbox"/> Unmarried (Single, Divorced, Widowed) | | | |
| 3a Taxpayer | Social Security No. (SSN) | Date of Birth (mmddyyyy) | Driver's License Number and State |
| 3b Spouse | | | |

Section 2: Employment Information

If the taxpayer or spouse is self-employed or has self-employment income, also complete Business Information in Sections 5 and 6.

| Taxpayer | | Spouse | |
|---|--|---|--|
| 4a Taxpayer's Employer Name | | 5a Spouse's Employer Name | |
| 4b Address (Street, City, State, ZIP code) | | 5b Address (Street, City, State, ZIP code) | |
| 4c Work Telephone Number () | 4d Does employer allow contact at work <input type="checkbox"/> Yes <input type="checkbox"/> No | 5c Work Telephone Number () | 5d Does employer allow contact at work <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 4e How long with this employer (years) (months) | 4f Occupation | 5e How long with this employer (years) (months) | 5f Occupation |
| 4g Number of exemptions claimed on Form W-4 | 4h Pay Period: <input type="checkbox"/> Weekly <input type="checkbox"/> Bi-weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Other | 5g Number of exemptions claimed on Form W-4 | 5h Pay Period: <input type="checkbox"/> Weekly <input type="checkbox"/> Bi-weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Other |

Section 3: Other Financial Information (Attach copies of applicable documentation.)

| | | | |
|--|--|----------------------------------|-----------------|
| 6 Is the individual or sole proprietorship party to a lawsuit (If yes, answer the following) Yes <input type="checkbox"/> No <input type="checkbox"/> | | | |
| <input type="checkbox"/> Plaintiff <input type="checkbox"/> Defendant | Location of Filing | Represented by | Docket/Case No. |
| Amount of Suit \$ | Possible Completion Date (mmddyyyy) | Subject of Suit | |
| 7 Has the individual or sole proprietorship ever filed bankruptcy (If yes, answer the following) Yes <input type="checkbox"/> No <input type="checkbox"/> | | | |
| Date Filed (mmddyyyy) | Date Dismissed or Discharged (mmddyyyy) | Petition No. | Location |
| 8 Any increase/decrease in income anticipated (business or personal) (If yes, answer the following) Yes <input type="checkbox"/> No <input type="checkbox"/> | | | |
| Explain. (Use attachment if needed) | How much will it increase/decrease \$ | When will it increase/decrease | |
| 9 Is the individual or sole proprietorship a beneficiary of a trust, estate, or life insurance policy (If yes, answer the following) Yes <input type="checkbox"/> No <input type="checkbox"/> | | | |
| Place where recorded: | | EIN: ; | |
| Name of the trust, estate, or policy | Anticipated amount to be received \$ | When will the amount be received | |
| 10 In the past 10 years, has the individual resided outside of the United States for periods of 6 months or longer (If yes, answer the following) Yes <input type="checkbox"/> No <input type="checkbox"/> | | | |
| Dates lived abroad: from (mmddyyyy) | | To (mmddyyyy) | |

Section 4: Personal Asset Information for All Individuals

11 Cash on Hand. Include cash that is not in a bank. **Total Cash on Hand** \$

Personal Bank Accounts. Include all checking, online bank accounts, money market accounts, savings accounts, stored value cards (e.g., payroll cards, government benefit cards, etc.) List safe deposit boxes including location and contents.

| Type of Account | Full Name & Address (Street, City, State, ZIP code) of Bank, Savings & Loan, Credit Union, or Financial Institution. | Account Number | Account Balance As of _____ mmddyyyy |
|--|--|----------------|---|
| 12a | | | \$ |
| 12b | | | \$ |
| 12c Total Cash (Add lines 12a, 12b, and amounts from any attachments) | | | \$ |

Investments. Include stocks, bonds, mutual funds, stock options, certificates of deposit, and retirement assets such as IRAs, Keogh, and 401(k) plans. **Include all corporations, partnerships, limited liability companies or other business entities in which the individual is an officer, director, owner, member, or otherwise has a financial interest.**

| Type of Investment or Financial Interest | Full Name & Address (Street, City, State, ZIP code) of Company | Current Value | Loan Balance (if applicable) As of _____ mmddyyyy | Equity Value Minus Loan |
|--|--|---------------|--|-------------------------|
| 13a | | | | |
| | Phone | \$ | \$ | \$ |
| 13b | | | | |
| | Phone | \$ | \$ | \$ |
| 13c | | | | |
| | Phone | \$ | \$ | \$ |
| 13d Total Equity (Add lines 13a through 13c and amounts from any attachments) | | | | \$ |

| Available Credit. List bank issued credit cards with available credit. Full Name & Address (Street, City, State, ZIP code) of Credit Institution | Credit Limit | Amount Owed As of _____ mmddyyyy | Available Credit As of _____ mmddyyyy |
|---|--------------|-------------------------------------|--|
| 14a | | | |
| Acct No.: | \$ | \$ | \$ |
| 14b | | | |
| Acct No.: | \$ | \$ | \$ |
| 14c Total Available Credit (Add lines 14a, 14b and amounts from any attachments) | | | \$ |

15a Life Insurance. Does the individual have life insurance with a cash value (Term Life insurance does not have a cash value.)
 Yes **No** If **Yes** complete blocks 15b through 15f for each policy:

| | | | |
|--|----|----|----|
| 15b Name and Address of Insurance Company(ies): | | | |
| 15c Policy Number(s) | | | |
| 15d Owner of Policy | | | |
| 15e Current Cash Value | \$ | \$ | \$ |
| 15f Outstanding Loan Balance | \$ | \$ | \$ |

15g Total Available Cash. (Subtract amounts on line 15f from line 15e and include amounts from any attachments) \$

16 In the past 10 years, have any assets been transferred by the individual for less than full value
(If yes, answer the following. If no, skip to 17a)

Yes No

| | | | |
|------------|---------------------------------|-----------------------------|-------------------------------------|
| List Asset | Value at Time of Transfer \$ | Date Transferred (mmddyyyy) | To Whom or Where was it Transferred |
|------------|---------------------------------|-----------------------------|-------------------------------------|

Real Property Owned, Rented, and Leased. Include all real property and land contracts.

| | Purchase/Lease Date (mmddyyyy) | Current Fair Market Value (FMV) | Current Loan Balance | Amount of Monthly Payment | Date of Final Payment (mmddyyyy) | Equity FMV Minus Loan |
|---------------------------------|-----------------------------------|------------------------------------|----------------------|---------------------------|-------------------------------------|--------------------------|
| 17a Property Description | | \$ | \$ | \$ | | \$ |

Location (Street, City, State, ZIP code) and County

Lender/Lessor/Landlord Name, Address, (Street, City, State, ZIP code) and Phone

| | | | | | | |
|---------------------------------|--|----|----|----|--|----|
| 17b Property Description | | \$ | \$ | \$ | | \$ |
|---------------------------------|--|----|----|----|--|----|

Location (Street, City, State, ZIP code) and County

Lender/Lessor/Landlord Name, Address, (Street, City, State, ZIP code) and Phone

17c Total Equity (Add lines 17a, 17b and amounts from any attachments) \$

Personal Vehicles Leased and Purchased. Include boats, RVs, motorcycles, trailers, etc.

| Description (Year, Mileage, Make, Model) | | Purchase/Lease Date (mmddyyyy) | Current Fair Market Value (FMV) | Current Loan Balance | Amount of Monthly Payment | Date of Final Payment (mmddyyyy) | Equity FMV Minus Loan |
|---|---------|-----------------------------------|------------------------------------|----------------------|---------------------------|-------------------------------------|--------------------------|
| 18a Year | Mileage | | \$ | \$ | \$ | | \$ |

Make Model Lender/Lessor Name, Address, (Street, City, State, ZIP code) and Phone

| | | | | | | | |
|-----------------|---------|--|----|----|----|--|----|
| 18b Year | Mileage | | \$ | \$ | \$ | | \$ |
|-----------------|---------|--|----|----|----|--|----|

Make Model Lender/Lessor Name, Address, (Street, City, State, ZIP code) and Phone

18c Total Equity (Add lines 18a, 18b and amounts from any attachments) \$

Personal Assets. Include all furniture, personal effects, artwork, jewelry, collections (coins, guns, etc.), antiques or other assets.

| | Purchase/Lease Date (mmddyyyy) | Current Fair Market Value (FMV) | Current Loan Balance | Amount of Monthly Payment | Date of Final Payment (mmddyyyy) | Equity FMV Minus Loan |
|---------------------------------|-----------------------------------|------------------------------------|----------------------|---------------------------|-------------------------------------|--------------------------|
| 19a Property Description | | \$ | \$ | \$ | | \$ |

Location (Street, City, State, ZIP code) and County

Lender/Lessor Name, Address, (Street, City, State, ZIP code) and Phone

| | | | | | | |
|---------------------------------|--|----|----|----|--|----|
| 19b Property Description | | \$ | \$ | \$ | | \$ |
|---------------------------------|--|----|----|----|--|----|

Location (Street, City, State, ZIP code) and County

Lender/Lessor Name, Address, (Street, City, State, ZIP code) and Phone

19c Total Equity (Add lines 19a, 19b and amounts from any attachments) \$

If the taxpayer is self-employed, sections 5 and 6 must be completed before continuing.

Monthly Income/Expense Statement (For additional information, refer to Publication 1854.)

| Total Income | | Total Living Expenses | | | IRS USE ONLY |
|--|---------------|---|----------------|--------------------|--------------|
| Source | Gross Monthly | Expense Items ⁵ | Actual Monthly | Allowable Expenses | |
| 20 Wages (Taxpayer) ¹ | \$ | 33 Food, Clothing, and Misc. ⁶ | \$ | | |
| 21 Wages (Spouse) ¹ | \$ | 34 Housing and Utilities ⁷ | \$ | | |
| 22 Interest - Dividends | \$ | 35 Vehicle Ownership Costs ⁸ | \$ | | |
| 23 Net Business Income ² | \$ | 36 Vehicle Operating Costs ⁹ | \$ | | |
| 24 Net Rental Income ³ | \$ | 37 Public Transportation ¹⁰ | \$ | | |
| 25 Distributions ⁴ | \$ | 38 Health Insurance | \$ | | |
| 26 Pension/Social Security (Taxpayer) | \$ | 39 Out of Pocket Health Care Costs ¹¹ | \$ | | |
| 27 Pension/Social Security (Spouse) | \$ | 40 Court Ordered Payments | \$ | | |
| 28 Child Support | \$ | 41 Child/Dependent Care | \$ | | |
| 29 Alimony | \$ | 42 Life insurance | \$ | | |
| 30 Other (Rent subsidy, Oil credit, etc.) | \$ | 43 Taxes (Income and FICA) | \$ | | |
| 31 Other | \$ | 44 Other Secured Debts (Attach list) | \$ | | |
| 32 Total Income (add lines 20-31) | \$ | 45 Total Living Expenses (add lines 33-44) | \$ | | |

- 1 Wages, salaries, pensions, and social security:** Enter gross monthly wages and/or salaries. Do not deduct withholding or allotments taken out of pay, such as insurance payments, credit union deductions, car payments, etc. To calculate the gross monthly wages and/or salaries:
If paid weekly - multiply weekly gross wages by 4.3. Example: \$425.89 x 4.3 = \$1,831.33
If paid biweekly (every 2 weeks) - multiply biweekly gross wages by 2.17. Example: \$972.45 x 2.17 = \$2,110.22
If paid semimonthly (twice each month) - multiply semimonthly gross wages by 2. Example: \$856.23 x 2 = \$1,712.46
- 2 Net Income from Business:** Enter monthly net business income. This is the amount earned after ordinary and necessary monthly business expenses are paid. **This figure is the amount from page 6, line 82.** If the net business income is a loss, enter "0". Do not enter a negative number. If this amount is more or less than previous years, attach an explanation.
- 3 Net Rental Income:** Enter monthly net rental income. This is the amount earned after ordinary and necessary monthly rental expenses are paid. Do not include deductions for depreciation or depletion. If the net rental income is a loss, enter "0". Do not enter a negative number.
- 4 Distributions:** Enter the total distributions from partnerships and subchapter S corporations reported on Schedule K-1, and from limited liability companies reported on Form 1040, Schedule C, D or E.
- 5 Expenses not generally allowed:** We generally do not allow tuition for private schools, public or private college expenses, charitable contributions, voluntary retirement contributions, payments on unsecured debts such as credit card bills, cable television and other similar expenses. However, we may allow these expenses if it is proven that they are necessary for the health and welfare of the individual or family or for the production of income.
- 6 Food, Clothing, and Misc.:** Total of clothing, food, housekeeping supplies, and personal care products for one month.
- 7 Housing and Utilities:** For principal residence: Total of rent or mortgage payment. Add the average monthly expenses for the following: property taxes, home owner's or renter's insurance, maintenance, dues, fees, and utilities. Utilities include gas, electricity, water, fuel, oil, other fuels, trash collection, telephone, and cell phone.
- 8 Vehicle Ownership Costs:** Total of monthly lease or purchase/loan payments.
- 9 Vehicle Operating Costs:** Total of maintenance, repairs, insurance, fuel, registrations, licenses, inspections, parking, and tolls for one month.
- 10 Public Transportation:** Total of monthly fares for mass transit (e.g., bus, train, ferry, taxi, etc.)
- 11 Out of Pocket Health Care Costs:** Monthly total of medical services, prescription drugs and medical supplies (e.g., eyeglasses, hearing aids, etc.)

Certification: Under penalties of perjury, I declare that to the best of my knowledge and belief this statement of assets, liabilities, and other information is true, correct, and complete.

| | | |
|-----------------------------|---------------------------|-------------|
| Taxpayer's Signature | Spouse's Signature | Date |
|-----------------------------|---------------------------|-------------|

Attachments Required for Wage Earners and Self-Employed Individuals:

Copies of the following items for the last 3 months from the date this form is submitted (check all attached items):

- Income - Earnings statements, pay stubs, etc. from each employer, pension/social security/other income, self employment income (commissions, invoices, sales records, etc.).
- Banks, Investments, and Life Insurance - Statements for all money market, brokerage, checking and savings accounts, certificates of deposit, IRA, stocks/bonds, and life insurance policies with a cash value.
- Assets - Statements from lenders on loans, monthly payments, payoffs, and balances for all personal and business assets. Include copies of UCC financing statements and accountant's depreciation schedules.
- Expenses - Bills or statements for monthly recurring expenses of utilities, rent, insurance, property taxes, phone and cell phone, insurance premiums, court orders requiring payments (child support, alimony, etc.), other out of pocket expenses.
- Other - credit card statements, profit and loss statements, all loan payoffs, etc.
- A copy of last year's Form 1040 with all attachments. Include all Schedules K-1 from Form 1120S or Form 1065, as applicable.

Sections 5 and 6 must be completed only if the taxpayer is SELF-EMPLOYED.

Section 5: Business Information

46 Is the business a sole proprietorship (filing Schedule C) Yes, Continue with Sections 5 and 6. No, Complete Form 433-B. All other business entities, including limited liability companies, partnerships or corporations, must complete Form 433-B.

| | | |
|----------------------------|--|---|
| 47 Business Name | 48 Employer Identification Number | 49 Type of Business Federal Contractor <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 50 Business Website | 51 Total Number of Employees | 52a Average Gross Monthly Payroll 52b Frequency of Tax Deposits |

53 Does the business engage in e-Commerce (Internet sales) **Yes** **No**

| | |
|---|----------------------------------|
| Payment Processor (e.g., PayPal, Authorize.net, Google Checkout, etc.) Name & Address (<i>Street, City, State, ZIP code</i>) | Payment Processor Account Number |
| 54a | |
| 54b | |

Credit Cards Accepted by the Business.

| Credit Card | Merchant Account Number | Merchant Account Provider, Name & Address (<i>Street, City, State, ZIP code</i>) |
|-------------|-------------------------|--|
| 55a | | |
| 55b | | |
| 55c | | |

56 Business Cash on Hand. Include cash that is not in a bank. **Total Cash on Hand** \$

Business Bank Accounts. Include checking accounts, online bank accounts, money market accounts, savings accounts, and stored value cards (e.g. payroll cards, government benefit cards, etc.) *Report Personal Accounts in Section 4.*

| Type of Account | Full name & Address (<i>Street, City, State, ZIP code</i>) of Bank, Savings & Loan, Credit Union or Financial Institution. | Account Number | Account Balance As of <u> </u> mmddyyyy |
|---|--|----------------|---|
| 57a | | | \$ |
| 57b | | | \$ |
| 57c Total Cash in Banks (<i>Add lines 57a, 57b and amounts from any attachments</i>) | | | \$ |

Accounts/Notes Receivable. Include e-payment accounts receivable and factoring companies, and any bartering or online auction accounts. (*List all contracts separately, including contracts awarded, but not started.*) **Include Federal Government Contracts.**

| Accounts/Notes Receivable & Address (<i>Street, City, State, ZIP code</i>) | Status (<i>e.g., age, factored, other</i>) | Date Due (<i>mmddyyyy</i>) | Invoice Number or Federal Government Contract Number | Amount Due |
|--|--|------------------------------|--|-------------------|
| 58a | | | | \$ |
| 58b | | | | \$ |
| 58c | | | | \$ |
| 58d | | | | \$ |
| 58e Total Outstanding Balance (<i>Add lines 58a through 58d and amounts from any attachments</i>) | | | | \$ |

Business Assets. Include all tools, books, machinery, equipment, inventory or other assets used in trade or business. Include Uniform Commercial Code (UCC) filings. Include Vehicles and Real Property owned/leased/rented by the business, if not shown in Section 4.

| | Purchase/Lease/Rental Date (mmddyyyy) | Current Fair Market Value (FMV) | Current Loan Balance | Amount of Monthly Payment | Date of Final Payment (mmddyyyy) | Equity FMV Minus Loan |
|---|---------------------------------------|---------------------------------|--|---------------------------|----------------------------------|-----------------------|
| 59a Property Description | | \$ | \$ | \$ | | \$ |
| Location (Street, City, State, ZIP code) and County | | | Lender/Lessor/Landlord Name, Address (Street, City, State, ZIP code) and Phone | | | |
| 59b Property Description | | \$ | \$ | \$ | | \$ |
| Location (Street, City, State, ZIP code) and County | | | Lender/Lessor/Landlord Name, Address (Street, City, State, ZIP code) and Phone | | | |
| 59c Total Equity (Add lines 59a, 59b and amounts from any attachments) | | | | | | \$ |

Section 6 should be completed only if the taxpayer is SELF-EMPLOYED

Section 6: Sole Proprietorship Information (lines 60 through 81 should reconcile with business Profit and Loss Statement)

Accounting Method Used: Cash Accrual

Income and Expenses during the period (mmddyyyy)

to (mmddyyyy)

| Total Monthly Business Income | | Total Monthly Business Expenses (Use attachments as needed.) | |
|--|---------------|--|----------------|
| Source | Gross Monthly | Expense Items | Actual Monthly |
| 60 Gross Receipts | \$ | 70 Materials Purchased ¹ | \$ |
| 61 Gross Rental Income | \$ | 71 Inventory Purchased ² | \$ |
| 62 Interest | \$ | 72 Gross Wages & Salaries | \$ |
| 63 Dividends | \$ | 73 Rent | \$ |
| 64 Cash | \$ | 74 Supplies ³ | \$ |
| Other Income (Specify below) | | 75 Utilities/Telephone ⁴ | \$ |
| 65 | \$ | 76 Vehicle Gasoline/Oil | \$ |
| 66 | \$ | 77 Repairs & Maintenance | \$ |
| 67 | \$ | 78 Insurance | \$ |
| 68 | \$ | 79 Current Taxes ⁵ | \$ |
| | | 80 Other Expenses, including installment payments (Specify) | \$ |
| 69 Total Income (Add lines 60 through 68) | \$ | 81 Total Expenses (Add lines 70 through 80) | \$ |
| | | 82 Net Business Income (Line 69 minus 81) ⁶ | \$ |

Enter the amount from line 82 on line 23, section 4. If line 82 is a loss, enter "0" on line 23, section 4.

Self-employed taxpayers must return to page 4 to sign the certification and include all applicable attachments.

¹ **Materials Purchased:** Materials are items directly related to the production of a product or service.

² **Inventory Purchased:** Goods bought for resale.

³ **Supplies:** Supplies are items used in the business that are consumed or used up within one year. This could be the cost of books, office supplies, professional equipment, etc.

⁴ **Utilities/Telephone:** Utilities include gas, electricity, water, oil, other fuels, trash collection, telephone and cell phone.

⁵ **Current Taxes:** Real estate, excise, franchise, occupational, personal property, sales and employer's portion of employment taxes.

⁶ **Net Business Income:** Net profit from Form 1040, Schedule C may be used if duplicated deductions are eliminated (e.g., expenses for business use of home already included in housing and utility expenses on page 4). Deductions for depreciation and depletion on Schedule C are not cash expenses and must be added back to the net income figure. In addition, interest cannot be deducted if it is already included in any other installment payments allowed.

| FINANCIAL ANALYSIS OF COLLECTION POTENTIAL FOR INDIVIDUAL WAGE EARNERS AND SELF-EMPLOYED INDIVIDUALS | | (IRS USE ONLY) |
|--|------------------------|----------------|
| Cash Available (Lines 11, 12c, 13d, 14c, 15g, 56, 57c and 58e) | Total Cash | \$ |
| Distainable Asset Summary (Lines 17c, 18c, 19c, and 59c) | Total Equity | \$ |
| Monthly Total Positive Income minus Expenses (Line 32 minus Line 45) | Monthly Available Cash | \$ |

Privacy Act: The information requested on this Form is covered under Privacy Acts and Paperwork Reduction Notices which have already been provided to the taxpayer.

Collection Information Statement for Businesses

Note: Complete all entry spaces with the current data available or "N/A" (not applicable). Failure to complete all entry spaces may result in rejection of your request or significant delay in account resolution. Include attachments if additional space is needed to respond completely to any question.

Section 1: Business Information

| | |
|---|---|
| <p>1a Business Name _____</p> <p>1b Business Street Address _____ Mailing Address _____ City _____ State _____ ZIP _____</p> <p>1c County _____</p> <p>1d Business Telephone (_____) _____</p> <p>1e Type of Business _____</p> <p>1f Business Website _____</p> | <p>2a Employer Identification No. (EIN) _____</p> <p>2b Type of Entity (Check appropriate box below) <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> Other _____ <input type="checkbox"/> Limited Liability Company (LLC) classified as a corporation <input type="checkbox"/> Other LLC – Include number of members _____</p> <p>2c Date Incorporated/Established _____ <small style="float: right;">mmddyyyy</small></p> <p>3a Number of Employees _____</p> <p>3b Monthly Gross Payroll _____</p> <p>3c Frequency of Tax Deposits _____</p> <p>3d Is the business enrolled in Electronic Federal Tax Payment System (EFTPS) <input type="checkbox"/> Yes <input type="checkbox"/> No</p> |
|---|---|

4 Does the business engage in e-Commerce (Internet sales) Yes No

| Payment Processor (e.g., PayPal, Authorize.net, Google Checkout, etc.), Name and Address (Street, Cty, State, ZIP code) | Payment Processor Account Number |
|---|----------------------------------|
| 5a | |
| 5b | |

Credit cards accepted by the business

| Type of Credit Card (e.g., Visa, MasterCard, etc.) | Merchant Account Number | Merchant Account Provider Name and Address (Street, Cty, State, ZIP code) |
|--|-------------------------|---|
| 6a | | Phone _____ |
| 6b | | Phone _____ |
| 6c | | Phone _____ |

Section 2: Business Personnel and Contacts

Partners, Officers, LLC Members, Major Shareholders, Etc.

| | |
|--|---|
| <p>7a Full Name _____ Title _____ Home Address _____ City _____ State _____ ZIP _____ Responsible for Depositing Payroll Taxes <input type="checkbox"/> Yes <input type="checkbox"/> No</p> | <p>Social Security Number _____ _____ _____ Home Telephone (_____) _____ Work/Cell Phone (_____) _____ Ownership Percentage & Shares or Interest _____</p> |
| <p>7b Full Name _____ Title _____ Home Address _____ City _____ State _____ ZIP _____ Responsible for Depositing Payroll Taxes <input type="checkbox"/> Yes <input type="checkbox"/> No</p> | <p>Social Security Number _____ _____ _____ Home Telephone (_____) _____ Work/Cell Phone (_____) _____ Ownership Percentage & Shares or Interest _____</p> |
| <p>7c Full Name _____ Title _____ Home Address _____ City _____ State _____ ZIP _____ Responsible for Depositing Payroll Taxes <input type="checkbox"/> Yes <input type="checkbox"/> No</p> | <p>Social Security Number _____ _____ _____ Home Telephone (_____) _____ Work/Cell Phone (_____) _____ Ownership Percentage & Shares or Interest _____</p> |
| <p>7d Full Name _____ Title _____ Home Address _____ City _____ State _____ ZIP _____ Responsible for Depositing Payroll Taxes <input type="checkbox"/> Yes <input type="checkbox"/> No</p> | <p>Social Security Number _____ _____ _____ Home Telephone (_____) _____ Work/Cell Phone (_____) _____ Ownership Percentage & Shares or Interest _____</p> |

Section 3: Other Financial Information (Attach copies of all applicable documentation.)

8 Does the business use a Payroll Service Provider or Reporting Agent (If yes, answer the following) Yes No

| | |
|--|----------------------------|
| Name and Address (Street, City, State, ZIP code) | Effective dates (mmddyyyy) |
|--|----------------------------|

9 Is the business a party to a lawsuit (If yes, answer the following) Yes No

| | | | |
|---|-------------------------------------|-----------------|-----------------|
| <input type="checkbox"/> Plaintiff <input type="checkbox"/> Defendant | Location of Filing | Represented by | Docket/Case No. |
| Amount of Suit \$ | Possible Completion Date (mmddyyyy) | Subject of Suit | |

10 Has the business ever filed bankruptcy (If yes, answer the following) Yes No

| | | | |
|-----------------------|---|--------------|----------|
| Date Filed (mmddyyyy) | Date Dismissed or Discharged (mmddyyyy) | Petition No. | Location |
|-----------------------|---|--------------|----------|

11 Do any related parties (e.g., officers, partners, employees) **have outstanding amounts owed to the business** (If yes, answer the following) Yes No

| | | | | |
|--|--------------|---|--------------|----------------|
| Name and Address (Street, City, State, ZIP code) | Date of Loan | Current Balance As of _____ mmddyyyy | Payment Date | Payment Amount |
| | | \$ | | \$ |

12 Have any assets been transferred, in the last 10 years, from this business for less than full value (If yes, answer the following) Yes No

| | | | |
|------------|---------------------------------|-----------------------------|------------------------------|
| List Asset | Value at Time of Transfer \$ | Date Transferred (mmddyyyy) | To Whom or Where Transferred |
|------------|---------------------------------|-----------------------------|------------------------------|

13 Does this business have other business affiliations (e.g., subsidiary or parent companies) (If yes, answer the following) Yes No

| | |
|---|-----------------------|
| Related Business Name and Address (Street, City, State, ZIP code) | Related Business EIN: |
|---|-----------------------|

14 Any increase/decrease in income anticipated (If yes, answer the following) Yes No

| | | |
|------------------------------------|--|--------------------------------|
| Explain (use attachment if needed) | How much will it increase/decrease \$ | When will it increase/decrease |
|------------------------------------|--|--------------------------------|

Section 4: Business Asset and Liability Information

15 Cash on Hand. Include cash that is not in the bank **Total Cash on Hand** \$

Business Bank Accounts. Include online bank accounts, money market accounts, savings accounts, checking accounts, and stored value cards (e.g., payroll cards, government benefit cards, etc.)
List safe deposit boxes including location and contents.

| Type of Account | Full Name and Address (Street, City, State, ZIP code) of Bank, Savings & Loan, Credit Union or Financial Institution. | Account Number | Account Balance As of _____ mmddyyyy |
|-----------------|---|----------------|---|
| 16a | | | \$ |
| 16b | | | \$ |
| 16c | | | \$ |

16d Total Cash in Banks (Add lines 16a through 16c and amounts from any attachments) \$

Accounts/Notes Receivable. Include e-payment accounts receivable and factoring companies, and any bartering or online auction accounts. (List all contracts separately, including contracts awarded, but not started.)

17 Is the business a Federal Government Contractor **Yes** **No** (Include Federal Government contracts below)

| Accounts/Notes Receivable & Address (Street, City, State, ZIP code) | Status (e.g., age, factored, other) | Date Due (mmddyyyy) | Invoice Number or Federal Government Contract Number | Amount Due |
|---|-------------------------------------|---------------------|--|------------|
| 18a | | | | |
| Contact Name: Phone: | | | | \$ |
| 18b | | | | |
| Contact Name: Phone: | | | | \$ |
| 18c | | | | |
| Contact Name: Phone: | | | | \$ |
| 18d | | | | |
| Contact Name: Phone: | | | | \$ |
| 18e | | | | |
| Contact Name: Phone: | | | | \$ |
| 18f Outstanding Balance (Add lines 18a through 18e and amounts from any attachments) | | | | \$ |

Investments. List all investment assets below. Include stocks, bonds, mutual funds, stock options, and certificates of deposit.

| Name of Company & Address (Street, City, State, ZIP code) | Used as collateral on loan | Current Value | Loan Balance | Equity Value Minus Loan |
|---|--|---------------|--------------|-------------------------|
| 19a | <input type="checkbox"/> Yes <input type="checkbox"/> No | | | |
| Phone: | | \$ | \$ | \$ |
| 19b | <input type="checkbox"/> Yes <input type="checkbox"/> No | | | |
| Phone: | | \$ | \$ | \$ |
| 19c Total Investments (Add lines 19a, 19b, and amounts from any attachments) | | | | \$ |

Available Credit. Include all lines of credit and credit cards.

| Full Name & Address (Street, City, State, ZIP code) of Credit Institution | Credit Limit | Amount Owed As of _____ mmddyyyy | Available Credit As of _____ mmddyyyy |
|--|--------------|----------------------------------|---------------------------------------|
| 20a | | | |
| Account No. | \$ | \$ | \$ |
| 20b | | | |
| Account No. | \$ | \$ | \$ |
| 20c Total Credit Available (Add lines 20a, 20b, and amounts from any attachments) | | | \$ |

Real Property. Include all real property and land contracts the business owns/leases/rents.

| | | Purchase/Lease Date (mmddyyyy) | Current Fair Market Value (FMV) | Current Loan Balance | Amount of Monthly Payment | Date of Final Payment (mmddyyyy) | Equity FMV Minus Loan |
|--|----------------------|-----------------------------------|---------------------------------------|---|---------------------------------|--|---------------------------------|
| 21a | Property Description | | \$ | \$ | \$ | | \$ |
| Location (Street, City, State, ZIP code) and County | | | | Lender/Lessor/Landlord Name, Address (Street, City, State, ZIP code), and Phone | | | |
| 21b | Property Description | | \$ | \$ | \$ | | \$ |
| Location (Street, City, State, ZIP code) and County | | | | Lender/Lessor/Landlord Name, Address (Street, City, State, ZIP code), and Phone | | | |
| 21c | Property Description | | \$ | \$ | \$ | | \$ |
| Location (Street, City, State, ZIP code) and County | | | | Lender/Lessor/Landlord Name, Address (Street, City, State, ZIP code), and Phone | | | |
| 21d | Property Description | | \$ | \$ | \$ | | \$ |
| Location (Street, City, State, ZIP code) and County | | | | Lender/Lessor/Landlord Name, Address (Street, City, State, ZIP code), and Phone | | | |
| 21e Total Equity (Add lines 21a through 21d and amounts from any attachments) | | | | | | | \$ |

Vehicles, Leased and Purchased. Include boats, RVs, motorcycles, trailers, mobile homes, etc.

| | | Purchase/Lease Date (mmddyyyy) | Current Fair Market Value (FMV) | Current Loan Balance | Amount of Monthly Payment | Date of Final Payment (mmddyyyy) | Equity FMV Minus Loan |
|--|--------------|--|---------------------------------------|-------------------------|---------------------------------|--|---------------------------------|
| 22a | Year Mileage | | \$ | \$ | \$ | | \$ |
| Make | Model | Lender/Lessor Name, Address, (Street, City, State, ZIP code) and Phone | | | | | |
| 22b | Year Mileage | | \$ | \$ | \$ | | \$ |
| Make | Model | Lender/Lessor Name, Address, (Street, City, State, ZIP code) and Phone | | | | | |
| 22c | Year Mileage | | \$ | \$ | \$ | | \$ |
| Make | Model | Lender/Lessor Name, Address, (Street, City, State, ZIP code) and Phone | | | | | |
| 22d | Year Mileage | | \$ | \$ | \$ | | \$ |
| Make | Model | Lender/Lessor Name, Address, (Street, City, State, ZIP code) and Phone | | | | | |
| 22e Total Equity (Add lines 22a through 22d and amounts from any attachments) | | | | | | | \$ |

Business Equipment. Include all machinery, equipment, merchandise inventory, and/or other assets. Include Uniform Commercial Code (UCC) filings.

| | Purchase/Lease Date (mmddyyyy) | Current Fair Market Value (FMV) | Current Loan Balance | Amount of Monthly Payment | Date of Final Payment (mmddyyyy) | Equity FMV Minus Loan |
|--|-----------------------------------|------------------------------------|--|---------------------------|-------------------------------------|--------------------------|
| 23a Asset Description | | \$ | \$ | \$ | | \$ |
| Location of asset (Street, City, State, ZIP code) and County | | | Lender/Lessor Name, Address, (Street, City, State, ZIP code) and Phone | | | |
| 23b Asset Description | | \$ | \$ | \$ | | \$ |
| Location of asset (Street, City, State, ZIP code) and County | | | Lender/Lessor Name, Address, (Street, City, State, ZIP code) and Phone | | | |
| 23c Asset Description | | \$ | \$ | \$ | | \$ |
| Location of asset (Street, City, State, ZIP code) and County | | | Lender/Lessor Name, Address, (Street, City, State, ZIP code) and Phone | | | |
| 23d Asset Description | | \$ | \$ | \$ | | \$ |
| Location of asset (Street, City, State, ZIP code) and County | | | Lender/Lessor Name, Address, (Street, City, State, ZIP code) and Phone | | | |

23e Total Equity (Add lines 23a through 23d and amounts from any attachments) \$

Business Liabilities. Include notes and judgments below.

| Business Liabilities | Secured/ Unsecured | Date Pledged (mmddyyyy) | Balance Owed | Date of Final Payment (mmddyyyy) | Payment Amount |
|---------------------------|--|----------------------------|--------------|-------------------------------------|----------------|
| 24a Description: | <input type="checkbox"/> Secured <input type="checkbox"/> Unsecured | | \$ | | \$ |
| Name _____ | | | | | |
| Street Address _____ | | | | | |
| City/State/ZIP code _____ | | | | Phone: _____ | |
| 24b Description: | <input type="checkbox"/> Secured <input type="checkbox"/> Unsecured | | \$ | | \$ |
| Name _____ | | | | | |
| Street Address _____ | | | | | |
| City/State/ZIP code _____ | | | | Phone: _____ | |
| 24c Description: | <input type="checkbox"/> Secured <input type="checkbox"/> Unsecured | | \$ | | \$ |
| Name _____ | | | | | |
| Street Address _____ | | | | | |
| City/State/ZIP code _____ | | | | Phone: _____ | |

24d Total Payments (Add lines 24a through 24c and amounts from any attachments) \$

Section 5: Monthly Income/Expense Statement for Business

Accounting Method Used: Cash Accrual

Income and Expenses during the period (mmddyyyy) to (mmddyyyy)

| Total Monthly Business Income | | Total Monthly Business Expenses | |
|--|---------------|--|----------------|
| Source | Gross Monthly | Expense Items | Actual Monthly |
| 25 Gross Receipts from Sales/Services | \$ | 36 Materials Purchased ¹ | \$ |
| 26 Gross Rental Income | \$ | 37 Inventory Purchased ² | \$ |
| 27 Interest Income | \$ | 38 Gross Wages & Salaries | \$ |
| 28 Dividends | \$ | 39 Rent | \$ |
| 29 Cash | \$ | 40 Supplies ³ | \$ |
| Other Income (Specify below) | | 41 Utilities/Telephone ⁴ | \$ |
| 30 | \$ | 42 Vehicle Gasoline/Oil | \$ |
| 31 | \$ | 43 Repairs & Maintenance | \$ |
| 32 | \$ | 44 Insurance | \$ |
| 33 | \$ | 45 Current Taxes ⁵ | \$ |
| 34 | \$ | 46 Other Expenses (Specify) | \$ |
| 35 Total Income (Add lines 25 through 34) | \$ | 47 IRS Use Only Allowable Installment Payments | \$ |
| | | 48 Total Expenses (Add lines 36 through 47) | \$ |

- 1 Materials Purchased:** Materials are items directly related to the production of a product or service.
- 2 Inventory Purchased:** Goods bought for resale.
- 3 Supplies:** Supplies are items used to conduct business and are consumed or used up within one year. This could be the cost of books, office supplies, professional equipment, etc.

- 4 Utilities/Telephone:** Utilities include gas, electricity, water, oil, other fuels, trash collection, telephone and cell phone.
- 5 Current Taxes:** Real estate, state, and local income tax, excise, franchise, occupational, personal property, sales and the employer's portion of employment taxes.

Certification: Under penalties of perjury, I declare that to the best of my knowledge and belief this statement of assets, liabilities, and other information is true, correct, and complete.

| Signature | Title | Date |
|-----------|-------|------|
| | | |

Print Name of Officer, Partner or LLC Member

Attachments Required: Copies of the following items for the last 3 months from the date this form is submitted (check all attached items):

- Banks and Investments - Statements for all money market, brokerage, checking/savings accounts, certificates of deposit, stocks/bonds.
- Assets - Statements from lenders on loans, monthly payments, payoffs, and balances, for all assets. Include copies of UCC financing statements and accountant's depreciation schedules.
- Expenses - Bills or statements for monthly recurring expenses of utilities, rent, insurance, property taxes, telephone and cell phone, insurance premiums, court orders requiring payments, other expenses.
- Other - credit card statements, profit and loss statements, all loan payoffs, etc.
- Copy of the last income tax return filed; Form 1120, 1120S, 1065, 1040, 990, etc.

Additional information or proof may be subsequently requested.

| FINANCIAL ANALYSIS OF COLLECTION POTENTIAL FOR BUSINESSES | | (IRS USE ONLY) |
|---|------------------------|----------------|
| Cash Available (Lines 15, 16d, 18f, 19c, and 20c) | Total Cash | \$ |
| Distainable Asset Summary (Lines 21e, 22e, and 23e) | Total Equity | \$ |
| Monthly Income Minus Expenses (Line 35 Minus Line 48) | Monthly Available Cash | \$ |

Privacy Act: The information requested on this Form is covered under Privacy Acts and Paperwork Reduction Notices which have already been provided to the taxpayer.