Arizona Department of Revenue • Field Collections
1600 West Monroe • Phoenix, AZ 85007-2650 • (602) 716-7787
www.azdor.gov

OFFER-IN-COMPROMISE

This booklet contains:

- Requirements for submitting an Offer-in-Compromise
- Instructions for completing an Offer-in-Compromise
- Statement of Offer form
- Other important information
- Checklist for additional information

OTHER LOCATION

Tucson Government Mall • 400 West Congress • Tucson

What we can compromise

All offers must meet the criteria as set forth in Arizona Revised Statutes (ARS) §42-1004.B. The liability must be determined to be uncollectible or the administrative costs of collection must exceed the amount of the liability.

Requirements for submitting an offer

You must be in full reporting compliance for any offer to be considered. All income tax returns for the last three (3) years must be filed. If you are operating a business, all business tax filings and licenses must also be current.

When you sign and submit an offer, you agree to the waiver and suspension of any statutory periods of limitations for assessment and collections of the tax liability while the offer-in-compromise is pending, during the time the offered amount remains unpaid and for one (1) year after the satisfaction of the terms of the offer-in-compromise. This includes, but is not limited to, the provision provided for in ARS §42-1105.D.

Instructions for completing an Offer-in-Compromise

Before completing the *Statement of Offer* form, review all information in the *Offer-in-Compromise* booklet along with the *financial statement(s)*. Missing or incomplete information may cause a delay in processing your offer.

Complete each item on the *Statement of Offer* form. Verify that all names, addresses, and identifying numbers are complete and accurate.

Enter the balance due. If you need to obtain your balance(s), you may call (602) 716-7787 and ask to speak to the Officer of the Day or your assigned Revenue Officer.

Enter the amount of your offer. An offer made with no specified dollar amount will not be considered. Indicate how the amount offered will be paid and the source of funds for your offer.

State your reason for making the offer.

Indicate any liability you have with the Internal Revenue Service (IRS) and the current status of the account.

Make sure that all responsible parties sign the *Statement of Offer*. These may include your spouse, partner, or other corporate officer(s).

Complete required financial statements. You may be required to complete both a business and personal financial statement.

Provide any additional information listed on the checklist which pertains to your offer. Failure to provide any of the information on the checklist may cause a delay in the processing of your offer.

You my also submit any other information that you feel may pertain to your offer.

Continued ➔

Statement of Offer

TERMS AND CONDITIONS

The amount offered on the front of this form is offered in lieu of the aforementioned liability. I/We acknowledge the liability is due and owed to the Arizona Department of Revenue (hereinafter called "department"). I/We request that the department abate the remaining balance due pursuant to ARS §42-1004.B. By submitting this offer-in-compromise, I/we have read, understand and agree to the following terms and conditions. I/We voluntarily submit all payments on this offer. The department will apply payments made under this offer at its discretion.

This offer is not an admission by the State of Arizona (hereinafter called "the state") and/or the department as to any fact. Neither does this offer-in-compromise imply any department policy with respect to the taxability or nontaxability of any activity under any tax type.

Once the department accepts or rejects the offer in writing, I/we have no right to contest, in court or otherwise, the amount of the tax liability. This offer-in-compromise shall not be admissible in any proceeding for any other period or with respect to any other matter.

This offer-in-compromise applies only to the tax liabilities that exist at the time of the receipt of the proposed offer-in-compromise. In the event that an additional tax liability for the same or different period(s) or type(s) is ascertained by the department in any manner including audits, amended returns, etc., this offer shall neither serve as a waiver or admission by the department nor preclude the department from taking any actions necessary to collect that liability.

Taxpayer agrees that the department shall retain any/all amounts to which the taxpayer may be entitled pursuant to the Arizona tax laws as a result of overpayments of any tax, including, transaction privilege, withholding, income tax, plus any interest thereon, for any tax periods ending before this offer-in-compromise is fully satisfied. Any amounts the department retains pursuant to this provision are in addition to the amount the taxpayer agrees to pay in this offer-in-compromise.

The department will keep all payments and credits made, received or applied to the total of the original tax liability before receipt of this offer. The department may keep any proceeds from a levy served prior to the receipt of the offer but not received at the time the offer is submitted. If I/we have an installment agreement prior to submitting the offer, I/we must continue to make the payments as agreed until receipt of written notification that the department has accepted the offer. *Neither installment agreement payments nor any offset, overpayments and/or credits will be applied against the amount offered.*

I/We agree to comply with all the provisions of Arizona law relating to the filing of returns and payment of any tax due for a period of three (3) years following acceptance of this offer-in-compromise. If I/we fail to comply with the filing and payment requirement within 30 days of receiving notice, this agreement may be considered in default.

I/We agree to the waiver and suspension of any statutory period(s) of limitations for assessment and/or collection of the aforementioned liability while the offer-in-compromise is pending and until the offered amount is paid in full. The offer-in-compromise is pending from the date the statement of offer form is received by the department and until an authorized official of the department formally, in writing, accepts or rejects the offer-in-compromise request.

I/We represent that all information relating to my/our financial condition has been fully disclosed. If at any time the department becomes aware that I/we did not provide full disclosure, the department retains the right to void this offer-in-compromise without further notice, taking actions necessary to collect the entire balance due on the liability. Debtor(s) authorize(s) the State of Arizona to obtain relevant credit bureau report(s) as needed for any purpose in connection with my(our) account(s) with the state. The state is authorized to pull the taxpayer's credit bureau report anytime during the life of the offer-in-compromise. The department's obtaining a credit bureau report is not to be interpreted as its agreement to accept the offer-in-compromise.

While your offer-in-compromise is under consideration, the department may withhold collection activities unless the department finds that collection may be jeopardized by a delay. The decision to resume collection activities may be appealed to the Problem Resolution Officer. The decision of the Problem Resolution Officer is final as to both the department and the taxpayer. The offer-in-compromise process is defined as the period which commences upon receipt of the offer-in-compromise and continues through the conclusion of receipt, posting of the final payment and issuance of a release of lien. The statute of limitations with respect to collections is tolled during the duration of the offer-in-compromise process and all amounts included in the accepted offer-in-compromise will be automatically tolled as defined in ARS §42-2066.

I/We understand that I/we remain responsible for the full amount of the tax liability unless and until the department accepts the offer in writing and I/we have met all the terms and conditions of the offer. The department will not remove the original amount of the tax liability from its records until I/we have met all the terms and conditions of this offer. I/We understand that noncompliance with any of the terms stated in this offer-in-compromise would be considered default of this agreement. The department may void the offer-in-compromise and, without further notice, take any action necessary to collect the remaining liability due under this agreement plus accrued interest.

I/We understand that department employees may contact third parties in order to respond to this request, and I/we authorize the department to make such contacts. By this authorization, I/we may not receive notice of such contacts.

Print

OFFER-IN-COMPROMISE • STATEMENT OF OFFER

Arizona Department Of Revenue

TAXPAYER NAME(S), DBA, OR CORPORATE NAME
STREET ADDRESS
CITY, STATE, ZIP CODE
MAIL ADDRESS (if different from above)
CITY, STATE, ZIP CODE

Individual Income Tax

YOUR SOCIAL SECURITY NUMBER	AMOUNT OWED $
SPOUSE'S SOCIAL SECURITY NUMBER	

Transaction Privilege Tax

LICENSE NUMBER	AMOUNT OWED $

Withholding Tax

LICENSE NUMBER	AMOUNT OWED $

Corporate Income Tax

LICENSE NUMBER	AMOUNT OWED $

Waste Tire Tax

LICENSE NUMBER	AMOUNT OWED $

If you are submitting an Offer-in-Compromise for a business liability, please indicate the type of your organization:

- ❒ Sole Proprietorship
- ❒ Partnership
- ❒ Limited Partnership
- ❒ Corporation:
  Is charter still active? ☐ Yes ☐ No
- ❒ LLC
- ❒ Other: _____

Offer

I/We offer to pay $_____ in lieu of the above-mentioned liability. I/We acknowledge that the above liability is due and owing to the Arizona Department of Revenue and request that the department abate the remaining balance due pursuant to ARS §42-1004.B. By submitting this Offer-in-Compromise, I/we understand and agree to the terms and conditions on the reverse side of this form.

Payment Terms

- ❒ Payment in full enclosed with this offer.
- ❒ Payment in full within:
  ☐ 30, ☐ 60, or ☐ 90 days
  from the date of acceptance of this offer.

What is the source of funds for your offer?

Reason for Offer

Briefly state your reason for making this offer. Include any information that you feel is pertinent to this offer:

Federal Tax Information

TAX LIABILITY OWED TO THE INTERNAL REVENUE SERVICE (IRS)
$
HAVE YOU SUBMITTED AN OFFER TO THE IRS? ☐ Yes ☐ No
ARE YOU MAKING PAYMENTS TO THE IRS? ☐ Yes ☐ No
IF YES, AMOUNT OF MONTHLY PAYMENT
$

Signature(s)

I/We agree with the terms and conditions set forth in this form. I/We have fully examined this offer and to the best of my/our knowledge and belief, it is true, correct and complete.

_____
SIGNATURE OF TAXPAYER DATE

_____
SIGNATURE OF TAXPAYER DATE

Print pages 4 and 5. Send page 4 with your offer. Keep page 5 for your records.

ADOR 20-0001f (11/09)

Send this copy to Arizona Department of Revenue.

OFFER-IN-COMPROMISE • STATEMENT OF OFFER

Arizona Department Of Revenue

TAXPAYER NAME(S), DBA, OR CORPORATE NAME
STREET ADDRESS
CITY, STATE, ZIP CODE
MAIL ADDRESS (if different from above)
CITY, STATE, ZIP CODE

Individual Income Tax

YOUR SOCIAL SECURITY NUMBER	AMOUNT OWED $
SPOUSE'S SOCIAL SECURITY NUMBER	

Transaction Privilege Tax

LICENSE NUMBER	AMOUNT OWED $

Withholding Tax

LICENSE NUMBER	AMOUNT OWED $

Corporate Income Tax

LICENSE NUMBER	AMOUNT OWED $

Waste Tire Tax

LICENSE NUMBER	AMOUNT OWED $

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❒ Sole Proprietorship

❒ Partnership

❒ Limited Partnership

❒ Corporation:

Is charter still active? ☐ Yes ☐ No

❒ LLC

❒ Other: _____

Offer

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HAVE YOU SUBMITTED AN OFFER TO THE IRS?
☐ Yes ☐ No
ARE YOU MAKING PAYMENTS TO THE IRS?
☐ Yes ☐ No
IF YES, AMOUNT OF MONTHLY PAYMENT
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Signature(s)

I/We agree with the terms and conditions set forth in this form. I/We have fully examined this offer and to the best of my/our knowledge and belief, it is true, correct and complete.

_____

SIGNATURE OF TAXPAYER DATE

_____

SIGNATURE OF TAXPAYER DATE

Print pages 4 and 5. Send page 4 with your offer. Keep page 5 for your records.

Keep this copy for your records.

Statement of Offer Form

This booklet contains two (2) *Statement of Offer* forms. Submit one (1) form with your request. Keep the other form for your records.

It is important that you read and understand the terms and conditions provided on page 3. By signing the *Statement of Offer*, you agree to the terms and conditions stated on page 3.

A signed *Statement of Offer* and supporting documentation is not an admission by the department that the liability is uncollectible or that any offer will be accepted.

Where to submit your offer

You may hand deliver your offer to any Arizona Department of Revenue office. See the front cover page for office locations. You may also give your offer to any field representative, or you may mail your offer to:

Arizona Department of Revenue
Attention: Field Collections
PO Box 29070
Phoenix, AZ 85038-9070
Tel: (602) 716-7787

Other Important Information

Once you have submitted your offer, please allow 90 days for processing. If you choose to withdraw your offer, please call (602) 716-7787 and ask to speak to the Officer of the Day or your assigned Revenue Officer.

While your offer-in-compromise is under consideration, the department may withhold collection activities unless the department finds that collection otherwise may be jeopardized by a delay. The decision to resume collection activities may be appealed to the Problem Resolution Officer.

The department may contact you to provide additional information.

The department will notify you by mail to inform you of acceptance or denial of your offer. The department may also determine that your offer is not processable. You must comply with all of the terms and conditions.

Default of the offer-in-compromise terms and conditions may result in the account balance becoming due in full. Failure to make satisfactory arrangements to satisfy your liability may subject you to enforcement actions to secure payment of the balance without further notice to you.

Continued ➔

Checklist for required information

Please include with your *Statement of Offer* and financial statements any of the following which apply. The department will review all information.

- ❒ Signed *Statement of Offer*
- ❒ Completed *Collection Information Statements* (financial statements) and attachments
- ❒ Three consecutive paystubs. Include paystubs for all parties submitting this offer.
- ❒ Year-to-date commission and expense statement, and prior year statements
- ❒ Social Security statement of benefits or disability income
- ❒ A copy of your last federal tax return and copy of your IRS Offer-in-Compromise agreement
- ❒ Bank statements for the last 90 days
- ❒ Statement of prognosis from your doctor if applicable to your offer
- ❒ Copies of medical bills not covered by insurance
- ❒ Copies of credit card statements for last 90 days
- ❒ Copies of court-ordered restitution, fines, child support alimony, etc.
- ❒ Copies of student loan statements
- ❒ List of accounts receivable
- ❒ Copy or rental/lease agreements on property you own and lease. Copy of lease agreement if your rent is over $1,000.00.
- ❒ Copy or statement(s) of dividend, trust income, 401K, or other retirement accounts.

Print List **Clear Form**