



Offer in Compromise Application

This booklet contains the following:

- Offer in Compromise: General Information
- Form M-656, Offer in Compromise Application
- Form M-433-OIC, Statement of Financial Condition and Other Information
- Electronic Funds Transfer Authorization Form
- Document Checklist
- Form M-2848, Power of Attorney and Declaration of Representative



Offer in Compromise Application

General Information

What is an Offer in Compromise?

An Offer in Compromise (Offer) is an agreement between the taxpayer (the individual, business, and/or person responsible for the tax liability and making the Offer) and the Department of Revenue (DOR) to settle a tax liability for less than the full amount owed because: i) the taxpayer is unable to pay the full liability owed; ii) there is serious doubt as to whether the tax can be collected; iii) there is no intent to defraud by the taxpayer; and iv) accepting an Offer is in the best interest of the Commonwealth.

Am I eligible?

You must meet certain basic eligibility criteria before you can make an Offer.

Please review the following statements. Each statement must be "True" in order for the Department to begin processing your Offer request. If your response to any of these statements is "False," you are not eligible for the Offer in Compromise program at this time and should not file an Offer.

- ▶ You have filed all required Massachusetts tax returns and reports with DOR.
- ▶ You have paid the entire liability of the most recent tax year, or the last 12 months of returns.
- ▶ You have made all required estimated payments for the current year.
- ▶ You have received a final Notice of Assessment for all Massachusetts state taxes that you owe.
- ▶ You do not actively dispute the amount of tax owed or that you are responsible to pay the tax liability.

If you answer "False" to any of these 5 statements, STOP. You should not proceed to make an Offer at this time.

Can you pay your liability in full?

Your Offer will be rejected if the Department determines from its **Financial Audit** of your income and assets that you are able to pay your tax debt in full immediately or with a short-term payment agreement.

What if I am in bankruptcy?

If you are in an active bankruptcy case, you should contact the Bankruptcy Unit to discuss your options before submitting any paperwork to the Offer in Compromise Unit. While you are in an active bankruptcy case, an Offer will not ordinarily be considered. Instead, the information you provide may be forwarded to the Bankruptcy Unit to be used in conjunction with its management of the bankruptcy case.

What if I dispute that I am legally liable for the tax owed, or dispute any assessed period?

Do not submit an Offer.

File Form ABT, Application for Abatement, if you dispute an audit assessment, request waiver of penalties, challenge a responsible person determination, or request an abatement of motor vehicle excise billed by DOR. You may also need to file Form DR-1 Office of Appeals Form.

File an amended return if you want to amend, change, or correct your original filed return, or to report a federal change or change by another state.

Can I submit an Offer myself or do I need an accountant or attorney?

You can submit an Offer yourself without professional representation. However, accountants and attorneys are often more familiar with OIC Offers and you are strongly encouraged to consult with a tax professional before proceeding.

If an accountant or attorney represents you, Form M-2848 Power of Attorney and Declaration of Representative must be submitted to the Department with the Offer in Compromise Application.

Preparing Your Offer

Preparing to submit an Offer

Review the "Am I eligible?" section above to be sure that you are eligible to make an Offer.

Review Form M-656 Offer in Compromise Application and Form M-433-OIC Statement of Financial Condition and Other Information. Refer to the Document Checklist and gather all necessary supporting documentation.

Determining your Minimum Offer Amount

The Minimum Offer Amount equals the net equity of your current assets, plus a projected amount that could be collected from your future income.

Complete Part 1 or Part 2 (or both depending on your situation) of Form M-433-OIC, then calculate your Minimum Offer Amount in Part 3 of Form M-433-OIC.

You must Offer an amount greater than or equal to the Minimum Offer Amount. The Minimum Offer Amount must equal or exceed \$5,000. In general, the Offer amount should be at least 50% of the underlying tax liability to be considered for approval. In accordance with Massachusetts General Laws, Chapter 62C, §37A, before approving any Offer, the Commissioner of Revenue will determine if approving the Offer is in the best interest of the Commonwealth. Offering the Minimum Offer Amount does not guarantee acceptance of your Offer.

The information provided on Form M-433-OIC and your supporting documentation assists the Department in conducting an audit of your financial condition and in verifying your Minimum Offer Amount.

Your Offer will be rejected if the Department's Financial Audit indicates that you can pay a greater amount than what you have Offered or you have the ability to fully pay the tax liability, either immediately or through an installment agreement. Your Initial Payment and payments received during the Financial Audit will not be returned if your Offer is rejected but will be applied against your outstanding liability.

Does offering the Minimum Offer Amount guarantee acceptance of my Offer?

No. The Department performs a Financial Audit as a part of the evaluation process. Here are some examples of reasons why your Offer for an amount equal to or greater than the Minimum Offer Amount you calculate might be rejected:

Excess Expenses — The Department references national "Collection Financial Standards" produced by the IRS to determine maximum allowable amounts for claimed expenses. Expenses that exceed these standards will be adjusted to the maximum allowed.

Omitted Items — Your Offer may be rejected if you omit income, assets, or other items of significance from your financial statement.

Insufficient Documentation — Most items on the financial statement must be substantiated. Your Offer will be declined if you do not provide sufficient documentation to support income, expenses, and other items claimed.

Property Valuation — The Department will ascertain the value of all property that you own. Your Offer may be rejected if the Department determines the value of the property is greater than shown on your financial statement.

History of Non-Compliance — A history of regular or willful noncompliance with Massachusetts state laws and tax laws may constitute grounds for rejection of your Offer.

Other — The law gives the Commissioner the option to accept an Offer but in no way requires it. The Offer will be declined in any instance where the Commissioner determines that acceptance is not in the best interest of the Commonwealth.

Will Offers for less than the Minimum Offer Amount be considered?

Yes. You must explain your situation if economic hardship causes you to Offer an amount less than the Minimum Offer Amount by filling out Section 3, "Explanation of Circumstances," on Form M-656, Offer in Compromise Application. However, your Offer must still equal or exceed \$5,000 despite any economic hardship. You may also attach to Form M-656 any pertinent documents to help support your claims of economic hardship.

Economic hardship circumstances may include factors such as advanced age, serious illness with a long term or unlikely recovery, or any other factors that have an impact upon your ability to pay the total Minimum Offer Amount and continue to provide for the necessary living expenses for you and your family.

What if I am a corporate officer, individual partner, or responsible person for a liability?

Complete Form M-656. Complete all of Part 1, Part 2, and Part 3 of Form M-433-OIC.

A Responsible Person, Corporate Officer, or Individual Partner must submit a separate application and a separate Offer from any other Responsible Person, Corporate Officer, or Individual Partner (co-obligor(s)). Offers cannot be combined.

Basic eligibility and each Offer will be evaluated separately.

If the Offer is accepted, it does not release or discharge any co-obligor(s) from liability. DOR still reserves all rights of collection against the co-obligor(s).

Payment options

You must select a payment option and make the Initial Payment with your Offer. The amount of the Initial Payment and subsequent payments will depend on the total amount of your Offer and which of the following payment options you choose:

Lump Sum Cash: This option requires 20% of the total Offer amount to be paid with the Offer and the remaining balance paid within 60 days of the date your Offer is accepted.

Installment Payment: This option requires the first payment to be paid with the Offer and the remaining balance paid in monthly automatic payments from a bank account within 24 months, in accordance with your proposed Offer terms. Under this option, you must make monthly payments while the Department is evaluating your Offer. **Failure to make these payments, until you have received a final decision letter, will cause your Offer to be rejected. There is no appeal.**

Payments made on an Offer will not be returned. If your Offer is accepted, your payments made during the Offer process will be applied to your Offer amount.

How is my Offer evaluated?

First, the Department's Offer In Compromise Unit within the Collections Bureau appraises your tax filing situation for Basic Eligibility as described above. This **Basic Eligibility Appraisal** will be made generally within 7 days of the receipt of the Application. If not eligible for the OIC Program, you will be notified and any Initial Payment will be returned.

Once Basic Eligibility is determined to have been met, any Initial Payment will not be returned.

If Basic Eligibility is met, the Department performs a complete **Financial Audit** of the Offer packet. This includes examining your assets, liabilities, and ability to pay both immediately and over time. Your financial position and previous tax payment history are audited by the Department. The **Financial Audit** may take up to 5 – 6 months to be completed and is dependent upon your cooperation.

Although the Department evaluates each case based on its own unique set of facts and circumstances, the Department gives the following factors strong consideration:

- ▶ Your ability to pay, as determined by the Department;
- ▶ The amount of equity in your assets;
- ▶ Your present and future income and expenses;
- ▶ The potential for changed circumstances;
- ▶ The amount of the Offer in relation to the underlying tax liability;
- ▶ Whether the Offer is in the best interest of the Commonwealth; and
- ▶ Whether the Offer contains fraudulent, misleading, or incomplete information.

You may be contacted if additional information or documentation is needed. You must respond timely or your Offer may be rejected, and the Initial Payment and any payments received during the **Financial Audit** will be applied against the outstanding liability.

The Offer in Compromise Unit also consults with DOR legal counsel to determine whether a settlement is in the best interests of the Commonwealth. Based upon the application and documents presented, a recommendation is then made to two Deputy Commissioners and to the Commissioner of Revenue for acceptance or denial. The Commissioner of Revenue must approve an Offer for it to be accepted.

The Attorney General must review, and may object to, any Offer proposing to settle the liability: i) for over \$20,000 less than the total amount owed; or ii) for less than half of the total amount owed.

Will collections stop?

After the Basic Eligibility Appraisal is complete and once the Financial Audit begins, DOR will generally cease collections activity on the tax liability (with some important exceptions noted below) while we evaluate your Offer. Tax liens on your property will remain in place while your Offer is being evaluated. DOR will also continue to intercept and apply payments from sources including but not limited to gambling and lottery winnings, overpayments, offsets, refunds, insurance proceeds, and/or other governmental payments. Any such payments will not be considered as part of your Offer. Interest and penalties will continue to accrue on any unpaid amounts.

It is important to note that **the Department will not suspend collection if we determine that you submitted your Offer to delay collection or cause a delay which will jeopardize our ability to collect the tax.**

For the period during which the Offer is pending, you agree to the extension of the statutory time allowed for the Commonwealth to collect the tax liability and the further extension of the statutory time when an accepted Offer includes installment payments.

What am I required to do while my Offer is being evaluated?

You must timely file and pay all required tax returns while the Offer is under review and pending.

You must make monthly installment payments while the Offer is under review and pending if an Installment Payment Offer is proposed.

You must also respond promptly and within the specified timeframe to any requests for additional information. Immediately notify the Department of changes to your mailing address, email address and/or phone number. Monitor your email, mail, and phone for any information requests from the Department.

Failure to respond in a timely and sufficient manner may result in rejection of your Offer. **Your Initial Payment and any payments received during the Financial Audit will not be returned if your Offer is rejected and will be applied against your outstanding liability.**

Can I withdraw my Offer?

Yes. You may withdraw your Offer at any time. Notify the Department immediately by email.

If you withdraw your Offer after Basic Eligibility has been determined, your Initial Payment and any payments received during the Financial Audit will not be returned and will be applied against your outstanding liability.

How to Apply

How do I make an Offer in Compromise?

To make an Offer in Compromise, you must completely fill out the Offer in Compromise Application.

Before an application will be considered, all required supporting documentation must be provided to the Department.

If you have made a good faith effort to complete the application in full and provide all required documentation, the Department will contact you with a list of any missing items and allow you a reasonable amount of time to provide them.

What do I send with my Offer?

1. Form M-656, Offer in Compromise Application, completed and signed.
2. Form M-433-OIC, Statement of Financial Condition and Other Information, completed and signed.
3. Electronic Funds Transfer Authorization Form completed and signed.
4. Form M-2848, Power of Attorney and Declaration of Representative, completed and signed if someone is acting as a representative for you.
5. Supporting Documentation – Refer to the Documentation Checklist in the Application Packet for a list of items to include.
6. Initial Payment – You must make an Initial Payment with your Offer based on the payment option you selected (20% of the Offer amount for a lump sum cash Offer or the first month's installment for an Installment Payment Offer). **The Initial Payment and payments received during the Financial Audit will not be returned if your Offer is rejected or withdrawn and will be applied against your outstanding liability.**
 - ▶ With an emailed Offer, Initial Payment must be made by electronic funds transfer through your MassTaxConnect account. If you do not have an MTC account, contact the Collections Bureau at (617) 887-6400 for assistance in making the payment.
 - ▶ With a mailed Offer, Initial Payment must be in the form of a certified check, cashier's check, treasurer's check, or bank check made payable to the "Commonwealth of Massachusetts" or "Massachusetts Department of Revenue."

Where do I send my Offer?

The preferred way to send your Offer in Compromise Applications and all supporting documentation is to scan and email to: doroicunit@dor.state.ma.us

If unable to send electronically, mail to:

Massachusetts Department of Revenue Collections/OIC Unit
PO Box 7021
Boston, MA 02204

Contact the Collections Bureau at (617) 887-6400 if you need assistance in completing the application.

Completing the Application Package

Step 1 – Gather your information

To calculate an Offer amount, you will need to gather information about your financial situation, including cash, investments, available credit, assets, income, and debt.

You will also need to gather information about your household's average monthly income and actual expenses. The entire household includes all those in addition to yourself who contribute money to pay expenses relating to the household such as, rent, utilities, insurance, groceries, etc. This is necessary for the Department to accurately evaluate your Offer. It may also be used to determine your share of the total household income and expenses.

In general, the Department will not consider expenses for tuition for private schools, college expenses, charitable contributions, and other unsecured debt payments as part of the expense calculation.

Step 2 - Fill out Form M-433-OIC Statement of Financial Condition and Other Information

Fill out Form M-433-OIC, Statement of Financial Condition and Other Information. Items that do not apply to you should be notated with "N/A."

Complete Part 1 if you are an individual wage earner, operate (or operated) as a sole proprietor or are authorized to submit an Offer on behalf of the estate of a deceased individual. If you are married but living separately from your spouse, then you each must submit a Form M-433-OIC. This will be used to calculate an appropriate Offer amount based on your assets, income, expenses, and future earning potential. You will have the opportunity to provide a written explanation of any special circumstances that affect your financial situation.

Complete Part 2 if the business is or was a corporation, partnership, LLC classified as a corporation, single member LLC taxed as a corporation, or other multi-owner/multi-member LLC. This will be used to calculate an appropriate Offer amount based on the business assets, income, expenses, and future earning potential.

In all cases, complete Part 3 to calculate your Minimum Offer Amount. If you have special circumstances that would hinder you from paying the Minimum Offer Amount, explain them on Form M-656, Offer in Compromise Application, Section 3, "Explanation of Circumstances."

Step 3 – Fill Out Form M-656 Offer in Compromise Application

Fill out Form M-656, Offer in Compromise Application. The Form M-656 identifies your Offer amount and the payment terms. It also identifies the tax years and type of tax you would like to compromise.

Step 4 – Fill Out the Electronic Funds Transfer Authorization Form

Fill out the Electronic Funds Transfer (EFT) Authorization if you propose to pay your Offer through installment payments. You must make monthly installment payments while your Offer is being evaluated. Once enrolled in EFT, your payments will be deducted automatically from your bank account and submitted to DOR for the duration of the OIC Installment Agreement.

Step 5 – Fill Out Form M-2848 Power of Attorney and Declaration of Representative

Fill out Form M-2848, Power of Attorney and Declaration of Representative, if necessary.

Step 6 – Include required documentation

You will need to include supporting documentation to the information on Form M-433- OIC. A list of the documents required will be found at the end of the application packet. Include copies of all required attachments. **Do not send original documents.**

Step 7 – Make or include Initial Payment

With an emailed Offer, Initial Payment must be made by electronic funds transfer through your MassTaxConnect account. With a mailed Offer, Initial Payment must be in the form of a certified check, cashier's check, treasurer's check, or bank check.

Your Initial Payment is based on the payment option you selected (20% of the Offer amount for a lump sum cash Offer or the first month's payment for an Installment Payment Offer). **Initial Payments and any payment received during the Financial Audit will not be returned and will be applied to your tax liability if your Offer is rejected by the Department or withdrawn by you.**

Make check payments payable to the "Commonwealth of Massachusetts" or "Massachusetts Department of Revenue". All payments must be made in U.S. dollars.

Step 8 – Send the application package

Make a copy of your completed application package and keep it for your records.

We prefer that you send the completed application package to the above DOR email address. If you are unable to do so, mail the completed application package to the above DOR mailing address.

If you are working with a DOR employee, let him or her know you are sending or have sent an Offer to settle your tax debt(s).

Paying Your Offer

What happens if my Offer is accepted?

If your Offer is accepted, the Department will prepare and send a settlement agreement for you to electronically sign and return. Please ensure that you maintain an accurate and updated email and mailing address with the Department.

The Commissioner of Revenue will then electronically sign the agreement, a copy of which will be sent to you via email for you to retain in your records.

Payment of the accepted Offer must be made either by the payment due date as indicated on the settlement agreement or under an installment payment agreement. If a state tax lien(s) has been placed on your property, the Department will release the lien(s) promptly upon receipt of full payment of the accepted Offer.

Payment of a lump sum Offer may be made by electronic funds transfer (EFT), cashier's check, treasurer's check, or bank check.

Payment of an Installment Payment Offer may only be made by monthly automatic debits from a financial institution.

Your name, and the amount of the settlement will be published and made public in the DOR Annual Report. Compromise agreements are not protected by the confidentiality provisions of the Massachusetts General Laws, Chapter 62C, §21.

The compromise agreement, signed by all parties and including the reasons for compromise, is a:

- ▶ Public record, and
- ▶ Open to public inspection upon request.

Once an Offer takes effect, neither party may reopen the matter except for:

- ▶ Falsification or concealment of assets, or
- ▶ Mutual mistake of material fact.

What if my Offer is rejected?

Notification: You and your designated representative will be notified by email or mail if the Offer is rejected. You should immediately contact the Department at (617) 887- 6400 to arrange payment of the entire liability.

Installment Payments: If immediate payment of the entire liability is not possible, you may request payment through a Department approved installment payment agreement.

Counteroffers: You should not expect a counteroffer from the Department, nor will the Department entertain a counteroffer from you. The Department does on limited occasions make a counteroffer, but only if your initial Offer is reasonably close to what the Department believes is acceptable based on your financial information.

Your Initial Payment and any payments received during the Financial Audit will not be returned if your Offer is rejected but will be applied against your outstanding liability.

Why might my Offer be rejected?

An Offer in Compromise may be rejected for a variety of reasons. An Offer will likely be rejected if you have:

- ▶ The ability to pay a larger Offer amount or to pay the tax liability in full as determined by the Department, either immediately or on an installment payment agreement
- ▶ Failed to promptly comply with DOR requests for additional information within the specified timeframe or provided insufficient documentation
- ▶ Submitted false or misleading information
- ▶ Failed to disclose of material information
- ▶ Omitted or undervalued income or assets on the application
- ▶ A history of regular or willful non-compliance with Massachusetts laws including but not limited to the tax laws
- ▶ A history of criminal tax fraud (conviction, guilty plea, or no contest plea)

Who should I contact if I have questions about the Offer in Compromise Application?

Contact the Department at (617) 887-6400 if you need assistance in completing the application.

For more detailed information regarding the laws, regulations, and administrative procedures, please refer to the following references: Massachusetts General Laws, Chapter 62C, §37A; and DOR Administrative Procedure 634.



Massachusetts Department of Revenue
Form M-656
Offer in Compromise Application

Section 1. Taxpayer Contact Information

Taxpayer's first name, middle initial, last name		Phone number		Social Security number
If a joint Offer, spouse's first name, middle initial, last name		Phone number		Spouse's Social Security number
Business name (use only if a business is making an Offer)		Phone number		Employer Identification number
Taxpayer street address	City/town	State	Zip	Email address
Mailing address (if different from above)	City/town	State	Zip	
Taxpayer legal structure				
<input type="radio"/> Individual <input type="radio"/> Partnership <input type="radio"/> Proprietorship <input type="radio"/> Corporation <input type="radio"/> LLC Corporate officer(s):				

Section 2. Tax Periods

Description of tax liabilities to be compromised:

Tax type	Account number	Periods
<input type="radio"/> Individual income tax		
<input type="radio"/> Corporate excise tax		
<input type="radio"/> Sales tax		
<input type="radio"/> Meals tax		
<input type="radio"/> Withholding tax		
<input type="radio"/> Other		

☐ Personal liability as a Responsible Person of (enter business name):

List tax types, account numbers, and periods above of the liabilities of the Responsible Person:

Section 3. Explanation of Circumstances

Supporting reason for Offer (Required) (Attach additional sheets if necessary)

Section 4. Source of Funds

Where will you obtain the funds to pay your Offer:

Include a separate check for the Initial Payment. Make payable to the "Commonwealth of Massachusetts" or "Massachusetts Department of Revenue". Do not send cash. Send a separate check with each Offer; do not combine it with any other tax payments, as this may delay processing of your Offer. Your Offer will be returned to you if the required payments are not properly remitted, or if your check is returned for insufficient funds.

**Section 5. Payment Terms**

Required: I Offer to pay a total amount of \$_____ to compromise and settle the tax liabilities listed above and on the attached Form M-433-OIC and will pay this amount in the following manner (fill in one only):

Payment Option 1 Lump Sum

☐ Fill in if you will pay your Offer **within 60 days** from written acceptance to the Offer.

Amount of Initial Payment, 20% of the total Offer amount, submitted with your Offer: \$_____.

Payment Option 2 Installment Payment

☐ Fill in if you will pay your Offer in full in more than 60 days and in less than or equal to 24 months and pay in monthly installments.

I submit the Initial Payment (first installment), \$_____, with this application and then \$_____ on the ____ day of each month thereafter for a total of ____ months. Total payments must equal the total Offer amount.

Payment will be automatically debited from your financial institution on the day of the month indicated while the Offer is being processed and following written acceptance of the Offer. Penalty and interest will continue to accrue for all outstanding tax liabilities.

You must complete and include the Electronic Funds Transfer Authorization Form in this application packet.

With an emailed Offer, Initial Payment must be made by electronic funds transfer through your MassTaxConnect account. With a mailed Offer, Initial Payment must be in the form of a certified check, cashier's check, treasurer's check, or bank check. No personal checks will be accepted.

Section 6. Offer Terms

Terms, Conditions, and Legal Agreement.	a) I request that the Massachusetts Department of Revenue ("DOR") accept the Offer amount listed in this Offer application as payment of my outstanding tax debt (including interest, penalties, and any additional amounts required by law) as of the date listed on this form. I authorize DOR to amend Section 2 on page 1 in the event I failed to list any of my assessed tax debt.
DOR will keep my payments, fees, and some refunds.	b) I voluntarily submit the payments made on this Offer and understand that after DOR deems that my circumstances make me eligible for consideration by having passed through the Basic Eligibility Appraisal , they are not refundable even if I withdraw the Offer or the DOR rejects the Offer. If the Offer is accepted, I understand that DOR will apply payments made after acceptance in the best interest of the Commonwealth. c) DOR will keep any refund, including interest, that I might be due for tax periods extending through the calendar year in which DOR accepts my Offer. I cannot designate that the refund be applied to estimated tax payments for the following year or the accepted Offer amount. If I receive a refund after I submit this Offer for any tax period extending through the calendar year in which DOR accepts my Offer, I will return the refund immediately.
I understand my obligations while an Offer is being considered.	d) I understand that this Offer will be considered and acted upon in due course and that it does not relieve me from the liability sought to be settled unless and until the Offer is accepted in writing by the Commissioner and there has been full compliance with the terms of the Offer. DOR will keep any monies it has collected prior to this Offer and any payments that I make relating to this Offer which will be applied to my outstanding liability. DOR may levy my assets up to the time that a DOR official sends a letter acknowledging receipt of my Offer after it deems that my circumstances make me eligible for consideration by having passed through the Basic Eligibility Appraisal . After an Offer is determined to be complete and submitted for processing, DOR might not act to collect the tax liability while it considers and evaluates my Offer. However, I also understand that DOR will not suspend collection if the Department determines that I submitted my Offer to delay collection or cause a delay that will jeopardize the DOR's ability to collect the tax.
Pending status of an Offer.	e) Once an authorized DOR official deems that my circumstances make me eligible for consideration by having passed through the Basic Eligibility Appraisal and sends a letter acknowledging receipt of my Offer, my Offer is considered pending and subject to Financial Audit as of that letter date and it remains pending until DOR accepts, rejects, or returns my Offer or I withdraw my Offer. An Offer will be considered withdrawn when the DOR receives my written notice of withdrawal by personal delivery or certified mail or when I inform the DOR of my withdrawal by other means and the DOR acknowledges in writing my intent to withdraw the Offer.
My accepted Offer will be publicly disclosed.	f) Compromise agreements are not subject to the confidentiality provisions under Massachusetts General Law, settlement agreements will be made available by the Commissioner for public inspection upon request, and the Commissioner shall, as part of his annual report, disclose and list all settlements entered into during the fiscal year.
I understand I remain liable for the full amount of my tax debt until all terms and conditions of this Offer have been met.	g) DOR will not remove the original amount of my tax debt from its records until I have met all the terms and conditions of this Offer. Penalty and interest will continue to accrue on all tax liabilities until all payment terms of the Offer have been met. If I file for bankruptcy before the terms are fully met, any claim the DOR files in the bankruptcy proceedings will be a tax claim. h) Once the DOR accepts my Offer in writing, I have no right to contest, in court or otherwise, the liability sought to be settled.



I understand what will happen if I fail to meet the terms of my Offer (e.g., default).	i) If I fail to meet any of the terms of this Offer, the DOR may initiate enhanced collection activities, including levy or garnishment, to collect any amount ranging from the unpaid balance of the Offer to the original amount of the tax debt. DOR will continue to add penalty and interest on the amount that is due after default. DOR will add penalty and interest from the date I default until I completely satisfy the amount owed.
I agree to waive time limits for collection provided by law.	j) I agree and understand that the statutory period for collecting my tax debt will be suspended during the time my Offer is pending with the DOR. If my Offer is rejected or I withdraw my Offer the statutory period for collection of the taxes will be extended by the number of days that my Offer was under review.
I understand the Massachusetts DOR may file a state tax lien on my property and intercept certain payments.	k) DOR may file state tax lien notices while my Offer is under review in order to protect the Commonwealth's interests. Any tax liens relating to the taxes included in my Offer will be released when the payment terms of any approved Offer agreement have been satisfied. l) DOR may intercept and apply payments from sources including but not limited to gambling and lottery winnings, overpayments, offsets, refunds, insurance proceeds, and/or other governmental payments while my Offer is being evaluated. Any such payments will not be considered as part of my Offer.
I authorize the Massachusetts Department of Revenue to contact third parties in order to process my Offer.	m) By authorizing the DOR to contact third parties including credit bureaus, I understand that I will not be notified of which third parties the DOR contacts as part of the Offer application process.
I understand that if my Offer is accepted, it will not reduce or eliminate the tax liability of anyone that is not a party to this Offer.	n) I understand that if the liability sought to be compromised is a joint liability of myself and my co-obligor(s) and I am submitting this Offer to compromise my individual liability only, then if this Offer is accepted, it does not release or discharge my co-obligor(s) from liability. DOR still reserves all rights of collection against the co-obligor(s).
I authorize the Massachusetts Department of Revenue to withdraw money from my bank account if I choose a monthly payment option.	o) If Payment Option 2 is selected under Section 5 of this application, I authorize the Massachusetts Department of Revenue and its designated financial agent to initiate a monthly ACH electronic funds withdrawal entry to the financial institution account indicated in Section 5 for payments of my state taxes included in this Offer and the financial institution to debit the entry to this account. I also authorize the financial institutions involved in the processing of electric payments of state taxes to receive confidential tax information necessary to answer inquiries and resolve issues related to those payments. This authorization is to remain in full force and effect until I notify DOR to terminate the authorization.

Section 7. Mandatory Signatures

Name of taxpayer (printed)	Signature of taxpayer	Date (mm/dd/yyyy)
Name of taxpayer's spouse (printed)	Signature of taxpayer's spouse	Date (mm/dd/yyyy)
Name of preparer, if applicable (printed)	Signature of preparer	Date (mm/dd/yyyy)

Email this application and all attachments to: dorocunit@dor.state.ma.us.

If unable to send electronically, mail to: Massachusetts Department of Revenue, Collections/OIC Unit, PO Box 7021, Boston, MA 02204.
The OIC Unit will contact you for any required information that has been omitted.



Massachusetts Department of Revenue

Form M-433-OIC

Statement of Financial Condition and Other Information

Complete all entries with the most current information available. For entries that do not apply, enter "N/A" (not applicable).

Failure to complete all applicable entries may result in rejection or delays in the processing of your Offer.

If you need additional space, list on a separate sheet and attach.

Individual and self-employed taxpayers must complete Part 1.

Corporate officers, individual partners or responsible persons must also complete Part 1.

Corporations or other business taxpayers must complete Part 2 even if business is no longer operating.

Part 1 Individual Information**Section 1. Personal and Household Information**

Last name	First name	Date of birth (mm/dd/yyyy)	Social Security number
Marital status		Fill in if:	
<input type="radio"/> Married <input type="radio"/> Unmarried		<input type="radio"/> Own your home <input type="radio"/> Rent <input type="radio"/> Other	
Home address	City/town	State	Zip
Mailing address	City/town	State	Zip
Primary phone number	Secondary phone number	Email address	
Occupation	Employer's name		
Employer's address	City/town	State	Zip

Provide information about your spouse

Spouse's last name	First name	Date of birth (mm/dd/yyyy)	Social Security number
Spouse's occupation		Spouse's employer's name	
Spouse's employer's address	City/town	State	Zip

Provide information for all other persons in the household or claimed as a dependent on your tax return

Name	Age	Relationship	Fill in if claimed as dependent <input type="radio"/>	Fill in if contributes to household income <input type="radio"/>
Name	Age	Relationship	Fill in if claimed as dependent <input type="radio"/>	Fill in if contributes to household income <input type="radio"/>
Name	Age	Relationship	Fill in if claimed as dependent <input type="radio"/>	Fill in if contributes to household income <input type="radio"/>
Name	Age	Relationship	Fill in if claimed as dependent <input type="radio"/>	Fill in if contributes to household income <input type="radio"/>

Section 2. Self-employed Information Complete this section if you or your spouse are self-employed.

Name of business	Trade name or DBA	Employer Identification number
Address of business (if other than personal residence)	City/town	State Zip
Business phone	Business website	Total number of employees
Description of business	Frequency of tax deposits	Average gross monthly payroll
Fill in if you or your spouse have any other business interests	Name of business	Employer Identification number
<input type="radio"/> Percentage of ownership:	City/town	State Zip

Type of business (select one): ☐ Partnership ☐ Single-member LLC ☐ LLC ☐ Corporation ☐ Sole-proprietorship ☐ Other

**Section 3. Personal Asset Information** If any total below results in a negative number, enter "0".

Cash and investments (domestic and foreign). Enter the total amount available for each of the following. Provide the three (3) most current statements for each type of account, such as checking, savings, money market and online accounts, stored value cards, digital, virtual, investment and retirement accounts, life insurance policies that have a cash value, and safe deposit boxes.

1. Personal bank accounts (Excluding business bank accounts)Type of bank account: ☐ Checking ☐ Savings ☐ Money market ☐ Online account ☐ Stored value card

Name of bank	Account number	Balance
		\$

Type of bank account: ☐ Checking ☐ Savings ☐ Money market ☐ Online account ☐ Stored value card

Name of bank	Account number	Balance
		\$

		Balance
--	--	---------

Total value of personal bank accounts from attachment, if any: \$

	Balance
--	---------

1. Total balance of personal bank accounts: **1** \$**2. Investment accounts (Excluding business bank accounts)**Investment account: ☐ Stocks ☐ Bonds ☐ Mutual funds ☐ Certificates of deposit ☐ Other

Name of financial institution Account number

Current market value	Adjusted market value	Loan balance	Balance (Subtract loan balance from adjusted market value)
\$	x 0.8 = \$	\$	\$

Investment account: ☐ Stocks ☐ Bonds ☐ Mutual funds ☐ Certificates of deposit ☐ Other

Name of financial institution Account number

Current market value	Adjusted market value	Loan balance	Balance (Subtract loan balance from adjusted market value)
\$	x 0.8 = \$	\$	\$

	Balance
--	---------

Total value of investment accounts from attachment (Multiply current market value by 0.8 then subtract any loan balance): \$

	Balance
--	---------

2. Total investment account balances **2** \$**3. Retirement accounts**Retirement account: ☐ 401K ☐ IRA ☐ Other

Name of financial institution Account number

Current market value	Adjusted market value	Loan balance	Balance (Subtract loan balance from adjusted market value)
\$	x 0.7 = \$	\$	\$

Retirement account: ☐ 401K ☐ IRA ☐ Other

Name of financial institution Account number

Current market value	Adjusted market value	Loan balance	Balance (Subtract loan balance from adjusted market value)
\$	x 0.7 = \$	\$	\$

	Balance
--	---------

Total value of retirement accounts from attachment (Multiply current market value by 0.8 then subtract any loan balance): \$

	Balance
--	---------

3. Total retirement account balances **3** \$

**Section 3. Personal Asset Information (cont.)** If any total below results in a negative number, enter "0".**4. Cash value of life insurance policies**

Name of insurance company	Policy number	
Current cash value	Loan balance	Balance (Subtract loan balance from current cash value)
\$	\$	\$
Total current cash value of life insurance policies from attachment	Loan balance	Balance (Subtract loan balance from current cash value)
\$	\$	\$
		Balance
4. Total cash value of life insurance policies:		4 \$

5. Real estate (Enter information about any house, condo, co-op, time share, etc. that you own or are buying)

Property address	City/town	State	Zip
Fill in if primary residence: County and country	How is property titled (joint tenancy, etc.)	Description of property	
<input type="radio"/>			
Current market value	Adjusted Market Value	Loan balance	Total value of real estate (Subtract loan balance from adjusted market value)
\$	x 0.8 = \$	\$	\$
Property address	City/town	State	Zip
Fill in if primary residence: County and country	How is property titled (joint tenancy, etc.)	Description of property	
<input type="radio"/>			
Current market value	Adjusted Market Value	Loan balance	Total value of real estate (Subtract loan balance from adjusted market value)
\$	x 0.8 = \$	\$	\$
			Balance
Total value of property(s) from attachment (multiply current market value by 0.8 then subtract any loan balance):			\$
5. Total real estate			5 \$

**Section 3. Personal Asset Information (cont.)** If any total below results in a negative number, enter "0"**6. Personal Vehicles, excluding vehicles used for business only (Enter information about any cars, boats, motorcycles, etc. you own or lease)**

Vehicle make	Year	Model	Mileage	Lease	Loan	Monthly payment amount
				<input type="radio"/>	<input type="radio"/>	\$
Current market value	Adjusted market value	Loan balance		Total value of vehicle (Subtract loan balance from adjusted market value. If lease, enter "0")		
\$	x 0.8 =	\$		\$		
Vehicle make	Year	Model	Mileage	Lease	Loan	Monthly payment amount
				<input type="radio"/>	<input type="radio"/>	\$
Current market value	Adjusted market value	Loan balance		Total value of vehicle (Subtract loan balance from adjusted market value. If lease, enter "0")		
\$	x 0.8 =	\$		\$		
						Balance
Total value of vehicle(s) from attachment (multiply current market value by 0.8 then subtract any loan balance):						\$

6. Total value of personal vehicles

6 \$

7. Other valuable items (Jewelry, firearms, artwork, collections, items of value in safe deposit boxes, etc.)

Description of asset			
Current market value	Adjusted market value	Loan balance	Balance (Subtract loan balance from adjusted market value)
\$	x 0.8 =	\$	\$
Description of asset			
Current market value	Adjusted market value	Loan balance	Balance (Subtract loan balance from adjusted market value)
\$	x 0.8 =	\$	\$
			Balance
Total value of asset(s) from attachment (multiply current market value by 0.8 then subtract any loan balance):			\$

7. Total other valuable items

7 \$

Total available personal assets. Add lines 1 through 7 and enter the amount in Box 1**Box 1** \$

**Section 4. Business Asset Information (For self-employed)****8. Business bank accounts (If separate from personal bank accounts)**Type of bank account: ☐ Checking ☐ Savings ☐ Money market ☐ Online account ☐ Stored value card

Name of bank Account number Balance

\$

Type of bank account: ☐ Checking ☐ Savings ☐ Money market ☐ Online account ☐ Stored value card

Name of bank Account number Balance

\$

Balance

Total value of bank accounts from attachment, if any:

\$

Balance

8. Total business bank account balances:**8** \$**9. Other business assets and encumbrances including Uniform Commercial Code (UCC) filings, merchandise, inventory, tools, books, machinery, equipment, business vehicles, and real property that is owned/leased/rented**

Description of asset

Current market value	Adjusted market value	Loan balance	Balance (Subtract loan balance from adjusted market value)
\$	x 0.8 = \$	\$	\$

Description of asset

Current market value	Adjusted market value	Loan balance	Balance (Subtract loan balance from adjusted market value)
\$	x 0.8 = \$	\$	\$

Balance

Total value of assets from attachment (Multiply current market value by 0.8 then subtract any loan balance):

\$

Balance

9. Total other assets that are owned, leased, and/or rented**9** \$**10. Accounts/notes receivable List the two largest receivables below, including contracts awarded but not started.**

Name of account Due date

Business street address (no PO Box) City/town State Zip

Amount due

Age of account (in days): ☐ 0-30 ☐ 31-60 ☐ 61-90 ☐ 91+

\$

Name of account Due date

Business street address (no PO Box) City/town State Zip

Amount due

Age of account (in days): ☐ 0-30 ☐ 31-60 ☐ 61-90 ☐ 91+

\$

Balance

Total value of accounts/notes receivable from attachment:

\$

10. Total of all accounts/notes receivable**10** \$**Total available self-employed assets.** Add lines 8 through 10 and enter the amount in Box 2**Box 2** \$

**Section 5. Monthly Household and Expense Information**

Enter your household's monthly income.

You may average 6-12 months income/receipts to determine your monthly income/receipts.

Include the prorated amount of any seasonal income.

The information below is for yourself, your spouse, and anyone else who contributes to your household's income. The entire household includes spouse, significant other, children, and others who contribute to the household. This is necessary for the Department to accurately evaluate your Offer.

Average Monthly Household Income**Gross Monthly Income**

Source	Taxpayer	Spouse and/or other(s)
Salary, wages, commissions, tips	\$	\$
Self-employment income	\$	\$
Pensions, disability, and Social Security	\$	\$
Dividends and interest	\$	\$
Gift or loan proceeds	\$	\$
Rental income	\$	\$
Estate, trust, and royalty income	\$	\$
Workers' compensation and unemployment	\$	\$
Alimony and child support received	\$	\$
Other (specify)	\$	\$
Other (specify)	\$	\$
Other (specify)	\$	\$
Other (specify)	\$	\$
Total gross monthly income. Add the above items	\$	\$

Withholdings

Federal income taxes	\$	\$
State income taxes	\$	\$
FICA/SSN/PFML taxes	\$	\$
Total monthly taxes withheld. Add the above items	\$	\$
Individual net monthly income. Total gross monthly income minus Total monthly taxes withheld	\$	\$
Net monthly household income. Add individual net monthly incomes and enter the amount here		\$

**Section 5. Monthly Household and Expense Information (cont.)****Claimed Monthly Living Expenses.** Taxpayer must provide documentation for every expense claimed below.**Housing and Utilities**

Expense	Allowance Claimed
Home mortgage or rent payment(s)	\$
Electric	\$
Gas	\$
Water	\$
Phone	\$
Internet	\$
Property taxes	\$
Homeowners/Renters insurance	\$
Other (specify)	\$
7. Total monthly housing and utilities. Add the above items	7 \$

Food, Clothing, and Personal Care

Food	\$
Clothing	\$
Personal care products	\$
Miscellaneous	\$
8. Total monthly food, clothing, and personal care. Add the above items	8 \$

Transportation

Public transportation/Ride share	\$
Vehicle loan payment(s)	\$
Vehicle lease payment(.s)	\$
Vehicle insurance	\$
Fuel and vehicle operating costs	\$
9. Total monthly transportation. Add the above items	9 \$

Medical and Insurance

Out-of-pocket medical expenses and prescriptions	\$
Health insurance	\$
Life insurance	\$
Other	\$
10. Total monthly medical and insurance. Add the above items	10 \$

Priority Payments

Secured loan with priority over state tax lien, excluding home mortgage if included above	\$
Court-ordered payment (e.g., child support, alimony, etc.)	\$
Other	\$
11. Total monthly priority payments. Add the above items	11 \$



Claimed Monthly Living Expenses. Taxpayer must provide documentation for every expense claimed below.

Expense	Allowance Claimed
Entertainment and recreation (cable television, vacations, dining, etc.)	\$
Past due taxes (not including the Massachusetts tax you wish to compromise)	\$
Monthly minimum credit card payments	\$
Legal fees	\$
Personal loan payments of unsecured loans	\$
Personal loan payments of secured loans without priority of state tax lien	\$
Tuition and/or student loan payment(s)	\$
Day care/childcare	\$
Other (specify)	\$
Other (specify)	\$
12. Total monthly other expenses. Add the above items 12	\$
Total claimed monthly living expenses. Add lines 7 through 12 and enter result here	\$
Average monthly household income. Net Monthly Household Income minus Total Claimed Monthly Living Expenses Box 3	\$

Extraordinary Expenses If the standards in Claimed Monthly Living Expenses are inadequate to provide for basic living expenses, the Department may allow for a larger reported amount to be included in Claimed Monthly Living Expenses.

Taxpayers must explain the need below and provide supporting documentation.

[illegible]

**Section 6. Business Income and Expense Information (for self-employed)**

If you provide a current profit and loss (P&L) statement for the information below, enter the total Gross Monthly Business Income and your Total Monthly Business Expenses below. Do not complete the individual line items. You may use the amounts claimed for income and expenses on your most recent Schedule C; however, if the amount has changed significantly within the past year, a current P&L should be submitted to substantiate the claim.

Business Income (you may average 6-12 months income/receipts to determine your gross monthly income/receipts)

Gross receipts	\$
Gross rental income	\$
Interest income	\$
Dividends	\$
Other income	\$
Gross monthly business income. Add the above items	\$

Business Expenses (you may average 6-12 months of expenses to determine your average expenses)

Materials purchased (e.g., items directly related to the production of a product or service)	\$
Inventory purchased (e.g., goods bought for resale)	\$
Gross wages and salaries	\$
Rent	\$
Supplies (items used to conduct business and used up within one year, e.g., books, office supplies, professional equipment)	\$
Utilities/telephones	\$
Vehicle costs (gas, oil, repairs, maintenance)	\$
Business insurance	\$
Current business taxes (e.g., real estate, excise, franchise, occupational, personal property, sales, and employer's portion of employment taxes)	\$
Other secured debts (not credit cards)	\$
Other business expenses (attach statement)	\$
Total monthly business expenses. Add the above items	\$
Average monthly self-employed business income. Gross Monthly Business Income minus Total Monthly Business expenses	Box 4 \$



You must answer all of the following questions related to your financial condition. If you need additional space, list on a separate sheet and attach.

Garnishments

Are there any garnishments against your wages? ☐ Yes ☐ No

Name of creditor	Date of judgment	Debt amount
		\$

Judgments

Are there any judgments against you? ☐ Yes ☐ No

Name of creditor	Date of judgment	Debt amount
		\$

Lawsuits

Are you a party in a lawsuit? ☐ Yes ☐ No

Amount of suit	Possible completion date	Subject matter of suit
\$		

Bankruptcies

Have you ever filed for bankruptcy? ☐ Yes ☐ No

Date filed	Date discharged	Docket number
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Asset transfers

In the past 10 years have you have transferred any assets out of your name for less than their actual value? ☐ Yes ☐ No

Type of asset	Value at time of transfer	Consideration received
	\$	

Income increases

Do you anticipate any increase in household income in the next two years? ☐ Yes ☐ No

Reason for income increase

Estate/Trust Recipient

Are you the beneficiary of an estate, trust, or life insurance policy? ☐ Yes ☐ No

Name of estate or trust	Amount to be received	Date to be received
	\$	

Donor/Fiduciary

Are you the grantor or donor of any trust or the trustee or fiduciary for any trust? ☐ Yes ☐ No

Name of trust	Present value of assets in trust
	\$

Profit Sharing, Stock Options, Interests in Incorporated and Unincorporated Businesses

Are you a participant in a profit-sharing plan, stock options, and/or have interests in incorporated and unincorporated businesses? ☐ Yes ☐ No

Name of plan/options/business	Value in plan/options/business
	\$

State Licenses

Do you currently hold any state licenses or contracts? ☐ Yes ☐ No

Type of license	License number
-----------------	----------------

Declaration and Signature of Taxpayer

Failure to disclose all information requested in this form may result in the rejection of your Offer and prohibit you from having any future Offer accepted. Under the pains and penalties of perjury, I declare that to the best of my knowledge and belief this statement of assets, liabilities and other information is true, correct, and complete.

Your signature	Date	Spouse's signature (if applicable)	Date
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Declaration and Signature of Preparer Other Than Taxpayer

Under the pains and penalties of perjury, I declare that the information given in this statement is accurate and that I have personal knowledge of the taxpayer's financial condition.

Preparer's signature	Preparer's name (Print)	Date
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Individual and self-employed taxpayers only: Skip to **Part 3, Minimum Offer Amount**.

Corporate officers, individual partners, or responsible persons: Continue to **Part 2, Business Information**.

Corporations or other business taxpayers **must** complete **Part 2, Business Information**.

**Part 2 Business Information** Corporations or other business taxpayers must complete Part 2, even if business is no longer operating.**Section 1. Business Information**

Business name		Employer Identification number	
Email address	Description of business and DBA of "Trade Name"		
Business address	City/town	State	Zip
Mailing address (if different from above or PO box number)	City/town	State	Zip
Primary phone number	Secondary phone number	Business website address	
Fill in if the business use a payroll service provider <input type="radio"/>	Payroll service provider's name		
Payroll service provider address	City/town	State	Zip
Fill in if state contractor <input type="radio"/>	Frequency of tax deposits	Total number of employees	Average gross monthly payroll

Provide information about person(s) responsible for filing and/or paying trustee taxes

Last name	First name	Title	
Percent ownership	Social Security number	Primary phone number	Secondary phone number
Home address	City/town	State	Zip

Provide information about all partners, officers, LLC members, and/or major shareholders (foreign and domestic)

Last name	First name	Title	
Percent ownership	Social Security number	Primary phone number	Secondary phone number
Home address	City/town	State	Zip
Last name	First name	Title	
Percent ownership	Social Security number	Primary phone number	Secondary phone number
Home address	City/town	State	Zip

**Section 2. Business Asset Information** If any total below results in a negative number, enter "0".

Enter the total amount available for each of the following (include attachments if additional space is needed). Gather the most current statement from banks, lenders on loans, mortgages (including second mortgages), monthly payments, loan balances, and accountant's depreciation schedules, if applicable. Also, include vehicles and current value of business assets. To estimate the current value, you may consult resources like Kelley Blue Book, NADA, local real estate postings of properties similar to yours, and any other websites or publications that show what the business assets would be worth if you were to sell them.

1. Total Cash on Hand (Include any money that is not held in a bank)**1 \$****2. Bank Accounts (domestic and foreign) Enter the total amount available**Type of bank account: ☐ Checking ☐ Savings ☐ Money market ☐ Online account ☐ Stored value card

Name of bank Account number Balance

\$

Type of bank account: ☐ Checking ☐ Savings ☐ Money market ☐ Online account ☐ Stored value card

Name of bank Account number Balance

\$

Balance

Total value of bank accounts from attachment:

\$

2. Total Business Account Balances Add the above items**2 \$ Balance****3. Investment Accounts (domestic and foreign) Enter the total amount available**Investment account: ☐ Stocks ☐ Bonds ☐ Mutual funds ☐ Certificates of deposit ☐ Other

Name of financial institution Account number

Current market value Adjusted market value Loan balance Balance (Subtract loan balance from adjusted market value)

\$ x 0.8 = \$ \$ \$

Balance

Total value of investment accounts from attachment (Multiply current market value by 0.8 then subtract any loan balance):

\$

Balance

3. Total investment account balances**3 \$****4. Real Estate Enter information about any house, condo, co-op, time share, etc. that the business owns or is buying**

Property address City/town State Zip

Fill in if primary residence: County and country How is property titled (joint tenancy, etc.) Description of property

☐

Current market value Adjusted market value Loan balance Total value of real estate (Subtract loan balance from adjusted market value)

\$ x 0.8 = \$ \$ \$

Balance

4. Total value of property(s) from attachment (multiply current market value by 0.8 then subtract any loan balance(s):**4 \$****4. Total real estate****4 \$****5. Company Owned/Leased Vehicles (Enter information about any cars, boats, motorcycles, etc. that the business owns or leases)**

Vehicle make Year Model Mileage Lease Loan Monthly payment amount

☐ ☐ \$

Current market value Adjusted market value Loan balance Total value of vehicle (Subtract loan balance from adjusted market value. If lease, enter "0")

\$ x 0.8 = \$ \$ \$

Vehicle make Year Model Mileage Lease Loan Monthly payment amount

☐ ☐ \$

Current market value Adjusted market value Loan balance Total value of vehicle (Subtract loan balance from adjusted market value. If lease, enter "0")

\$ x 0.8 = \$ \$ \$

Balance

Total value of vehicle(s) from attachment (multiply current market value by 0.8 then subtract any loan balance(s):

\$

5. Total value of company vehicles**5 \$**

**Section 2. Business Asset Information (contd.)** If any total below results in a negative number, enter "0"**6. Other Business Assets and Encumbrances**, including Uniform Commercial Code (UCC) filings, merchandise, inventory, tools, books, machinery, equipment, etc. that is owned/leased/rented. If additional space is needed, attach a list of items.

Description of asset

Current market value	Adjusted market value	Loan balance	Balance (Subtract loan balance from adjusted market value)
\$ _____ x 0.8 =	\$ _____	\$ _____	\$ _____

Description of asset

Current market value	Adjusted market value	Loan balance	Balance (Subtract loan balance from adjusted market value)
\$ _____ x 0.8 =	\$ _____	\$ _____	\$ _____
			Balance

Total value of asset(s) from attachment (multiply current market value by 0.8 then subtract any loan balance(s): \$ _____

6. Total other business assets that are owned/leased/rented **6 \$****7. Lines of Credit including all credit cards. Provide a copy of a current statement for each account.**

Name of credit institution

Credit limit	Amount owed	Available credit (Subtract amount owed from credit limit)
\$ _____	\$ _____	\$ _____

Total available credit for all lines of credit from attachment \$ _____

7. Total available lines of credit **7 \$****8. Accounts/Notes receivable** List the two largest receivables below, including contracts awarded but not started.

Name of account Due date

Business street address (no PO Box) City/town State Zip

Amount due

Age of account (in days): ☐ 0-30 ☐ 31-60 ☐ 61-90 ☐ 91+ \$

Name of account Due date

Business street address (no PO Box) City/town State Zip

Amount due

Age of account (in days): ☐ 0-30 ☐ 31-60 ☐ 61-90 ☐ 91+ \$

Balance

Total value of accounts/notes receivable from attachment: \$ _____

8. Total accounts/notes receivables **8 \$****Total available business assets.** Add lines 1 through 8 and enter the amount in Box 2 **Box 1 \$**

**Section 3. Business Income and Expense Information**

Enter the average gross monthly income and expenses of your business.

To determine your gross monthly income, use the most recent 6-12 months documentation of commissions, invoices, gross receipts from sales/services, etc.; most recent 6-12 months earnings statements, etc., from every other source of income (such as rental income, interest and dividends, or subsidies); or you may use a most recent 6-12 months Profit and Loss (P&L) to provide the information of income and expenses.

To determine your gross monthly expenses for your business, use your most recent 6-12 months statements, bills, receipts, or other documents showing monthly recurring expenses.

Note: If you provide a current profit and loss statement for the information below, enter the total monthly income in line 1 and total monthly expenses in line 2.

Monthly Business Income

Gross receipts	\$
Gross rental income	\$
Interest income	\$
Dividends	\$
Other income	\$
Average gross monthly business income. Add the above items	1 \$

Monthly Business Expenses

Materials purchased (e.g., items directly related to the production of a product or service)	\$
Inventory purchased (e.g., goods bought for resale)	\$
Gross wages and salaries	\$
Rent	\$
Supplies (items used to conduct business and used up within one year, e.g., books, office supplies, professional equipment)	\$
Utilities/telephones	\$
Vehicle costs (gas, oil, repairs, maintenance)	\$
Business insurance	\$
Current business taxes (e.g., real estate, state and local, excise, franchise, occupational, personal property, sales, and employers portion of employment taxes)	\$
Other secured debts (not credit cards)	\$
Other business expenses (attach statement)	\$
Average gross monthly business expenses. Add the above items	2 \$
Average monthly business income. Average gross monthly business income minus average gross monthly business expenses	Box 2 \$



You must answer all of the following questions related to the business' financial condition. Use additional pages if necessary.

Other Business Relationships

Does this business have any other business relationships (e.g., parent corporation, subsidiary corporation, partnership, etc.)? ☐ Yes ☐ No

Related Federal Identification number

Additional related Federal Identification number

Outstanding Borrowed Loans

Does anyone associated with this business (e.g., officer, stockholder, partner, or employee) have an outstanding loan borrowed from this business? ☐ Yes ☐ No

If Yes, fill in here and also include as an asset above.

Amount of loan

Date

Current balance

\$

Judgments

Are there any judgments against this business? ☐ Yes ☐ No If Yes, fill in here and also include any monthly payment in Monthly Business Expense, Other business expenses above.

Name of creditor

Date of judgment

Debt amount

\$

Lawsuits

Is this business a party in a lawsuit? ☐ Yes ☐ No

Amount of suit

Possible completion date

Subject matter of suit

\$

Bankruptcies

Has this business ever filed for bankruptcy? ☐ Yes ☐ No

Date filed

Date discharged

Docket number

Asset Transfers

In the past ten years have any assets been transferred out of this business for less than their actual value? ☐ Yes ☐ No

Type of asset

Value at time of transfer

Consideration received

\$

\$

Income Increases

Does the business anticipate any increase in business income in the next two years (e.g., contracts bid but not awarded)? ☐ Yes ☐ No

Reason for income increase

Amount of increase

Expected date of increase

\$

Estate/Trust/Insurance Recipient

Is this business the beneficiary of an estate, trust, or life insurance policy? ☐ Yes ☐ No

Name of trust or estate

Amount to be received

Date to be received

\$

Declaration and Signature of Taxpayer

Failure to disclose all information requested in this form may result in the rejection of your Offer and prohibit you from having any future Offer accepted. Under the pains and penalties of perjury, I declare that to the best of my knowledge and belief this statement of assets, liabilities and other information is true, correct, and complete.

Taxpayer signature

Title

Date

Declaration and Signature of Preparer Other Than Taxpayer

Under the pains and penalties of perjury, I declare that the information given in this statement is accurate and that I have personal knowledge of the taxpayer's financial condition.

Preparer's signature

Preparer's name (Print)

Date

Privacy Act Notice

Under the authority of 42 USC. § 405(c)(2)(C)(i), and MGL ch 62C, § 5, the Department of Revenue has the right to require an individual to furnish his or her Social Security number on a state tax return. This information is mandatory. The Department of Revenue uses Social Security numbers for taxpayer identification to assist in processing and keeping track of returns and in determining and collecting the proper amount of tax due. Under MGL ch 62C, § 40, the taxpayer's identifying number is required to process a refund of overpaid taxes. Although tax return information is generally confidential pursuant to MGL ch 62C, § 21, the Department of Revenue may disclose return information to other taxing authorities and those entities specified in MGL ch 62C, §§ 21, 22 or 23, and as otherwise authorized by law.

**Part 3 Minimum Offer Amount** Combine current available assets and average monthly incomes below.**From Part 1**

Total available personal assets	Box 1	\$	Average monthly household income	Box 3	\$
Total available self-employed business assets	Box 2	\$	Average monthly self-employed business income	Box 4	\$

From Part 2

Total available business assets	Box 1	\$	Average monthly business income	Box 2	\$
Current Available Assets			Average Monthly Income		
Add all above boxes	Box 5	\$	Add all above boxes	Box 6	\$

Calculate Your Minimum Offer Amount

The next step is to calculate your Minimum Offer Amount. The amount of time you take to pay your Offer in full will affect your Minimum Offer Amount. Paying over a shorter period of time will result in a smaller Minimum Offer Amount.

If you will pay your Offer in a lump sum **within 60 days** from written acceptance of the Offer (Payment Option 1), multiply "Average Monthly Income" (Box 6) by 12 to get "Future Available Income" (Box 7).

Enter the total from Box 6 here	Box 7	Future Available Income
\$	x 12 =	\$

If you will pay your Offer sum **in more than 60 days and less than or equal to 24 months** and pay in monthly installments (Payment Option 2), multiply "Average Monthly Income" (Box 6) by 24 to get "Future Available Income" (Box 8).

Enter the total from Box 6 here	Box 8	Future Available Income
\$	x 24 =	\$

Determine your **Minimum Offer Amount** by adding the Current Available Assets from Box 5 to amount in either Box 7 or Box 8.

Enter the amount from Box 5 here	Enter the amount from either Box 7 or Box 8	Minimum Offer Amount (must be \$5,000 or more*)
\$	+	\$

If you have special circumstances that would hinder you from paying this amount, explain them on Form M-656 Offer in Compromise section 3 ("Explanation of Circumstances"), however the amount offered must still be \$5,000 or more.

*In general, the Offer amount should be at least 50% of the underlying tax liability to be considered for approval. In accordance with Massachusetts General Laws, Chapter 62C, §37A, before approving any Offer, the Commissioner of Revenue will determine if approving the Offer is in the best interest of the Commonwealth.



Electronic Funds Transfer Authorization Form for OIC Installment Agreement

Visit MassTaxConnect at mass.gov/masstaxconnect to enroll in the Department of Revenue's (DOR's) EFT program for your OIC Installment Agreement. Once enrolled in EFT, your payments will be deducted automatically from your bank account and submitted to DOR while the Offer is being reviewed and, if accepted, for the duration of the OIC Installment Agreement. If you are unable to activate your EFT enrollment in MassTaxConnect, complete and include this form along with your Offer application. If you need to change the banking information during the OIC installment period, complete this form and mail to Department of Revenue, Collections/OIC Unit, PO Box 7021, Boston, MA, 02204.

Step 1. Complete Requested Information

Reason for submission:

New enrollment ☐ Change enrollment ☐

Taxpayer name

Taxpayer Identification number

Spouse name / Responsible person name

Spouse SSN / Responsible person SSN

Name as appears on check/bank statement

SSN or FID (if different)

I (we) hereby authorize DOR to initiate debit entries from my (our) checking/savings account indicated below and the Depository named below to debit the same from such account.

Depository name (Your bank name)

Transit/ ABA number ("Routing #")

Account number

Indicate below the type of bank account (checking or savings), installment amount, and the date you would like payments debited from your account on a monthly basis:

☐ Checking account ☐ Savings account

OIC Installment Amount \$

Day of each month to debit

Note: This authority is to remain in full force and effect until DOR and the Depository have received written notification from me (or either of us) of its termination in such time and in such manner as to afford DOR and the Depository a reasonable opportunity to act on it.

Name(s) on account (print)

ID numbers on account

Date

Signature

Spouse's signature

Step 2. Attach Depository Information:

Include a copy of your voided check or pre-printed savings deposit slip with banking numbers printed on the bottom. Or, include a copy of a letter from your depository that verifies your banking information (i.e., name, account number, routing number).



Offer in Compromise Document Checklist

An Offer in Compromise will require an in-depth analysis of your financial condition. To expedite this process, it is necessary that you provide the following additional information and documents along with your initial application.

Copies of the following:

- ☐ Federal income tax returns and all schedules for the three most current years.
- ☐ Any OIC Application made to IRS within the past five years, the submitted Form 433, and the determination letter.
- ☐ Other state income tax returns and all schedules for the past three years.
- ☐ Paystubs, earning statements, or other proof of income from the four most recent periods.
- ☐ Most recent statement(s) from all other sources of income such as pensions, Social Security, rental income, interest and dividends, court order for child support, alimony, and rent subsidies.
- ☐ Statements for all checking and savings accounts, stored value cards, digital and virtual investments, personal and/or business, for the three most current months (or periods).
- ☐ A list of all stocks, bonds, and/or other securities you own, along with the current market value for each.
- ☐ A list of all investments, retirement accounts, pensions, and profit sharing plans.
- ☐ Current insurance statements (life, health, auto, etc.). Any life insurance statement must show cash value, current cash loan value, accumulated dividends and interest, dates and amounts of policy, loans, and the amount of loan.
- ☐ Most recent statement from lender(s) on loans such as mortgages, second mortgages, vehicles, etc., showing monthly payments, loan payoffs, and balances.
- ☐ Housing rental agreement and vehicle lease agreement(s), if any.
- ☐ The three most recent statements from credit card companies, lending institutions, and other creditors that clearly indicates transactions, current balances owed, and payment schedule.
- ☐ Documentation to support any special circumstances described in "Extraordinary Expenses" in Part 1 of Form M-433-OIC, if applicable.
- ☐ Copies of any judgments or legal decrees, (excluding bankruptcy), for past six years.
- ☐ A list of all your business equipment, office furniture, and other business assets, including fair market value of each item, copies of documents, etc.
- ☐ A list of all accounts receivable (business) showing the payor, amount due, age, and status of each account.
- ☐ Profit and loss statements (business) for the most recent three months.
- ☐ If personal liability applies then you must provide proof of employment, income, commissions, fees, pensions, etc., for yourself and spouse, if applicable. Even though your spouse may not be liable, this is needed for equitable distribution of cost-of-living expenses. (In most cases, copies of the four most current pay stubs).
- ☐ Attach a Form M-2848, Power of Attorney and Declaration of Representative, if you would like your attorney, CPA, or other party to represent you and you do not have a current form on file with the Department.

Massachusetts Department of Revenue

Form M-2848

Power of Attorney and Declaration of Representative

Part 1. Power of Attorney

Name of taxpayer(s) or principal reporting corporation

Social Security number(s)

Mailing address

Federal Identification number

City/Town

State

Zip

Phone number

Email address

Representative Information

Hereby appoint(s) the following individual(s) as attorney(s)-in-fact to represent the taxpayer(s) before any office of the Massachusetts Department of Revenue for the following tax type(s) and filing period(s) [specify the tax type(s) and year(s) or filing period(s) (date of death if estate tax)]:

Name of individual and firm	Address	Email address/phone number

Fill in oval if you wish to allow a DOR representative to communicate with any individual from firms listed above. ☐

Tax Type(s) & Filing Period(s) at Issue

Tax type(s)	Filing period(s)

The representative is authorized, subject to any limitations set forth below or to revocation, to receive confidential information and to perform any and all acts that the principal(s) can perform with respect to the above specified tax matters, such as the authority to sign any agreements, consents or other documents. The authority does not include the power to receive refund checks.

List below any specific additions or deletions to the acts otherwise authorized in this power of attorney:

Originals of notices and other written communications go to the taxpayer(s). Send copies of all notices and all other written communications addressed to the taxpayer(s) in proceedings involving the above tax matters to:

1 ☐ Appointee first named above, or

2 ☐ Another appointee designated above. Name _____

This power of attorney revokes all earlier powers of attorney on file with the Department of Revenue for the same tax matters and years or periods covered by this power of attorney, except the following (specify to whom granted, date and address including Zip code or attach copies of earlier powers):

Signature of taxpayer(s) or authorized individual of principal reporting entity. See instructions. If signed by a corporate officer, partner, or fiduciary on behalf of the taxpayer, I certify that I have the authority to execute this power of attorney on behalf of the taxpayer and/or principal reporting entity.

Signature (see instructions)

Title (if applicable)

Date

If signing for a taxpayer who is not an individual or a principal reporting corporation, type or print your name

Signature (see instructions)

Title (if applicable)

Date

Part 2. Declaration of Representative. All representatives must complete this section.

I declare that I am not currently under suspension or disbarment from practice within the Commonwealth or in any jurisdiction, that I am aware of regulations governing the practice of attorneys, certified public accountants, public accountants, enrolled agents and others, and that I am one of the following:

- 1** a member in good standing of the bar of the highest court of the jurisdiction shown below;
- 2** duly qualified to practice as a certified public accountant or public accountant in the jurisdiction shown below;
- 3** enrolled as an agent under the requirements of Treasury Department Circular No. 230;
- 4** a bona fide officer of the taxpayer organization or principal reporting corporation;
- 5** a full-time employee of the taxpayer;
- 6** a member of the taxpayer's immediate family (spouse, parent, child or sibling);
- 7** a fiduciary for the taxpayer;
- 8** other (describe relationship) _____

and that I am authorized to represent the taxpayer identified in Part 1 for the tax matters specified there.

Designation (insert appropriate number from above list)	Jurisdiction (state, etc.) or enrollment card number	Signature (see instructions)	Print name	Date

Form M-2848 Instructions

General Information

To protect the confidentiality of tax records, Massachusetts law generally prohibits the Department of Revenue (DOR) from disclosing information contained in tax returns or other documents filed with it to persons other than the taxpayer or the taxpayer's representative. For your protection, the Department requires that you file a Power of Attorney (POA) before it will release tax information to your representative. The POA also allows your representative to act on your behalf to the extent you indicate. Use Form M-2848, Power of Attorney and Declaration of Representative, for this purpose if you choose. You may file a POA without using Form M-2848, but it must contain the same information as Form M-2848 would.

You may use Form M-2848 to appoint one or more individuals to represent you in tax matters before the DOR. You may use Form M-2848 for any matters affecting any tax imposed by the Commonwealth, and the power granted is limited to these tax matters.

For certain corporate excise matters under MGL ch 63. By executing this agreement an officer of a principal reporting corporation filing under MGL ch 63, § 32B represents that the principal reporting corporation is authorized to execute this agreement as agent for all corporations that participated in, or were required to participate in, such filing for any component of the corporate excise reported or required to be reported under any section of MGL ch 63 by any such corporation whether relating to the income measure, non-income measure, or a minimum excise tax liability under the corporate excise.

A principal reporting corporation acts on behalf of all corporations that participated in, or were required to participate in, a filing under MGL ch 63, § 32B, as stated in the preceding paragraph. Consequently, in the case of such a filing by a principal reporting corporation, the references in this agreement to "taxpayer(s)" shall include all such corporations.

Filing the Power of Attorney. You must file the original, a photocopy or facsimile transmission (fax) of the POA with each DOR office in which your representative is to represent you. You do not have to file another copy with other DOR offices or counsel who later have the matter under consideration unless you are specifically asked to provide an additional copy.

Revoking a Power of Attorney. If you previously filed a POA and you want to revoke it, you may use Form M-2848 to change your representatives or alter the powers granted to them. File the form with the office of DOR in which you filed the earlier power. The new POA will revoke the earlier one for the same matters and tax periods unless you specifically state otherwise.

If you want to revoke a POA without executing a new one, send a signed statement to each office of DOR in which you filed the earlier POA you are now revoking. List in this statement the name and address of each representative whose authority is being revoked.

How to Complete Form M-2848

Part 1. Power of Attorney

Taxpayer's name, identification number and address.

a. For individuals. Enter your name, social security number, address, phone number and email address in the space provided. If joint returns are involved, and you and your spouse are designating the same representative(s), also enter your spouse's name and social security number and your spouse's address (if different).

b. For a corporation, partnership or association. Enter the name, federal identification number and business address. If the POA for a partnership will be used in a tax matter in which the name and social security number of each partner have not previously been sent to DOR, list the name and social security number of each partner in the available space at the end of the form or on an attached sheet.

c. For a principal reporting corporation. Enter the name, federal identification number and business address of the principal reporting corporation.

d. For a trust. Enter the name, title and address of the fiduciary, and the name and federal identification number of the trust.

e. For an estate. Enter the name, title and address of the decedent's personal representative, and the name and identification number of the estate. The identification number for an estate is the decedent's social security number and include the federal identification number if the estate has one.

Appointee(s), tax types, years or filing periods. Enter the name, firm, address, email and phone number of the individual(s) you appoint. Your representative must be a person who may be a part of an organization, firm, or partnership.

In the columns provided, clearly identify the tax type(s) and the year(s) or filing period(s) for which the power is granted. You may list any number of years or filing periods and tax type(s) on the same POA. If the matter relates to estate tax, enter the date of the taxpayer's death instead of the year or period.

If the POA will be used in connection with a penalty that is not related to a particular tax type, such as personal income or corporate, enter the section of the General Laws which authorizes the penalty in the "tax type(s)" column.

Powers granted by Form M-2848. Your signature on Form M-2848 authorizes the individual(s) you designate, or their whole firm if you fill in the oval, (your representative or "attorney-in-fact") generally to perform any act you can perform. This includes executing waivers and offers of waivers of restrictions on assessment or collections of deficiencies; waivers of notice of disallowance of a claim for credit or refund; and executing consents extending the legally allowed period for assessment or collection of taxes. The authority does not include the power to receive refund checks.

To disallow your representative to be able to perform any of these or other specific acts, or to allow your representative the power to delegate authority or substitute another representative beyond the individual(s) or firm you listed, insert specific language in the blank space provided.

Where you want copies to be sent. You may also have copies of all notices and all other written communications sent to your representative. Check box 1 if you want copies of all notices or all communications sent to the first appointee named at the top of the form. Check box 2 if you want copies sent to one of your other appointees, and list name.

Signature of taxpayer(s). For individuals: If a joint return is involved and both spouses will be represented by the same individual(s), both must sign the POA unless one authorizes the other (in writing) to sign for both. In that case, attach a copy of the authorization. However, if the spouses are to be represented by different individuals, each may execute a POA.

For a partnership: All partners must sign unless one partner is authorized to act in the name of the partnership. A partner is authorized to act in the name of the partnership if under state law the partner has authority to bind the partnership.

For a corporation or association: An officer having authority to bind the entity must sign.

For a principal reporting corporation: An officer having authority to bind the principal reporting corporation of a combined group.

If you are signing the POA for a taxpayer who is not an individual, such as a corporation or trust, type or print your name on the line below the signature line at the bottom of the form.

Important Note Regarding Electronic Signatures and Filing

If either the taxpayer (in Part 1) or the representative (in Part 2) is typing their full name on this form as their signature, then they should save the completed form as a pdf on their computer and submit the pdf to DOR to POADOR@dor.state.ma.us, where the taxpayer or representative (or each separately) states the following:

"The attached Power-of-Attorney form, designating _____ to be the taxpayer's representative, includes the (choose applicable term) **taxpayer's** or **representative's** typed name that they intend to serve as their valid signature, and intends to transmit on this form to the Massachusetts DOR."

Part 2. Declaration of Representative

Your representative must complete Part 2.

1. They must declare their capacity as one of the following: an attorney, a CPA or public accountant, an Enrolled Agent, an officer or full-time employee of the taxpayer, immediate family of taxpayer, a fiduciary, or other (with a statement describing relationship).

2. For an attorney, CPA or public accountant, your representative must enter in the "jurisdiction" column the name of the state or U.S. possession or territory where they are licensed. For an Enrolled Agent, enter the enrollment card number.

3. The signature and printed name of the representative and the date signed.