

Michigan Department of Treasury
Offer in Compromise Checklist

Failure to include ALL requested documents may result in your offer being rejected or the processing of your offer delayed. For each reason an offer in compromise is being submitted, please attach the following documents to your submission.

1. I have received a federal offer in compromise. (FEDERAL ACCEPTANCE)

- Completed Offer in Compromise (Form 5181).**
- Initial offer payment of \$100 or 20% of the offer, whichever is greater.**
- Completed *OIC Schedule 1 – Information Supporting a Michigan Offer in Compromise Based on an Accepted Federal Offer in Compromise (Form 5182).*
- Authorized Representative Declaration *Form 151*, if applicable.
- Federal acceptance of Offer in Compromise.
- IRS account transcripts for EACH year on IRS accepted form 656.
- IRS accepted form 656 **without** attachments.
- Any amendments or addendums originally submitted to form 656 if applicable.

2. I do not believe I owe the tax. (DOUBT AS TO LIABILITY)

- Completed *Offer in Compromise (Form 5181).*
- Initial offer payment of \$100 or 20% of the offer, **whichever is greater.**
- Completed *OIC Schedule 3 – Offer in Compromise Based on Doubt as to Liability (Form 5185).*
- Authorized Representative Declaration *Form 151*, if applicable.
- An explanation of why you do not owe all or any part of the tax and any supporting documentation.

3. I do not believe I can pay the tax. (DOUBT AS TO COLLECTABILITY)

- Individual** – Provide the requested information for anyone who contributes to the household resources, e.g., non-liable spouse and adult children.
 - Completed *Offer in Compromise (Form 5181).*
 - Initial offer payment of \$100 or 20% of the offer, **whichever is greater.**
 - Completed *OIC Schedule 2A (Individuals) Collection Information Statement for an Offer in Compromise Based on Doubt as to Collectability (Form 5183).*
 - Authorized Representative Declaration *Form 151*, if applicable.
 - Copy of the last two (2) years federal income tax returns.
 - Copy of the last four (4) paycheck stubs or other income (e.g., pension, social security, alimony, rental, etc.).
 - Copy of bank statements for all checking and savings accounts, personal and/or business (if self-employed) for the most current six (6) months, as well as any other financial institution statements for which you have check writing authority. (e.g., money market account).
 - A list of all stocks, bonds, and/or other securities owned, along with the current value of each.
 - A statement from the insurance company for each life insurance policy showing the current cash loan value, accumulated dividends and interest, dates and the amounts of policy loans.
 - A list of real estate owned wholly or in part – with appraisals, if available – and a payoff statement on each mortgage.

- A statement from lending institutions and other creditors that clearly indicate current balances owed and payment schedule on all notes payable and/or revolving accounts.
- A complete inventory of asset-bearing items contained in all safe deposit boxes, including fair market value of each item, copies of documents, etc.
- Copies of any judgments or legal decrees, including bankruptcy, for the past six (6) years.
- Self-employed or individuals with interest in a business*
 - A list of all business assets (e.g., equipment, furniture, etc.) including the fair market value for each.
 - A list of all accounts receivable showing the payer, amount due, age and status of each account.
 - A list of all businesses in which you have an interest, including the ownership percentage in each.
- Other attachments as listed on the forms (e.g., utility bills, copies of court orders, etc.).

Business – Officers who are personally responsible for the debts of a business use the individual forms, instructions, and checklist for doubt as to collectability. All others provide the requested information for the assets and liabilities related to the open or closed business.

- Completed *Offer in Compromise (Form 5181)*.
- Initial offer payment of \$100 or 20% of the offer, **whichever is greater**.
- Completed *OIC Schedule 2B (Business) – Collection Information Statement for an Offer in Compromise Based on Doubt as to Collectability (Form 5184)*.
- Copy of the last two (2) years federal income tax returns.
- A current Profit and Loss statement covering at least the most recent 6-12 month period.
- Copy of the most current six (6) months for each bank, investment, and retirement account.
- A list of all business equipment, office furniture and other business assets including the fair market value for each.
- A list of all accounts receivable showing the payer, amount due, age and status of each account.
- If an asset is used as collateral on a loan, include copy(ies) of the most recent statement from lender(s) on loans, monthly payments, loan payoffs, and balances.
- Copy of the most recent statement of outstanding notes receivable.
- Copy of the most recent statement from lenders on loans, mortgages (including second mortgages), monthly payments, loan payoffs, and balances.
- Copies of accountant's depreciation schedules, if applicable.
- Authorized Representative Declaration Form 151, if applicable.
- Other attachments as listed on the forms.

Mail all forms, schedules, supporting documentation and initial offer payment of \$100.00 or 20% of the offer, **whichever is greater** to:

*Michigan Department of Treasury
Offer in Compromise
PO Box 30190
Lansing, MI 48909*

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