

Compromise Application

Instructions

Your request for compromise includes a questionnaire and financial statement. You must complete and return the entire application, including any supporting information requested, before we will consider your request.

We will review and verify your documentation. We may need to contact you to discuss the information you submitted. We will notify you in writing when a decision is made. Allow 90 days for a response.

If you are seeking a compromise for a jointly filed debt, either:

- Both filers seek a compromise together. Complete the entire application together. We use assets and income from both filers to approve or deny your request.
- The filer seeking the compromise must first request a Separation of Liability. If the liability is separated, the compromise will be for only those debts remaining in your name.

Your completed application must also include:

Nonrefundable application payment

There is a \$250 nonrefundable payment due when you apply. We apply this payment to your debt.

If you cannot afford the payment, we may waive it if you meet at least one of these conditions:

- Your income was less than 200% of the federal poverty level
- You have a financial hardship and unable to pay for necessities, including utilities, mortgage or rent, or needed medication

Complete the questionnaire stating you meet either of these conditions. If we deny your waiver request, you must make the payment before we review your application.

Make your check payable to the Commissioner of Revenue.

Current lease or rental agreements

Attach all lease agreements, including property where you are the lessor or lessee.

Other documentation

Provide supporting documentation for any other circumstances or expenses that may prevent you from paying your debt in full, such as medical expenses, child support, or court-ordered payments.

Power of Attorney

If this offer is submitted by a designated representative, attach a power of attorney form.

Send all required information and your \$250 nonrefundable payment to:

Minnesota Department of Revenue
PO Box 64447-CMP
St. Paul, MN 55164-0447

Send Electronically

You may submit your compromise agreement, additional documentation, and application payment online.

Go to www.revenue.state.mn.us and enter compromise into the Search box.

Keep a copy of all the information you provide us for your records.

Compromise Questionnaire

Your Name _____

Your Social Security Number _____

We use this information to evaluate your ability to pay and to decide if a compromise represents the most we can expect to collect. This information may be used for collection purposes. You are not legally required to provide the information requested. However, if you do not provide the information or the information is insufficient for us to make a determination, we will deny your request. If you need more room to answer any of the questions, please use the back of this questionnaire.

1. What is the maximum amount you can pay for a lump-sum settlement of your debt? \$ _____
Where will you obtain the funds? _____

2. Have you sold, transferred, or gifted any real estate during the past two years? Yes No
If yes, list property address, include the property identification numbers, and attach documentation.

3. Do you plan to buy, sell or refinance real estate in the next three years? Yes No
If yes, explain: _____

4. What caused your large tax liability? (Example: cashing of 401k or stocks, claiming the wrong number of exemptions, etc.)

Do you foresee having problems meeting future tax obligations? Yes No
If no, what has changed or been corrected? _____

5. If you are currently unemployed, what are your long-term job prospects?

Do you have any health issues that prevent you from working? Explain and attach current documentation Yes No

6. If business taxes are owed, what is the status of your business? Open Closed
If closed, what date did it close? _____ Minnesota Tax Identification Number _____

7. Is anyone holding assets on your behalf (e.g., trust fund, property)? Yes No
If yes, identify type of assets and value: _____
Relationship to asset holder: _____

8. Is a foreclosure pending on any real estate you own or have an interest in? Yes No
If yes, explain: _____

9. Is there a likelihood that you will receive assets or income from an estate in probate? Yes No
If yes, from whom? _____ Relationship _____

10. Do you expect any increase in household income in the next two years? Yes No
If yes, explain: _____

11. How did you determine your compromise offer and why is a compromise the best way to settle your tax liability?

I cannot afford the \$250 payment. I request a waiver because my conditions meet the financial requirements laid out in the instructions.

Your Signature _____ Date _____ Daytime Phone _____

Spouse's Signature _____ Date _____ Daytime Phone _____

Individual Financial Statement for Offer in Compromise

This information may be used for collection purposes. We may require Social Security numbers under 42 USC 405 (c) (2) (C) (i). You are not legally required to provide the information requested. However, if you do not provide enough information, we may deny your request. Include all household income and expenses even if only one person is liable for the tax.

Section 1 — General Information

Your First Name and Middle Initial	Your Last Name	Spouse's First Name and Middle Initial	Spouse's Last Name
Your Social Security Number	Your Date of Birth	Spouse's Social Security Number	Spouse's Date of Birth
Your Address	<input type="checkbox"/> Own <input type="checkbox"/> Rent	Spouse's Address (if different)	<input type="checkbox"/> Own <input type="checkbox"/> Rent
City	State ZIP Code	City	State ZIP Code
Home Phone Number	Work Phone Number	Spouse's Home Phone Number	Spouse's Work Phone Number
You: <input type="checkbox"/> Full-Time <input type="checkbox"/> Part-Time <input type="checkbox"/> Employee <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Partner <input type="checkbox"/> Officer		Spouse: <input type="checkbox"/> Full-Time <input type="checkbox"/> Part-Time <input type="checkbox"/> Employee <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Partner <input type="checkbox"/> Officer	
Employer or Business Name	Occupation	Employer or Business Name	Occupation
Address		Address	
City		City	
State ZIP Code		State ZIP Code	
Length of employment (years/months)		Length of employment (years/months)	
Paid <input type="checkbox"/> Weekly <input type="checkbox"/> Bi-weekly <input type="checkbox"/> Semi-monthly <input type="checkbox"/> Monthly		Paid <input type="checkbox"/> Weekly <input type="checkbox"/> Bi-weekly <input type="checkbox"/> Semi-monthly <input type="checkbox"/> Monthly	
Highest level of education attained		Highest level of education attained	
Professional License	Renewal Dates	Professional License	Renewal Dates
Year of Last Filed Income Tax Return: Federal	State	Year of Last Filed Income Tax Return: Federal	State
Allowances Claimed on W4		Allowances Claimed on W4	
Personal Representative/Tax Preparer (Attach Power of Attorney Form REV184i)		Personal Representative/Tax Preparer (Attach Power of Attorney Form REV184i)	
Address		Address	
City	State ZIP Code	City	State ZIP Code
	Phone Number		Phone Number

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Section 2 — Income

List all income.

Include the two most recent paystubs or earning statements and the most recent statement for all other income.

If you cannot obtain paystubs, we will accept a recent W2 or 1099, bank statements showing direct deposits, or documents from your employer showing the required information.

Monthly Income Source (<i>Attach two current paystubs</i>)	You	Your Spouse
Salary, wages, tips		
Overtime, bonuses, commissions		
Self-employment income (<i>net profit from Schedule C or Schedule C-EZ divided by 12</i>)		
Pensions, disability, and Social Security		
Dividend, interest, and investment income (include any from a related partnership, corporation, LLC, LLP, etc.)		
Rental income		
Estate, trust, and royalty income		
Workers compensation and unemployment		
Alimony and child support		
Monthly Income Totals		
Combined Income (<i>Your monthly total income plus your spouse's monthly total income</i>)		

Section 3 — Asset Information

Bank Accounts (checking, savings, CDs, etc.) Attach copies of savings and checking account bank statements for the last three months.

Name of Institution	Address	Type of Account	Account Number	Balance
Total Bank Assets				

Investments (stocks, bonds, mutual funds, retirement accounts, government securities, money market funds, etc.)

Attach copies of most current statements.

Type of Investment	Issuer	Quantity	Current Value
Total Investment Value			

Real Estate (personal residence, vacation or second home, investment property, land, etc.).

Attach most current property tax statements and homeowner's insurance policy.

Address	County Where Property is Located	Mortgage Balance	Current Value	Minimum Monthly Payment
Total Real Estate Minimum Monthly Payment				

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Motor Vehicles

Make	Model	Year	Amount Owed	Payoff Date	Minimum Monthly Payment	Equity in Vehicle
Total Vehicle Equity						

Other Assets

Type of Asset	Current Value
Cash surrender value of life insurance	
Judgments or settlements receivable	
Notes receivable	
Other (Specify)	
Total Other Assets	

Section 4 — Liability Information

(not included in assets previously listed). Attach copies of most current billing statements showing monthly payments, loan payoffs, balances, and recent activity. Include three months of the most recent statements available.

Credit Cards (Visa, MasterCard, American Express, Discover, etc.)

Card Name	Credit Limit	Current Balance	Minimum Monthly Payment
Total Credit Payments			

Other Liabilities

Personal Loans, Judgments or Notes Payable

Type of Liability	Current Balance	Minimum Monthly Payment

Bank Lines of Credit

Type of Liability	Current Balance	Minimum Monthly Payment

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State Agency or Local Tax Debts

Type of Liability	Current Balance	Minimum Monthly Payment

Federal Tax Debts

Type of Liability	Current Balance	Minimum Monthly Payment

Total Liability Payments

If you owe past due federal tax, is this debt currently under levy by the IRS? Yes No If yes, what amount? _____

Do you have an offer in compromise pending with the IRS? Yes No If yes, what amount? _____

Section 5 — Household Expenses

Household

Total number of people in your household: _____

List all people living in the household other than your spouse who contribute to paying expenses.

Name	Relationship to You (<i>Partner, Roommate, Parent, Other</i>)	Age

Monthly Expenses

List all monthly household expenses. You must show which member of your household pays each expense. Include copies of statements for any expenses over the federal and state expense guidelines based on your most recent family size.

If you are self-employed, do not include expenses claimed on Schedule C.

Total number of people in your family (self, spouse, dependents, etc.): _____

Source	Amount
Essentials	
Groceries	
Clothing and personal care	
Housing Cost	
Mortgage or rent payments	

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Utilities	
Electric	
Water or sewer	
Phone	
Garbage	
Gas or oil for heating	
Internet	
Transportation	
Vehicle payments	
Transportation (gas/oil, license, bus fare, etc.)	
Miles driven to and from work per week: _____	
Insurance	
Life Insurance	
Health Insurance	
Auto Insurance	
Home Insurance	
Tax Liabilities	
Income taxes (federal/state/SS/FICA)	
Estimated quarterly tax payments (divide by three to get monthly amount)	
Property tax	
Other Expenses	
Medical expenses and prescriptions not paid by insurance (Attach copies of billing statements for 3 months)	
Court ordered payments (child support, alimony, etc.) (Attach copies of billing statements for 3 months)	
Child care (Attach copies of billing statements for 3 months)	
Other (Specify) _____	
	Total Monthly Expenses
	Total Liability Payments (from Section 4)
	Total Expenses (Add Total Monthly Expenses and Total Liability Payments)
	Net Disposable Monthly Income (subtract Total Expenses from Total Income in Section 2)

I declare that the information in this statement is true and correct to the best of my knowledge and belief. I authorize the Minnesota Department of Revenue to verify any information on this form.

Your Signature

Date

Spouse's Signature

Date

The information you provide on this form is confidential. It can only be given to the Internal Revenue Service, other states, Minnesota municipalities, the Minnesota Attorney General in the administration of tax laws, the Minnesota Department of Human Services if there is any evidence you have deserted your children or are delinquent in child support payments, or another person who must list some or all of your income or expenses on his or her tax return.