Form OIC-Fee Virginia Department of Taxation
Fee for Doubtful Collectibility Offer In Compromise

Name(s) _____

Virginia Account Number (SSN or FEIN) _____

Address _____

_____

Daytime Telephone Number(s) _____

Email Address _____

For Businesses, Contact Name _____

☐ Payment of $50.00 submission fee attached.

Submission Fee Waiver Request

☐ **For individuals only:** I/We certify that the below conditions for exemption from the submission fee have been met. I/We understand that the fee will be required before consideration of this offer in compromise if the Department of Taxation finds that this certification is incorrect.

☐ **For businesses:** If you believe the business is unable to pay the submission fee, check this waiver request box. Waiver of the submission fee is not automatic. If the Department of Taxation determines that you can pay the submission fee, payment will be required before your offer in compromise can be considered.

Instructions

In general, a submission fee of $50.00 must be paid when you file for an offer in compromise based on doubtful collectibility.

Waiver of Fee for Individuals

The fee does not apply if:

- You are an individual, or the offer in compromise is for a sole proprietorship or a disregarded single-member limited liability company, **AND**
- Your gross monthly household income meets the Low-Income Certification Guidelines shown below.

Low-Income Certification Guidelines
Individuals and Sole Proprietors Only

Family Size	Gross Monthly Income
1	$3,138
2	$4,258
3	$5,379
4	$6,500
5	$7,621
6	$8,742
7	$9,863
8	$10,983
For each additional person add:	$1,121

Waiver of Fee for Businesses

If you believe the business is unable to pay the submission fee, check the Submission Fee Waiver Request box above. Waiver of the submission fee is not automatic. If the Department of Taxation determines that you can pay the submission fee, payment will be required before your offer in compromise can be considered.

What to File

Attach your payment to Form OIC-Fee and place at the front of the package that you submit.

Individual Filers: File Form OIC-Fee, Form OIC I-3, and FIN I-1.

Business Filers: File Form OIC-Fee, Form OIC B-3, and FIN B-1.

Where to File and Pay

Make check payable to the Virginia Department of Taxation.

Mail with your completed offer package to:

Virginia Department of Taxation
P.O. Box 2475
Richmond, Virginia 23218-2475

Form OIC I-3 *Virginia Department of Taxation*

INDIVIDUAL OFFER IN COMPROMISE: DOUBTFUL COLLECTIBILITY

Please read the instructions carefully before completing this form. A submission fee may be required.

Name(s) _____

Physical Address _____

Mailing Address _____

Email Address _____

Daytime Telephone Number(s) _____

Social Security Number(s)_____

I/We submit this offer to settle tax, penalties, and/or interest for the assessment(s) as follows (check all that apply):

☐ Individual Income ☐ Fiduciary income ☐ Taxes converted from a business for the year(s):

_____

I/We offer to pay a total of $ _____through:

☐ Full Payment within _____ days of acceptance of the offer

☐ Payments of $ _____ a month for _____ months

☐ Other _____

I/We hereby grant the power of attorney to act for me/us with respect to this offer in compromise to:

Name _____

Address _____

_____

Telephone Number _____ Fax Number _____

Under penalties of law, the undersigned declare that this offer, including accompanying schedules and statements, is true, accurate and complete, and grant authorization to verify any financial data by use of a credit report.

Signature of Taxpayer _____ Date _____

Printed Name _____

Signature of Taxpayer _____ Date _____

Printed Name _____

Signature of Representative/Power of Attorney _____ Date _____

Attach all required documentation, including the Form FIN I-1: Financial Statement for Individuals and Form OIC-Fee, Payment for Doubtful Collectibility Offer In Compromise – see instructions

Instructions and Conditions for Filing an Offer in Compromise

What is an offer in compromise?

An offer in compromise is a request to settle an assessment of tax, penalty, and/or interest for less than the amount assessed. Section 58.1-105 of the *Code of Virginia* allows the Tax Commissioner to settle an assessment through an offer in compromise under certain circumstances, including potential inability to collect the balance due. If you are currently experiencing financial hardship, doubtful collectibility may exist if you can demonstrate that you cannot pay your tax liabilities in full. To enable us to consider a claim of doubtful collectibility, you must provide a completed financial statement using the Form FIN I-1: Financial Statement for Individuals. You are encouraged to provide any other supporting documentation, such as a letter of circumstance, that will help us evaluate your claim. See the "Recommended Documentation Checklist" on Form FIN I-1, Page 4 for other examples of supporting documentation.

DO NOT USE THIS FORM if you are seeking relief because of doubtful liability, or if you are only requesting waiver of penalty for reasonable cause. Use Form OIC I-2, Individual Offer In Compromise: Penalty Waiver/Doubtful Liability, available on our website at **www.tax.virginia.gov**.

DO NOT FILE AN OFFER IN COMPROMISE IF YOUR BILL IS INCORRECT. To protest the bill, contact the Office of Customer Services at: (804) 367-8031 or P.O. Box 1115, Richmond, VA 23218-1115.

If you believe the assessment is erroneous based on an improper application of the law (as opposed to an administrative error), you may file an administrative appeal pursuant to Sec. 58.1-1821. See Title 23 of the Virginia Administrative Code 10-20-165 and the *Virginia Taxpayer Bill of Rights* for specific requirements and time limitations for filing an appeal.

CONDITIONS FOR SUBMITTING AN OFFER IN COMPROMISE

- Your account must be in a current status before an offer in compromise can be considered, which means that all returns due as of the date the offer is submitted must be **filed and processed.**
- You are not required to make a payment with your offer. If a check is submitted with the offer, it will be deposited upon receipt. **Depositing the check does not mean that the offer has been accepted.**
- Monthly expenses should be actual and necessary living expenses. There is no table or standard to use in place of your actual monthly expenses. To be necessary, expenses must provide for the health and welfare of you and your family and/or provide for the production of income, and must be reasonable in amount.
- All household income and expenses should be included regardless of relationship of other members of the household and whether they are responsible for the tax debt.
- Your attorney, tax preparer, or other representative can submit an offer in compromise request form on your behalf. Both you and your representative must sign the submitted form.
- You will receive a written response to inform you whether your offer has been accepted, modified, or denied. You must follow the terms of the determination, or the OIC will be voided. Although there is no right of appeal in the offer in compromise process, in the case of a denial you may submit a new OIC with additional information for reconsideration.

Required Documentation:

- Current FIN I-1: Financial Statement for Individuals *fully completed.*
- Form OIC-Fee, Payment for Doubtful Collectibility Offer In Compromise, with payment.
- Complete copies of the three most recent statements for each bank, investment, and retirement account.

Recommended Documentation

- See the "Recommended Document Checklist" on Form FIN I-1, Page 4 for a list of applicable documentation.

Mail the completed form and attachments to:

Tax Commissioner
Virginia Department of Taxation
P.O. Box 2475
Richmond, VA 23218-2475

Form FIN I-1 **Financial Statement for Individuals**

Note: Complete all blocks. Write N/A (not applicable) in blocks that do not apply.

1. Taxpayer Information

Primary Taxpayer Name:	Social Security Number:	Date of Birth:	Contact Phone Number:
Spouse Name (required if married):	Social Security Number:	Date of Birth:	Contact Phone Number:
Mailing Address:			Locality (City/County):
Ages and relationships of dependents claimed on last return and/or living in your household (exclude yourself and spouse):			

2. Sources of Income

a. Employment Information

Primary Taxpayer Employer: (Name and Address)	How long employed:	Business Phone Number:	Occupation:
	Gross pay per pay period: $ _____ How often paid: _____ Payday/date: _____	Check appropriate box: ☐ Wage/Salary ☐ Bonus/Commission ☐ Sole Proprietor ☐ Other: _____ ☐ Partner	
Spouse Employer: (Name and Address)	How long employed:	Business Phone Number:	Occupation:
	Gross pay per pay period: $ _____ How often paid: _____ Payday/date: _____	Check appropriate box: ☐ Wage/Salary ☐ Bonus/Commission ☐ Sole Proprietor ☐ Other: _____ ☐ Partner	

b. Self-Employment Information

Is your business a sole proprietorship? ☐ Yes ☐ No	Employer Identification Number (EIN):
Name and Address of Business:	Number of Employees:
	Business Description:

c. Investments in Pass-Through Entities

Name and Address of Business:	Employer Identification Number (EIN):
	Annual Income $
	Percentage of Ownership
Type of Business: ☐ Partnership ☐ LLC ☐ S Corporation ☐ Other	Number of Owners/Shareholders:_____Number of Employees:_____
Name and Address of Business:	Employer Identification Number (EIN):
	Annual Income $
	Percentage of Ownership
Type of Business: ☐ Partnership ☐ LLC ☐ S Corporation ☐ Other	Number of Owners/Shareholders:_____Number of Employees:_____

d. All Other Income Source(s) (unemployment, pensions, social security, disability, annuities, etc.)

	Source	Begin Date	End Date	Amount
Primary Taxpayer				
Spouse				
Other Household Member				
Other Household Member				
Other Household Member				

3. General Financial Information (attach extra sheets as needed for each section)

a. Cash on Hand $_____

b. Bank accounts (include savings and loans, credit unions, IRA and retirement plans, certificates of deposit, etc.)

Name of Financial Institution	Address	Type of Account	Account Number	Balance

c. Securities (stocks, bonds, mutual funds, money market funds, government securities, etc.)

Type of Security	Quantity or Denomination	Current Value	Where Located	Owner of Record

d. Life Insurance (Name and Company)	**Policy Number**	**Type (Whole/Term)**	**Face Amount**	**Loan Value**

e. Credit cards and lines of credit from banks, credit unions, and savings and loans

Type of Account or Card	Name of Financial Institution	Address	Monthly Payment	Credit Limit	Amount Owed	Credit Available

f. Real Property (brief description and address)	**Mortgage Holder/Account Number**	**Value**	**Amount Owed**
Locality (City/County)			
Locality (City/County)			
Locality (City/County)			

g. Vehicle Information (enter information about any cars, boats, motorcycles, RV's, etc.)

Vehicle Description Year/Make/Model	City/State of Registration	Owned or Leased	Registered Owner	Value	Amount Owed

4. Other information relating to your financial condition. If you check the "YES" box, please give dates and explain in comments box below:

Court Proceedings:	☐ Yes	☐ No	Bankruptcies:	☐ Yes	☐ No
Repossessions/Foreclosures:	☐ Yes	☐ No	Recent sale or other transfer of assets for less than full value:	☐ Yes	☐ No
Anticipated increase in income:	☐ Yes	☐ No	Participant or beneficiary to trust, estate, profit sharing, etc.:	☐ Yes	☐ No

Delinquent Federal Taxes: ☐ Yes If Yes, outstanding balance: _____ ☐ No

Safe Deposit Box: ☐ Yes If Yes, attach listing of contents ☐ No

Comments:

5. Income and Expenses

Monthly Income and Expense Worksheet

Net Household Income (include spouse, children, and any others that contribute to the household)		**Expenses** (actual expenses)	
Wages/Salary (including bonuses and commissions):	Primary:	Mortgage:	Primary:
	Spouse:		Spouse:
Pension:	Primary:	Secondary Mortgage:	Primary:
	Spouse:		Spouse:
Annuity:	Primary:	Rent:	Primary:
	Spouse:		Spouse:
Social Security:	Primary:	Bank Credit Card Payments:	Primary:
	Spouse:		Spouse:
Alimony: End date:	Primary:	Department Store Card Payments:	Primary:
	Spouse:		Spouse:
Child Support: End date:	Primary:	Vehicle Payment:	Primary:
	Spouse:		Spouse:
Rental Income:	Primary:	Vehicle Payment:	Primary:
	Spouse:		Spouse:
Business Income:	Primary:	Groceries:	Primary:
	Spouse:		Spouse:
Distributions from pass-through entities, trusts, and estates (including K-1 amounts):	Primary:	Utilities (phone, gas, electric, water):	Primary:
	Spouse:		Spouse:
Other Income (list and explain):		Auto Insurance:	Primary:
			Spouse:
		Out of Pocket Health Insurance:	Primary:
			Spouse:
		Out of Pocket Healthcare Expenses:	Primary:
			Spouse:
		Life Insurance:	Primary:
			Spouse:
		Child Support Payments End date:	Primary:
			Spouse:
Income from Other Household Members (include names):		Court Ordered Payments (explain) End date:	Primary:
			Spouse:
		Transportation (fuel, maintenance, tolls, mass transit, etc.):	Primary:
			Spouse:
		IRS Payment Plan:	Primary:
			Spouse:
		State Tax Payment Plan:	Primary:
			Spouse:
		Other Expenses (list and explain):	Primary:
			Spouse:
TOTAL MONTHLY INCOME:		**TOTAL MONTHLY EXPENSES:**	

6. Supplemental Questions	
Are you or your spouse involved in any lawsuits? ☐ No (Skip to Certification) ☐ Yes (Answer the questions in this section and provide a brief explanation)	**Are you the plaintiff or defendant?** ☐ Plaintiff ☐ Defendant
Docket Number: _____ Attorney Name: _____ Other Parties Involved: _____ Date Initiated: _____ Estimated Settlement Date: _____ Expected Award/Penalty: _____	
Comments:	

Certification:

☐ Under penalties of law, I/we declare that to the best of my/our knowledge and belief, this statement of assets, liability, and other information is true, correct, and complete.

☐ I/We grant authorization to verify any financial data by use of a credit report.

Taxpayer Signature _____ Date _____

Spouse Signature _____ Date _____

Authorized Representative Signature _____

Printed Name _____ Date _____

Required Documentation:

☐ Current FIN I-1: Financial Statement for Individuals *fully completed.*

☐ Form OIC-Fee, Payment for Doubtful Collectibility Offer In Compromise, with payment.

☐ Complete copies of the three most recent statements for each bank, investment, and retirement account.

Recommended Documentation Checklist. Attach all that are applicable:

☐ Letter of circumstance, explaining your situation.

☐ Copies of the 2 most recent pay stubs, earnings statements, etc., received from each current employer.

☐ Copies of the most recent statements from all other sources of income such as pensions, social security, disability, rental income, interest and dividends (including any received from a related partnership, corporation, LLC, etc.), court order for child support, alimony, rent subsidies, and SNAP (food stamp) benefits.

☐ Documentation to support any special circumstances.

☐ Copies of the most recent statements from lender(s) on loans such as mortgages, second mortgages, vehicles, etc. showing monthly payments, loan payoffs, and balances.

☐ List of notes receivable.

☐ Verification of federal tax liability.