

# Indiana Department of Revenue

## Offer in Compromise

### What Is an Offer in Compromise?

An Offer In Compromise (offer) is an agreement between you (the taxpayer) and the Indiana Department of Revenue (IDOR) that settles a debt for less than the full amount due to date. To be considered for a compromise, you generally must make a reasonable offer based on your total debt and your earnings potential.

Submitting an offer does not ensure that the IDOR will accept it. The IDOR will not accept an offer if it is less than the base (original) tax due or if you can pay your tax debt in full through a payment plan agreement or a lump sum.

Collection activities will continue during the offer evaluation process. This can result in additional interest, fees, damages, and/or costs accruing. In addition, if your offer is accepted and will be paid through a payment plan agreement, you must make a 20% down payment. The IDOR keeps any proceeds from a levy served prior to your offer's **acceptance**.

If the IDOR accepts your offer, you will be required to sign a legal and binding Offer in Compromise Agreement. If all parties have agreed to a payment plan agreement for the compromised amount, the IDOR will periodically review your case and you will be required to update all information previously submitted to this office.

**Please note:** You must file all future tax returns timely and pay all future tax due timely. If you are issued a new tax liability or fail to file a timely return, the following will occur:

- Your Offer in Compromise payment plan agreement will be cancelled.
- Your case will be closed.
- Normal collection activities will resume.

In addition, any penalties, interest, fees, costs, and damages previously waived will be added back to the amount due.

### What Is Required to Apply for an Offer in Compromise?

- You must complete an application, Form FS-OIC, and include all required supporting documents (see instructions).
- You must be current with all tax filings for both Individual Income Tax and any Business Taxes if applicable.
- Any bankruptcy filings must have already been discharged or dismissed.

**Please note: Your Offer in Compromise will be rejected if you do not submit all the required forms and supporting documentation with your application.**

## Instructions for Submitting an Offer in Compromise

To submit an Offer in Compromise, do the following:

- Complete the Offer in Compromise, Form FS-OIC, in its entirety.
- Submit **documented supporting evidence** for all income, expenses, and accounts listed on **Form FS-OIC** for the most recent 3 months. If you fail to submit documented evidence with Form FS-OIC, your offer will be automatically rejected. Accepted documents include
  - **Income** – Copies of paystubs, earnings statements, Social Security Administration benefit letters, pension statements, bank statements reflecting direct deposits, etc.
  - **Expenses** – Copies of utility statements, credit card or loan billings, medical bills, bank statements reflecting debits/payments, etc.
    - Note: If using bank statements as supporting documentation, all income and expenses claimed must be identified and clearly marked.
  - **Accounts** – Copies of all statements for bank, retirement, and investment accounts.
- Submit a **Letter of Circumstance** explaining in detail what prevented you from paying the taxes when they were due and what is currently preventing you from entering into a payment plan agreement with the IDOR. In addition, include any information that is pertinent to your requested offer, as well as the source of the compromise funds.
- Include a **medical statement** from your physician detailing the diagnosis and prognosis of your and/or your family member's medical conditions(s), if applicable.
- Include a **Bankruptcy Discharge or Dismissal Notice**, if applicable.
- If you are requesting a payment plan agreement, you must also request a specific down payment and monthly payment amount.

## Who *Might* Qualify for an Offer in Compromise?

- Taxpayers who are facing financial difficulties due to one of the following:
  - Terminal and/or critical illness within the immediate family
  - Personal devastation resulting from a natural disaster or an uncontrollable economic event

## What the Offer in Compromise *Cannot* Do for You

- **Cannot** cancel or discharge your outstanding liabilities with no payment.
- **Cannot** leave your liabilities on hold indefinitely.
- **Cannot** settle for an amount less than the base (original) tax due.
- **Cannot** reinstate a revoked Registered Retail Merchant Certificate.
- **Cannot** release a professional license, permit, or tax lien until the approved Offer in Compromise amount due is paid in full.
- **Cannot** intervene when a legal action has been filed, such as a wage garnishment, bank account levy, collection suit, or court-ordered appearance.

## What the Offer in Compromise *Can* Do for You

- **Can** establish a settlement for a lesser amount with a compromise agreement that is signed by all parties involved.

- **Can** accept a lump sum payment to satisfy your liabilities in full.
- **Can** accept a short-term payment plan agreement with the required 20% down payment to satisfy your liabilities in full.

**Before submitting your application, please review the following final checklist:**

- ☐ Completed the Form FS-OIC in its entirety.
- ☐ Included a Letter of Circumstance.
- ☐ Attached all of the required supporting documentation (proof of income and expenses).

**If you have any questions, you can contact us at (317) 232-4692 or by email at [taxadvocate@dor.in.gov](mailto:taxadvocate@dor.in.gov).**

Please mail your completed form and required documentation to:

Office of the Taxpayer Advocate  
Indiana Department of Revenue  
100 N. Senate Avenue, Room 202, MS 106  
Indianapolis, IN 46204-2273



**FS-OIC**  
State Form 50112  
(R2 / 8-12)

## Indiana Department of Revenue

### Offer in Compromise

#### Financial Statement for Offer in Compromise

Please refer to pages 1-3 of this document to determine your eligibility and the requirements for this program. Your failure to follow all instructions provided and submitting all required documentation will result with your application being rejected. You will be notified within 15 to 20 working days, or less, if you have been accepted into or rejected from the Offer in Compromise program.

#### Personal Information

Name:	Spouse's Name:
Social Security Number:	Spouse's Social Security Number:
Address:	Address:
City, State, Zip:	City, State, Zip:
Home Telephone Number: (     )	Home Telephone Number: (     )
Cell Phone: (     )	Cell Phone: (     )
Email Address:	Email Address:
Date of Birth:	Date of Birth:

#### Dependents

Please list the name, age and relationship of all dependents who live with you.

Name	Age	Relationship

#### Employment Information

Your Employer's Name:	Spouse's Employer's Name:
Years Employed:	Years Employed:
Address:	Address:
City, State, Zip:	City, State, Zip:
Telephone Number: (     )	Telephone Number: (     )

#### Bank Account(s) Information

Please include all checking, savings, credit union accounts, Certificates of Deposit, and list safety deposit boxes held by you, your spouse and dependents.

Type of Account	Financial Institution Name	Account Number	Present Balance

**Schedule 1****Monthly Income Information**

Your net pay .....\$ \_\_\_\_\_  
Your spouse's net pay .....\$ \_\_\_\_\_  
Rents paid to you (list property rent is being derived from).....\$ \_\_\_\_\_  
Pensions .....\$ \_\_\_\_\_  
Social Security Benefits .....\$ \_\_\_\_\_  
Social Security Disability .....\$ \_\_\_\_\_  
Profit from your business (**must attach Federal Schedule C, E, F or any other pertinent schedules**) ...\$ \_\_\_\_\_  
Commissions .....\$ \_\_\_\_\_  
Alimony/Child support received .....\$ \_\_\_\_\_  
Welfare/Food Stamp assistance .....\$ \_\_\_\_\_  
Other income (please list source) .....\$ \_\_\_\_\_  
**Total Monthly Income** .....\$ \_\_\_\_\_

**Schedule 2****Monthly Expenses Information**

Rent .....\$ \_\_\_\_\_  
Mortgage .....\$ \_\_\_\_\_  
Alimony/Child support paid .....\$ \_\_\_\_\_  
Groceries .....\$ \_\_\_\_\_  
Electricity .....\$ \_\_\_\_\_  
Heat (oil, gas, etc.) .....\$ \_\_\_\_\_  
Water/Sewer .....\$ \_\_\_\_\_  
Telephone .....\$ \_\_\_\_\_  
Transportation (gasoline, bus fare, etc.) .....\$ \_\_\_\_\_  
Medical Expenses (physician's bills, medication **not** paid by insurance) .....\$ \_\_\_\_\_  
Insurance Cost -  
    Automobile .....\$ \_\_\_\_\_  
    Health/Hospitalization .....\$ \_\_\_\_\_  
    Life .....\$ \_\_\_\_\_  
    Homeowner's/Renter's .....\$ \_\_\_\_\_  
Total cost of insurance (auto, health, life, home, rental, etc.) .....\$ \_\_\_\_\_  
Total cost of credit card payments (list card information on Schedule 3) .....\$ \_\_\_\_\_  
Total loan payments (list loan information on schedule 4) .....\$ \_\_\_\_\_  
Other expenses (**please itemize and explain below**) .....\$ \_\_\_\_\_  
**Total Monthly Expenses** .....\$ \_\_\_\_\_

**Other Expenses**

Itemized Monthly Expenses and Explanations (attach additional sheets as needed)

**Schedule 3****Credit Card Information**

List all credit card, lines of credit, and check overdraft protection held by you, your spouse, and/or your dependents (attach additional sheet as needed)

Name	Credit Limit	Balance Due	Expiration Date

**Schedule 4****Loan Information**

List all loans that are currently outstanding

Name of Financial Institution	Amount of Payment	Balance Due

**Schedule 5****Motor Vehicle Information**

Year	Make/Model	Financed Through	Current Value

**Schedule 6****Real Estate Information**

Address	Financed Through	Current Value

**Other assets**

List other items that you, your spouse, and/or your dependents own or are currently buying (i.e. stocks, bonds, boats, furniture, jewelry, mechanic's tools, RV, etc...)


If you are currently living with another individual, family or friend, and are paying no monthly expenses, that individual must read and understand the statement below and then sign and date this form.

Under penalties of perjury, I declare that the named individual(s) on this Financial Statement are currently residing with me and pay no monthly living expenses.

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

### Additional Information

### Offer in Compromise Information

List below your offer in compromise and the payment thereof.

Compromise Amount: \$ \_\_\_\_\_

Paid in full within: \_\_\_\_\_ days

Down Payment: \$ \_\_\_\_\_

Monthly Payment: \$ \_\_\_\_\_

Please explain how you determined these figures:

### Before submitting your application, please review the following final checklist:

- ☐ Completed the Form FS-OIC in its entirety.
- ☐ Included a Letter of Circumstance.
- ☐ Attached all of the required supporting documentation (proof of income and expenses).

Under penalties of perjury, I declare that this statement of assets and liabilities and all other information included in this document or attached thereto are true and correct to the best of my knowledge and belief. I authorize the Indiana Department of Revenue to verify any and all facts included in this document.

\_\_\_\_\_  
Your Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Spouse's Signature

\_\_\_\_\_  
Date