

Offer in Compromise Based on Doubt as to Liability

Issued under authority of Public Act 122 of 1941 and Public Act 240 of 2014.

To submit an Offer in Compromise, all eligibility requirements must be met. See the Guidelines for Offer in Compromise Program at www.michigan.gov/OIC.

You **must** include the initial offer payment of \$100.00 or 20% of your offer, **whichever is greater**, with your Offer in Compromise or pay online at www.michigan.gov/collectionsservice. If you do not meet all eligibility requirements, your submission may be ineligible.

If you would like to designate a third party representative, attach an *Authorized Representative Declaration (Power of Attorney)* (Form 151). Taxpayer's signature is required in "Part 6: Taxpayer Certification" upon submitting your offer in compromise.

If filing for a business that is closed, you must file a "Notice of Change or Discontinuance" (Form 163) before submitting an Offer in Compromise.

PART 1: TAXPAYER INFORMATION				
INDIVIDUAL TAXPAYER(S)				
First Name	M.I.	Last Name	Social Security Number	
Date of Birth	Email Address		Filer's Telephone Number	
If a Joint Offer, Spouse's First Name	M.I.	Last Name	Spouse's Social Security Number	
Spouse's Date of Birth	Spouse's Email Address		Spouse's Telephone Number	
Address		City		State ZIP
Mailing Address (If Different from Above)		City		State ZIP
BUSINESS TAXPAYER				
Business Name (if business assessments are included in the offer)				
Business Status (check one) <input type="checkbox"/> Open <input type="checkbox"/> Closed If closed, you must file a "Notice of Change or Discontinuance" (Form 163).		Business Email Address By providing your email address you are agreeing to receive correspondence via email.		Business FEIN, ME or TR Number
				Business Telephone Number
Address		City		State ZIP
Mailing Address (If Different from Above)		City		State ZIP

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FOR TREASURY OFFICE USE ONLY	
Date Offer in Compromise Payment Received	Amount of Initial Offer in Compromise Payment

Social Security Number,
 FEIN, ME or TR Number

PART 2: OFFER AND PAYMENT TERMS

Fill in the total amount you are offering to pay, the initial offer payment amount included with this Offer in Compromise request, and the remaining offer balance below. Then select the proposed method of payment of the remaining offer balance if the Offer in Compromise is accepted.

You **MUST** include an initial offer payment of 20% of the total offer amount or \$100, **whichever is greater**. This is a nonrefundable payment that will be applied to the outstanding balance of the tax debt owed. All payments must be in U.S. dollars. Do not send cash. Do not combine with any other tax payments, as this may delay processing of your offer. (See instructions for a mailing address and other payment details.)

Calculating Initial Offer Payment and Remaining Offer Balance

1. Total Offer in Compromise amount.....	1.	\$	This is the amount you are offering to pay and not the actual total liability.
2. Initial Offer Payment. Enter 20% of the Total Offer in Compromise amount from Line 1 or \$100, whichever is greater	2.	\$	This nonrefundable initial offer payment must be included with the Offer in Compromise. (See "Initial Offer Payment Method" below.)
3. Remaining Offer Balance. Subtract line 2 from line 1.....	3.	\$	If the Offer in Compromise is accepted, the remaining offer balance must be paid in a lump sum or via installment.

Initial Offer Payment Method

- Check if the initial offer payment from line 2 is included with this Offer in Compromise.
- Check if the initial offer payment from line 2 was made online at www.michigan.gov/collectionseservice, and enter payment amount, the 14-digit confirmation number from the payment receipt, and payment date below.

Payment Amount	Confirmation Number	Date

Remaining Offer Balance Payment

- Lump sum** — Check if payment of the remaining balance will be made within 30 days of the date the Offer in Compromise is accepted.
NOTE: Failure to make the lump sum payment within 30 days of the date of acceptance of the offer may result in the Offer in Compromise being revoked and the entire compromised tax debt reinstated.
- Installment plan of 5 (or fewer) months** — Check box if payment of the remaining offer balance will be made over a period of 5 or fewer months from the date the Offer in Compromise is accepted. The payments must be in equal amounts. Complete the table below detailing the amount of each payment. **The first payment is due within 30 days of acceptance.**

Amount of payment 1	\$	payable within 30 days after acceptance
Amount of payment 2	\$	payable within 60 days after acceptance
Amount of payment 3	\$	payable within 90 days after acceptance
Amount of payment 4	\$	payable within 120 days after acceptance
Amount of payment 5	\$	payable within 150 days after acceptance

Failure to make the monthly payments agreed to may result in the Offer in Compromise being revoked and the entire tax debt reinstated.

- Installment plan of 6 months or more (not to exceed 24 months)** — Check if payment of the remaining balance will be made over a period of 6 months or more, not to exceed 24 months, after the date the Offer in Compromise is accepted. The payments must be in equal amounts. Complete the table below detailing the amount of each payment and the number of months needed to complete all payments. **The first payment is due within 30 days of acceptance.**

Installment Details for Payment of 6 Months or More (Not to Exceed 24 Months)

Amount to be paid each month	Total number of months

Failure to make the monthly payments agreed to may result in the Offer in Compromise being revoked and the entire tax debt reinstated.

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PART 3: EXPLANATION OF CIRCUMSTANCES

Explain fully why you believe you are not liable for the outstanding assessments you have identified as part of this Offer in Compromise.

Note: You may attach additional sheets if necessary. Include your name and SSN and/or FEIN on all additional sheets and supporting documentation.

You must include documentation supporting your dispute of the tax liability for it to be considered in evaluating your offer in compromise. Failure to provide supporting documentation may result in rejection of your offer in compromise.

PART 5: OFFER TERMS AND CONDITIONS

NOTE: In the following agreement, the pronoun “we” may be assumed in place of “I” when there are joint liabilities and both parties are signing this Offer in Compromise.

By submitting this offer, I have read, understand and agree to the following terms and conditions:

- a) I voluntarily submit all payments made on this offer.
- b) Treasury will apply the amount paid with this offer to the outstanding balance of the tax debt owed. Treasury will not return or refund the amount paid with this offer whether the offer is accepted or rejected, or if I withdraw the offer. The date Treasury receives the offer remittance will be considered the date of payment.
- c) Treasury will keep all payments and credits made, received, or applied to the total original tax debt before the Offer in Compromise is received by Treasury. None of the payments or credits received by Treasury prior to the submission of the offer may be included as part of the offer amount.
- d) Treasury may amend your offer. This amended offer will be based on documentation submitted with your offer in compromise and additional documentation provided or available.
- e) I remain responsible for the full amount of the tax debt, unless and until Treasury accepts the offer in compromise in writing and I have met all of the terms and conditions of the offer in compromise.
- f) Any compromise with Treasury is subject to continuing review by Treasury. Treasury may revoke any compromise made and may reestablish the full compromised tax debt, plus any accrued interest and penalty, without regard to any statute of limitations that otherwise may apply if any one of the following occurs:
 - o Treasury determines that I concealed from Treasury any property, assets or income to induce a compromise.
 - o Treasury determines that I, with the intent to mislead, withheld, destroyed, mutilated, or falsified any book, document, or record or made a false statement relating to my or another person’s estate or financial condition to induce a compromise.
 - o Treasury determines that I withheld changes to income or expenses – either during the request for an offer in compromise or after an offer is accepted – that would alter the circumstances of my ability to pay a tax debt.
 - o I fail to comply with any of the terms and conditions relative to the Offer in Compromise or fail to file subsequent required returns and pay subsequent final tax liabilities within 20 days after Treasury issues a notice and demand to file or pay the tax.

If Treasury revokes an Offer in Compromise, the amount of the compromised tax debt will become due and payable, and Treasury may immediately undertake all actions authorized by law to collect the remaining balance of the tax debt.

- g) Treasury will not levy against property to collect the tax debt sought to be compromised while the offer in compromise is pending review unless Treasury determines that the offer is intended to delay collection of the tax debt or Treasury has issued a jeopardy assessment under MCL 205.26.
- h) The statute of limitations is suspended while an offer in compromise is pending per MCL 205.27a3b.
- i) I may not request an informal conference with Treasury or contest in any tribunal or court Treasury’s rejection of my offer in compromise or the amount of any accepted offer in compromise.
- j) Interest on any unpaid tax debt shall continue to accrue until paid. Interest shall be calculated at the annual rate of interest applicable to unpaid Michigan tax deficiencies, as set forth in section 23 of the Revenue Act, MCL 205.23, and in Revenue Administrative Bulletin 2013-5, and subsequent Revenue Administrative Bulletins that revise annual interest rates.
- k) Any payments or credits that exceed the offer in compromise amount may be applied by Treasury to outstanding assessments.
- l) Except for the availability of Treasury’s independent administrative review, a rejection by Treasury of an offer in compromise is final and not subject to further challenge or appeal to any tribunal or court.

Treasury by statute may be required to disclose my return information to members of the general public to the extent necessary to permit inspection of the accepted offer in compromise relating to the liability for the tax imposed.

Social Security Number,
FEIN, ME or TR Number

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PART 6: TAXPAYER CERTIFICATION

Under penalty of perjury, I declare that I have examined this offer, including accompanying forms, schedules and statements, and certify to the best of my knowledge and belief, it is true, correct and complete.

Taxpayer's Signature	Date	Email Address	
Signature of Taxpayer's Spouse			Date
Business Taxpayer: Authorized Signature	Date	Authorized Signer's Email Address	
Authorized Signer's Name (Print or Type)	Title/Position	Telephone Number	

PART 7: THIRD PARTY DESIGNATED REPRESENTATIVE

By checking this box, I authorize the Michigan Department of Treasury to discuss with and to provide a copy of any papers or correspondence relating to this Offer in Compromise to a third party designated representative identified below.

NOTE: The taxpayer is required to complete and file the "Authorized Representative Declaration (Power of Attorney)" (Form 151). The name, telephone number and email address below must match the information provided on Form 151.

Designee's Name	
Designee's Telephone Number	Designee's Email Address

Instructions for Form 5181L

Offer in Compromise Based on Doubt as to Liability

Who May Submit an Offer in Compromise Based on a Doubt as to Liability

You may submit an offer in compromise where you doubt your liability for the tax debt such that there is a genuine issue of dispute as to the existence or an amount of tax liability under law.

Doubt as to liability exists for the tax debt where, based on a review of evidence provided by you and available to Treasury, Treasury determines that you would have prevailed in a contested case if you had appealed the assessment.

You are required to provide all supporting documentation requested in the form or instructions.

Submitting an Offer in Compromise Based on Doubt as to Liability

You must include with the submission all documentation and information that you wish for Treasury to consider in reviewing the offer in compromise.

Part 3: Explanation of Circumstances. In this section you must explain fully why you believe you are not liable for the tax assessments identified in Part 4 of this form. Your explanation and supporting documents must demonstrate by clear and convincing evidence that you would have prevailed in a contested case.

NOTE: Doubt as to liability does not exist where the liability for the tax has been established by a final decision or judgment of the Michigan Tax Tribunal or a court concerning the existence or amount of the tax liability.

Part 4: Michigan Assessments Where the Taxpayer Claims there is Doubt as to the Liability. List each outstanding tax assessment to be considered in the Offer in Compromise where you claim doubt as to liability.

NOTE: You must provide all evidence of your claim as to doubt as to liability with your original submission. If you do not submit evidence and supporting documentation, your submission may be ineligible.

Completing Michigan Forms

Michigan Offer in Compromise Forms are available in a format that allows you to fill them out on your computer, print them out, and mail them to the Department of Treasury. In some cases, the forms cannot be saved.

- **Print or type the information in the spaces provided.**
- **Stay within the lines** when entering information in boxes.
- **Answer all questions fully and accurately.** State that an item is not applicable with “N/A.” If the answer is none, write “none.”
- **Enclose any additional explanations on a separate sheet.** Write your collections account number at the top of each sheet of paper.
- **Use black or blue ink.** Do not use pencil, red ink, or felt tip pens. Do not highlight information.
- **If a form is multiple pages,** all pages must be filed.

NOTE: Remember to make additional copies of the completed forms for your records.

When You Have Finished

Important Reminder: If you do not include all the required attachments with your offer, your offer may be ineligible. Do not send the originals of your documents as attachments.

Where to Mail Your Offer

Mail your offer, initial offer payment and all applicable required forms and attachments to:

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

Make your check payable to “**State of Michigan — Offer In Compromise**” and write your collections account number or assessment number(s) on the front of your check.