

# 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	\$2,831
2	\$3,815
3	\$4,798
4	\$5,781
5	\$6,765
6	\$7,748
7	\$8,731
8	\$9,715
For each additional person add:	\$983

### 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**



**BUSINESS OFFER IN COMPROMISE: DOUBTFUL COLLECTIBILITY**

*Please read the instructions carefully before completing this form. A submission fee is required.*

Business Name \_\_\_\_\_

Trading As \_\_\_\_\_

Address \_\_\_\_\_

Email Address \_\_\_\_\_

Contact Name, Title, and Telephone Number \_\_\_\_\_

Virginia Account Number or Federal Employer Identification Number \_\_\_\_\_

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

Sales Tax for the period(s) \_\_\_\_\_

Employer Withholding Tax for the period(s) \_\_\_\_\_

Corporation Income Tax or Pass-Through Entity for the period(s) \_\_\_\_\_

Other (specify) for the period(s) \_\_\_\_\_

I/We offer to pay a total of \$ \_\_\_\_\_ through:

- Full Payment within \_\_\_\_\_ days
- Payments of \$ \_\_\_\_\_ a month for \_\_\_\_\_ months
- Other \_\_\_\_\_

I/We hereby grant the power of attorney to act for the business entity 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. The undersigned also agree to extend the statute of limitations for collection of the debts addressed in this offer for a period of 60 days after the date that the Department issues its determination, including any reconsiderations.

Signature of Taxpayer \_\_\_\_\_ Date \_\_\_\_\_

Printed Name of Taxpayer \_\_\_\_\_ Title \_\_\_\_\_

Signature of Taxpayer's Representative \_\_\_\_\_ Date \_\_\_\_\_

**Attach all required documentation, including the FIN B-1: Financial Statement for Businesses 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 FIN B-1: Financial Statement for Businesses. You are encouraged to provide any other supporting documentation, such as a letter of circumstance, that will help us evaluate your claim. See Recommended Documentation below.

**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 B-2, Business Offer in Compromise: Penalty Waiver/ Doubtful Liability, available on our website at [www.tax.virginia.gov](http://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) 367-8037 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.**
- 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 as offered, accepted with changes, or denied. You must follow the terms of acceptance, or the acceptance 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 additional information for reconsideration.

### **Required Documentation:**

- Current FIN B-1: Financial Statement for Businesses *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 and investment account.

### **Recommended Documentation. Attach all that are applicable:**

- A letter of circumstance, explaining your situation.
- A current profit and loss statement covering at least the most recent 6-12 month period.
- If an asset is used as collateral on a loan, include copies of the most recent statements from lender(s) on loans, monthly payments, loan payoffs, and balances.
- Copies of the most recent statements of outstanding notes receivable.
- Copies of the most recent statements from lenders on loans, mortgages (including second mortgages), monthly payments, loan payoffs, and balances.

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### **Mail the completed form and attachments to:**

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

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

<b>1. Taxpayer Information</b>		
Name and address of business:	Contact Phone Number:	Website:
	Entity Type: <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> S Corp <input type="checkbox"/> Partnership <input type="checkbox"/> LLC <input type="checkbox"/> Corporation <input type="checkbox"/> Other (specify)	
Name and title of person submitting offer:	Employer Identification Number (EIN):	Locality (City/County):
Trade name and description of business:	Number of Employees:	Average Gross Monthly Payroll:

2. Information about owner, partners, officers, majority shareholders, etc.						
Name and Title	Effective Date	Home Address	Phone Number	Social Security Number	Annual Salary	Total Shares of Interest

Is this business a member of an affiliated group? If Yes, list the Name(s) and Employer Identification Numbers(s):		
Name	Relationship	EIN

3. General Financial Information				
a. 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

b. Bank credit available (lines of credit, credit cards, etc.)					
Name of Financial Institution	Address	Credit Limit	Amount Owed	Credit Available	Monthly Payment

c. Real Property (brief description and address)	Owner of Record	Used as Collateral	Value	Amount Owed
1. Locality (City/County)		<input type="checkbox"/> Yes <input type="checkbox"/> No		
2. Locality (City/County)		<input type="checkbox"/> Yes <input type="checkbox"/> No		
3. Locality (City/County)		<input type="checkbox"/> Yes <input type="checkbox"/> No		
4. Locality (City/County)		<input type="checkbox"/> Yes <input type="checkbox"/> No		

**d. Life insurance policies owned with business as beneficiary**

Name of Insured	Company	Policy Number	Type (Whole/Term)	Face Amount	Available Loan Value

**e. Vehicle Information (enter information about any cars, boats, motorcycles, RV's, etc., owned or leased by the business)**

Vehicle Description	City/State of Registration	Registered Owner	Value	Amount Owed
1.				
2.				
3.				

**f. Machinery and Equipment**

Description	Value	Amount Owed
1.		
2.		
3.		

**g. Other Assets (include any investments in pass-through entities)**

Description	Value	Amount Owed
1.		
2.		
3.		

**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: <input type="checkbox"/> Yes <input type="checkbox"/> No	Bankruptcies: <input type="checkbox"/> Yes <input type="checkbox"/> No
Repossessions/Foreclosures: <input type="checkbox"/> Yes <input type="checkbox"/> No	Recent sale or other transfer of assets for less than full value: <input type="checkbox"/> Yes <input type="checkbox"/> No
Anticipated increase in income: <input type="checkbox"/> Yes <input type="checkbox"/> No	Participant or beneficiary to trust, estate, profit sharing, etc.: <input type="checkbox"/> Yes <input type="checkbox"/> No
Delinquent Federal Taxes: <input type="checkbox"/> Yes If Yes, outstanding balance: _____ <input type="checkbox"/> No	

**Comments:**

**5. Asset and Liability Analysis**

Description		Current Market Value	Liabilities Balance Due	Equity in Asset	Amount of Payment	Name/Address of Lien Holder	Date of Final Payment
Cash on Hand							
Bank Accounts							
Accounts/Notes Receivable							
Life Insurance Loan Value							
Real Property (from Item 3 c.)	1.						
	2.						
	3.						
	4.						
Vehicles (from Item 3 e.)	1.						
	2.						
	3.						
Machinery and Equipment (from Item 3 f.)	1.						
	2.						
	3.						
Other Assets (from Item 3 g.)	1.						
	2.						
	3.						
Merchandise Inventory							
Other Liabilities (including Notes and Judgments)							
Federal Taxes Owed							
State Taxes Owed							
Local Taxes Owed							
Total							

**6. Income and Expense Analysis**

Indicate whether reporting:  Annually  Quarterly  Monthly  
 Period Beginning \_\_\_\_\_ Period Ending \_\_\_\_\_

Accounting method used:  Cash  Accrual

Income		Expenses	
Gross receipts from sales, services, etc.		Materials Purchased	
Gross rental income		Net Wages and Salaries	
Interest		Mortgage	
Dividends		Rent	
Other income (specify)		Installment Payments	
		Supplies	
		Utilities/Telephone	
		Gasoline/Oil	
		Repairs and Maintenance	
		Insurance	
		Current Taxes	
		Other (specify)	
<b>Total Income</b>		<b>Total Expenses</b>	
<b>Net Difference</b> (total income minus total expenses)			

**7. Supplemental Questions**

**Are you 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

**Lawsuit Information:** Docket Number: \_\_\_\_\_ Attorney Name: \_\_\_\_\_ Defendant Name: \_\_\_\_\_

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, liabilities, 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 \_\_\_\_\_ Title \_\_\_\_\_

Printed Name \_\_\_\_\_ Date \_\_\_\_\_

Authorized Representative Signature \_\_\_\_\_

Printed Name \_\_\_\_\_ Date \_\_\_\_\_

**Recommended documentation. Attach all that are applicable:**

- Letter of circumstance, explaining your situation.
- A current profit and loss statement covering at least the most recent 12 month period.
- If an asset is used as collateral on a loan, include copies of the most recent statements from lender(s) on loans, monthly payments, loan payoffs, and balances.
- Copies of the most recent statements of outstanding notes receivable.
- Copies of the most recent statements from lenders on loans, mortgages (including second mortgages), monthly payments, loan payoffs, and balances.