

NAVIGATING FEDERAL AND STATE TAX LIABILITY FROM INCEPTION TO APPEAL

TABLE OF CONTENTS

1. Voluntary Disclosure form letter
2. IRS sample notices
3. IR-2012-31, March 7, 2012
4. IRS Form 433-A, Collection Information Statement for Wage Earners and Self-Employed Individuals
5. IRS Form 656, Offer in Compromise
6. IRS Form 13711, Request for Appeal of Offer in Compromise
7. IRS Form 9465, Installment Agreement Request
8. IRS Form 433-F, Collection Information Statement
9. IR-2011-20, February 24, 2011
10. IRS Form 12277, Application for Withdrawal of Filed Form 668(Y), Notice of Federal Tax Lien
11. IRS Form 14134, Application for Certificate of Subordination of Federal Tax Lien
12. IRS Form 14135, Application for Certificate of Discharge of Property from Federal Tax Lien
13. IRS contact list for practitioners

April 25, 2012

via CERTIFIED MAIL

Internal Revenue Service
Kansas City, MO 64999

RE: Client Name
SSN: ____-____-____

To Whom it May Concern:

We are making, on Mr. _____'s behalf, a voluntary disclosure that he has not filed federal income tax returns for years 1994 to present. This is not an admission that he was otherwise required by law to file federal income tax returns for these years. Taxpayer is in good faith submitting the enclosed in an effort to determine his correct tax liability and arrange for payment, as applicable. We are in the process of preparing the returns in issue and will present them for filing upon their completion.

Enclosed please find IRS Form 2848, Power of Attorney and Declaration of Representative naming the undersigned as representative for Mr. _____ for the years in issue. In accordance with such designation, please direct any questions or concerns regarding this matter to me at the above-listed address and phone number.

Thank you for your prompt attention and response in this matter.

Very truly yours,

PRICE & ASSOCIATES, LLC

Adria S. Price
Attorney at Law

Enclosure



Department of the Treasury
Internal Revenue Service
PO Box 9019
Holtsville, NY 11742-9019

Notice CP22A
Tax Year 2008
Notice date April 25, 2011
Social Security number
To contact us Phone 1-800-829-8374
Page 1 of 2

382199.861456.0987.020 1 AT 0.365 372



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12199

Changes to your 2008 Form 1040 Amount due: \$34,216.18

The income or deductions reported on your 2008 Form 1040 do not match what was reported to us by your payer or trustees. We've contacted you about this issue, but have no record you've responded as required. So, we've changed your tax return to match our records and correct your:

- other income
- taxable social security benefits
- self-employment tax

We changed the civil penalty amount that we previously charged.

As a result, you owe \$34,216.18.

Billing Summary

Increase in tax	\$26,445.00
Increase in interest	2,482.18
Amount due by May 16, 2011	\$34,216.18

Continued on back ...



Notice CP22A
Notice date April 25, 2011
Social Security number

Payment

- Make your check or money order payable to the United States Treasury.
- Write your Social Security number, the tax year (2008), and the form number (1040) on your payment and any correspondence.

Amount due by May 16, 2011

\$34,216.18

INTERNAL REVENUE SERVICE
Cincinnati, OH 45999-0149





Department of the Treasury
Internal Revenue Service
PO Box 9019
Holtsville, NY 11742-9019

Notice CP22A
Tax Year 2008
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Notice date April 25, 2011
Social Security number

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- Write your Social Security number, the tax year (2008), and the form number (1040) on your payment and any correspondence.

Amount due by May 16, 2011

\$34,216.18

INTERNAL REVENUE SERVICE
Cincinnati, OH 45999-0149





Department of the Treasury
Internal Revenue Service
Cincinnati, OH 45999-0025

004754.849192.0020.001 1 AT 0.365 705



Notice	CP503
Tax Year	2010
Notice date	May 16, 2011
Social Security number	
To contact us	Phone 1-800-829-8374
Your Caller ID	577374

Page 1 of 3



004754

Second reminder: You have unpaid taxes for 2010

Amount due: \$19,166.21

As we notified you before, our records show you have unpaid taxes for the tax year ending June 30, 2010 (Form CIVPEN). If you don't pay \$19,166.21 by May 26, 2011, interest will increase and additional penalties may apply.

Billing Summary

Amount you owed	\$18,906.50
Interest charges	259.71
Amount due by May 26, 2011	\$19,166.21

What you need to do immediately

Pay immediately

- Send us the amount due of \$19,166.21 by May 26, 2011, to avoid additional penalty and interest charges.

Continued on back...



Notice	CP503
Notice date	May 16, 2011
Social Security number	

Payment

- Make your check or money order payable to the United States Treasury.
- Write your Social Security number, the tax year (2010), and the form number (CIVPEN) on your payment and any correspondence.

**Amount due by
May 26, 2011**

\$19,166.21

INTERNAL REVENUE SERVICE
CINCINNATI, OH 45999-0025



Notice	CP503
Tax Year	2010
Notice date	May 16, 2011
Social Security number	

Page 3 of 3

Interest charges

We are required by law to charge interest on unpaid tax from the date the tax return was due to the date the tax is paid in full. The interest is charged as long as there is an unpaid amount due, including penalties, if applicable. (Internal Revenue Code section 6601)

Description	Amount
Total Interest	\$259.71

The table below shows the rates used to calculate the interest on your unpaid amount due. For a detailed calculation of your interest, call 1-800-829-8374.

Period	Interest rate
Beginning April 1, 2009	4%

Additional information

- Visit www.irs.gov/cp503
- For tax forms, instructions, and publications, visit www.irs.gov or call 1-800-TAX-FORM (1-800-829-3676).
- Keep this notice for your records.

If you need assistance, please don't hesitate to contact us.



Department of the Treasury
Internal Revenue Service
Kansas City, MO 64999-0025

Notice CP504
Tax Year 2008
Notice date January 31, 2011
Social Security number
To contact us Phone 1-800-829-0922
Page 1 of 4

000553.816266.0004.001 2 NR 0.507 1329
[Barcode]



000553

Notice of Intent to levy

Intent to seize your property or rights to property

Amount due immediately: \$11,740.64

As we notified you before, our records show you have unpaid taxes for the tax year ending December 31, 2008 (Form 1040A). If you don't call us immediately or pay the amount due by February 10, 2011, we may seize ("levy") any state tax refund to which you're entitled and apply it to the \$11,740.64 you owe.

If you still have an outstanding balance after we seize any state tax refund, we may take possession of your other property or your rights to property.

What you need to do immediately

Billing Summary

Amount you owed	\$11,580.56
Failure-to-pay penalty	80.79
Interest charges	79.29
Amount due immediately	\$11,740.64

Pay immediately

- Send us the amount due of \$11,740.64, or we may seize ("levy") your state tax refund on or after February 10, 2011.

Continued on back...



Notice CP504
Notice date January 31, 2011
Social Security number

Payment

- Make your check or money order payable to the United States Treasury.
- Write your Social Security number the tax year (2008), and the form number (1040A) on your payment and any correspondence.

Amount due immediately

\$11,740.64

INTERNAL REVENUE SERVICE
KANSAS CITY, MO 64999-0025



**IRS**Department of the Treasury
Internal Revenue ServiceACS SUPPORT - STOP 5050
PO BOX 219236
KANSAS CITY, MO 64121-9236

date:

FEB. 21, 2011

Taxpayer Identification Number:
XXX-XX- N 00Case Reference Number:
9850943900

Caller ID: 391396

Contact Telephone Number:
TOLL FREE: 1-800-829-7650
BEST TIME TO CALL:
MON - FRI 8:00 AM TO 8:00 PM
ASISTENCIA EN ESPANOL 1-800-829-7650**CALL IMMEDIATELY TO PREVENT PROPERTY LOSS
FINAL NOTICE OF INTENT TO LEVY AND NOTICE OF YOUR RIGHT TO A HEARING****WHY WE ARE SENDING YOU THIS LETTER**

We've written to you before asking you to contact us about your overdue taxes. You haven't responded or paid the amounts you owe. We encourage you to call us immediately at the telephone number listed above to discuss your options for paying these amounts. If you act promptly, we can resolve this matter without taking and selling your property to collect what you owe.

We are authorized to collect overdue taxes by taking, which is called levying, property or rights to property and selling them if necessary. Property includes bank accounts, wages, real estate commissions, business assets, cars and other income and assets.

WHAT YOU SHOULD DO

This is your notice, as required under Internal Revenue Code sections 6330 and 6331, that we intend to levy on your property or your rights to property 30 days after the date of this letter unless you take one of these actions:

- Pay the full amount you owe, shown on the back of this letter. When doing so,
 - Please make your check or money order payable to the United States Treasury;
 - Write your social security number and the tax year or employer identification number and the tax period on your payment; and enclose a copy of this letter with your payment.
- Make payment arrangements, such as an installment agreement that allows you to pay off your debt over time.
- Appeal the intended levy on your property by requesting a Collection Due Process hearing within 30 days from the date of this letter.

WHAT TO DO IF YOU DISAGREE

If you've paid already or think we haven't credited a payment to your account, please send us proof of that payment. You may also appeal our intended actions as described above.

Even if you request a hearing, please note that we can still file a Notice of Federal Tax Lien at any time to protect the government's interest. A lien is a public notice that tells your creditors that the government has a right to your current assets and any assets you acquire after we file the lien.

We've enclosed two publications that explain how we collect past due taxes and your collection appeal rights, as required under Internal Revenue Code sections 6330 and 6331. In addition, we've enclosed a form that you can use to request a Collection Due Process hearing.

We look forward to hearing from you immediately, and hope to assist you in fulfilling your responsibility as a taxpayer.

Enclosures: Copy of letter, Form 12153, Publication 594, Publication 1660, Envelope



Automated Collection System

Taxpayer Identification Number:

XXX-XX-

Case Reference Number:

9850943900

Penalty and Interest

The penalty and interest charges on your account are explained below. If you want a more detailed explanation of your penalty and interest, please call the telephone number listed on the front of this notice/letter.

Paying Late - Internal Revenue Code Sections 6651(a)(2), (a)(3) and (d)(1)

We charge a late payment penalty of 1/2 percent of the tax owed for each month or part of a month the tax remains unpaid from the due date, up to a maximum of 25 percent of the tax due. The 1/2 percent increases to 1 percent for each subsequent month or part of a month if the tax remains unpaid 10 days after the IRS issues a notice of intent to levy.

Interest - IRC Section 6601


We charge interest when your tax is not paid on time. Interest is computed from the due date of your return (regardless of extensions) until paid in full. Interest is also charged on penalties for late filing, late payment, over or understating valuations, and substantially understating the tax you owe. Interest compounds daily, except on late or underpaid estimated income taxes for individuals or corporations.

Corporate Interest - We charge additional interest of 2 percent if, according to our records, you didn't make your corporate tax (income, employment, excise, etc.) payment within 30 days after we notified you of the underpayment of tax. This interest begins on the 31st day after we notify you of the underpayment on tax amounts you owe over \$100,000, minus your timely payments and credits.

Notice Number: CP 91
Notice Date: MAY 10, 2010
Social Security Number:

Collection Assistance:

1-800-829-3903
(Asistencia en español
disponible)
Caller ID:



XDAVID E PRICE
43 N KRINGLE PL
SANTA CLAUS IN 47579-6153

102579

Final Notice Before Levy On Social Security Benefits

Our records indicate the federal tax you owe has not been paid, although we have previously advised you of your appeal rights and asked you to pay it. The law allows the IRS to take up to 15% of your Social Security benefits to pay your overdue taxes. We may proceed with levy action if you do not pay the full amount you owe, or contact us to resolve the tax matter within 30 days from the date of this notice. You may also request a hearing with the IRS; however, this may not stop the levy action against your Social Security benefits.

We have identified the following Social Security account information:

Social Security Claim Account Number:
Beneficiary's Own Account Number:

To avoid this levy action against your Social Security benefits:

If You Can Pay The Amount You Owe In Full:

- Make your check or money order payable to the United States Treasury.
- Write your Social Security Number, the form number(s), and tax period(s) on your payment.
- Send your payment and the attached payment stub to us in the enclosed envelope.

You will find the amount you owe listed on the next page. The amount you owe includes tax, penalties, and interest. Penalty and interest charges, known as statutory additons, are detailed on the following pages and continue to accrue until you pay the total amount in full.

If You Cannot Pay The Amount You Owe In Full:

It is important that you call us immediately at the telephone number listed above. Please be prepared to tell us your monthly income and expenses so we can help you resolve this tax matter. We may be able to set up a payment arrangement. Or, if we determine that you cannot pay any of your tax debt due to an economic hardship, we may temporarily delay collection until your financial condition improves.

Contact Us (Within 30 days from the date of this notice)

Please do not contact the Social Security Administration regarding your federal tax matter. If you have any questions, please call the IRS at the above telephone number or write to us at the address located on the return stub found on the second page of this notice. We want to help you resolve this matter, so please call us if you need assistance.

Authorized Representative

If you wish to have someone else contact us to resolve this tax matter, complete Form 2848, *Power of Attorney and Declaration of Representative*, and send it to us in the enclosed envelope. You can get this form at your local IRS office, by calling 1-800-829-3676, or from our website at www.irs.gov. For your information, we have enclosed Publication 4134. This publication provides a list of Low Income Taxpayer Clinics that assist low-income taxpayers for free or for a nominal charge.

Enclosures:
Publication 4134
Copy of this notice
Envelope



IRS Offers New Penalty Relief and Expanded Installment Agreements to Taxpayers under Expanded Fresh Start Initiative

IRS YouTube Video
Fresh Start: [English](#)

IRS Podcast
Fresh Start

IR-2012-31, March 7, 2012

WASHINGTON — The Internal Revenue Service today announced a major expansion of its "Fresh Start" initiative to help struggling taxpayers by taking steps to provide new penalty relief to the unemployed and making Installment Agreements available to more people.

Under the new Fresh Start provisions, part of a broader effort started at the IRS in 2008, certain taxpayers who have been unemployed for 30 days or longer will be able to avoid failure-to-pay penalties. In addition, the IRS is doubling the dollar threshold for taxpayers eligible for Installment Agreements to help more people qualify for the program.

"We have an obligation to work with taxpayers who are struggling to make ends meet," said IRS Commissioner Doug Shulman. "This new approach makes sense for taxpayers and for the nation's tax system, and it's part of a wider effort we have underway to help struggling taxpayers."

Penalty Relief

The IRS announced plans for new penalty relief for the unemployed on failure-to-pay penalties, which are one of the biggest factors a financially distressed taxpayer faces on a tax bill.

To assist those most in need, a six-month grace period on failure-to-pay penalties will be made available to certain wage earners and self-employed individuals. The request for an extension of time to pay will result in relief from the failure to pay penalty for tax year 2011 only if the tax, interest and any other penalties are fully paid by Oct. 15, 2012.

The penalty relief will be available to two categories of taxpayers:

- Wage earners who have been unemployed at least 30 consecutive days during 2011 or in 2012 up to the April 17 deadline for filing a federal tax return this year.
- Self-employed individuals who experienced a 25 percent or greater reduction in business income in 2011 due to the economy.

This penalty relief is subject to income limits. A taxpayer's income must not exceed \$200,000 if he or she files as married filing jointly or not exceed \$100,000 if he or she files as single or head of household. This penalty relief is also restricted to taxpayers whose calendar year 2011 balance due does not exceed \$50,000.

Taxpayers meeting the eligibility criteria will need to complete a new [Form 1127A](#) to seek the 2011 penalty relief. The new form is available on [IRS.gov](#).

The failure-to-pay penalty is generally half of 1 percent per month with an upper limit of 25 percent. Under this new relief, taxpayers can avoid that penalty until Oct. 15, 2012, which is six months beyond this year's filing deadline. However, the IRS is still legally required to charge interest on unpaid back taxes and does not have the authority to waive this charge, which is currently 3 percent on an annual basis.

Even with the new penalty relief becoming available, the IRS strongly encourages taxpayers to file their returns on time by April 17 or file for an extension. Failure-to-file penalties applied to unpaid taxes remain in effect and are generally 5 percent per month, also with a 25 percent cap.

Installment Agreements

The Fresh Start provisions also mean that more taxpayers will have the ability to use streamlined installment agreements to catch up on back taxes.

The IRS announced today that, effective immediately, the threshold for using an installment agreement without having to supply the IRS with a financial statement has been raised from \$25,000 to \$50,000. This is a significant reduction in taxpayer burden.

Taxpayers who owe up to \$50,000 in back taxes will now be able to enter into a streamlined agreement with the IRS that stretches the payment out over a series of months or years. The maximum term for streamlined installment agreements has also been raised to 72 months from the current 60-month maximum.

Taxpayers seeking installment agreements exceeding \$50,000 will still need to supply the IRS with a Collection Information Statement ([Form 433-A](#) or [Form 433-F](#)). Taxpayers may also pay down their balance due to \$50,000 or less to take advantage of this payment option.

An installment agreement is an option for those who cannot pay their entire tax bills by the due date. Penalties are reduced, although interest continues to accrue on the outstanding balance. In order to qualify for the new expanded streamlined installment agreement, a taxpayer must agree to monthly direct debit payments.

Taxpayers can set up an installment agreement with the IRS by going to the [On-line Payment Agreement \(OPA\)](#) page on [IRS.gov](#) and following the instructions.

These changes supplement a number of efforts to help struggling taxpayers, including the "Fresh Start" program announced last year. The initiative includes a variety of changes to help individuals and businesses pay back taxes more easily and with less burden, including the issuance of fewer tax liens.

"Our goal is to help people meet their obligations and get back on their feet financially," Shulman said.

Input from the Internal Revenue Service Advisory Council and the IRS National Taxpayer Advocate's office contributed to the formulation of Fresh Start.

Offers in Compromise

Under the first round of Fresh Start, the IRS expanded a new streamlined Offer in Compromise (OIC) program to cover a larger group of struggling taxpayers. An offer-in-compromise is an agreement between a taxpayer and the IRS that settles the taxpayer's tax liabilities for less than the full amount owed.

The IRS recognizes that many taxpayers are still struggling to pay their bills so the agency has been working to put in place more common-sense changes to the OIC program to more closely reflect real-world situations.

For example, the IRS has more flexibility with financial analysis for determining reasonable collection potential for distressed taxpayers.

Generally, an offer will not be accepted if the IRS believes that the liability can be paid in full as a lump sum or through a payment agreement. The IRS looks at the taxpayer's income and assets to make a determination regarding the taxpayer's ability to pay.

Details on IRS Collection and Other Information

A series of eight short videos are available to familiarize taxpayers and practitioners with the IRS collection process. The series "Owe Taxes? Understanding IRS Collection Efforts", is available on the IRS website, www.irs.gov.

The IRS website has a variety of other online resources available to help taxpayers meet their payment obligations:

- [IR-2011-20: IRS Announces New Effort to Help Struggling Taxpayers Get a Fresh Start; Major Changes Made to Lien Process](#)
- [Offer in Compromise](#)
- [Tax Tip: Ten Tips for Taxpayers Who Owe Money to the IRS](#)
- [The What If's of an Economic Downturn](#)
- [Video on How to Complete Form 656: Offer in Compromise](#)

Page Last Reviewed or Updated: March 16, 2012

Form **656**
(Rev. March 2011)**Offer in Compromise****Attach Application Fee and Payment (check or money order) here.****IRS Received Date****Section 1 Your Contact Information**

Your First Name, Middle Initial, Last Name

If a Joint Offer, Spouse's First Name, Middle Initial, Last Name

Your Physical Home Address (Street, City, State, ZIP Code)

Mailing Address (if different from above or Post Office Box number)

Business Name

Your Business Address (Street, City, State, ZIP Code)

Social Security Number (SSN)
(Primary)

(Secondary)

Employer Identification Number
(EIN)

(EIN not included in offer)

Section 2**Tax Periods****To: Commissioner of Internal Revenue Service****In the following agreement, the pronoun "we" may be assumed in place of "I" when there are joint liabilities and both parties are signing this agreement.**

I submit this offer to compromise the tax liabilities plus any interest, penalties, additions to tax, and additional amounts required by law for the tax type and period(s) marked below:

☐ 1040 Income Tax-Year(s) _____☐ 1120 Income Tax-Year(s) _____☐ 941 Employer's Quarterly Federal Tax Return - Quarterly period(s) _____☐ 940 Employer's Annual Federal Unemployment (FUTA) Tax Return - Year(s) _____☐ Trust Fund Recovery Penalty as a responsible person of (enter corporation name) _____
for failure to pay withholding and Federal Insurance Contributions Act taxes (Social Security taxes), for period(s) ending _____☐ Other Federal Tax(es) [specify type(s) and period(s)] _____**Note:** If you need more space, use attachment and title it "Attachment to Form 656 dated _____." Make sure to sign and date the attachment.**Section 3****Reason for Offer**☐ **Doubt as to Collectibility** - I have insufficient assets and income to pay the full amount.☐ **Exceptional Circumstances (Effective Tax Administration)** - I owe this amount and have sufficient assets to pay the full amount, but due to my exceptional circumstances, requiring full payment would cause an economic hardship or would be unfair and inequitable. I am submitting a written narrative explaining my circumstances.

Section 3**Reason for Offer (Continued)****Explanation of Circumstances (Add additional pages, if needed)**

The IRS understands that there are unplanned events or special circumstances, such as serious illness, where paying the full amount or the minimum offer amount might impair your ability to provide for yourself and your family. If this is the case and you can provide documentation to prove your situation, then your offer may be accepted despite your financial profile. Describe your situation below and attach appropriate documents to this offer application.

Section 4**Low Income Certification (Individuals Only)**

Do you qualify for Low-Income Certification? You qualify if your gross monthly household income is less than or equal to the amount shown in the chart below based on your family size and where you live. If you qualify, you are not required to submit any payments during the consideration of your offer.

☐ Check here if you qualify for Low-Income Certification based on the monthly income guidelines below.

Size of family unit	48 contiguous states and D.C.	Hawaii	Alaska
1	\$2,256	\$2,596	\$2,819
2	\$3,035	\$3,492	\$3,794
3	\$3,815	\$4,388	\$4,769
4	\$4,594	\$5,283	\$5,744
5	\$5,373	\$6,179	\$6,719
6	\$6,152	\$7,075	\$7,694
7	\$6,931	\$7,971	\$8,669
8	\$7,710	\$8,867	\$9,644
For each additional person, add	\$ 779	\$ 896	\$ 975

Section 5**Payment Terms**

Enter the amount of your offer \$ _____

Check one of the payment options below to indicate how long it will take you to pay your offer in full:

Payment Option 1

☐ Check here if you will pay your offer in five or fewer payments:

Enclose a check for 20% of the offer amount (waived if you are an individual and met the requirements for Low-Income certification) and fill in the amount(s) and date(s) of your future payment(s).

20% of the offer amount is \$ _____ leaving a balance of \$ _____ to be paid as follows after the acceptance of your offer:

Amount of payment 1 \$ _____ date _____

Amount of payment 2 \$ _____ date _____

Amount of payment 3 \$ _____ date _____

Amount of payment 4 \$ _____ date _____

Amount of payment 5 \$ _____ date _____

Payment Option 2

☐ Check here if you will pay your offer in full in more than five months and pay in monthly installments

Enclose a check for one month's installment (waived if you are an individual and met the requirements for Low-Income certification)

\$ _____ is being submitted with the Form 656 and then \$ _____ on the _____ (day) of each month thereafter for a total of _____ months. Total payments must equal the total Offer Amount.

You must continue to make these monthly payments while the IRS is considering the offer. Failure to make regular monthly payments will cause your offer to be returned.

Section 6**Designation of Down Payment and Deposit (Optional)**

If you want your payment to be applied to a specific tax year and a specific tax debt, please tell us the tax form _____ and Tax Year/Quarter _____. If you do not designate a preference, we will apply any money you send in to the governments best interest.

If you are paying more than the required payment when you submit your offer and want any part of that payment treated as a deposit, check the box below and insert the amount.

☐ I am making a deposit of \$ _____ with this offer.

Section 7**Source of Funds**

Tell us where you will obtain the funds to pay your offer. You may consider borrowing from friends and/or family, taking out a loan, or selling assets.

Include separate checks for the payment and application fee.

Make payable to the "United States Treasury" and attach to the front of your Form 656, Offer in Compromise. **Do not send cash.** Send a separate application fee 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 application fee and the required payments are not properly remitted, or if your check is returned for insufficient funds.

Section 8**Offer Terms**

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

Terms, Conditions, and Legal Agreement

IRS will keep my payments, fees, and some refunds.

Pending status of an offer and right to appeal

I must comply with my future tax obligations and understand I remain liable for the full amount of my tax debt until all terms and conditions of this offer have been met.

I understand what will happen if I fail to meet the terms of my offer (e.g., default).

I agree to waive time limits provided by law.

a) I request that the IRS 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 the IRS to amend Section 2 on page 1 in the event I failed to list any of my assessed tax debt.

b) I voluntarily submit the payments made on this offer and understand that they are not refundable even if I withdraw the offer or the IRS rejects or returns the offer. Unless I designated how to apply the required payment (page 3 of this application), the IRS will apply my payment in the best interest of the government, choosing which tax years and tax liabilities to pay off. The IRS will also keep my application fee unless the offer is not accepted for processing.

c) The IRS will keep any refund, including interest, that I might be due for tax periods extending through the calendar year in which the IRS 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 the IRS accepts my offer, I will return the refund as soon as possible.

d) The IRS will keep any monies it has collected prior to this offer and any payments that I make relating to this offer that I did not designate as a deposit. Only amounts that exceed the mandatory payments can be treated as a deposit. Such a deposit will be refundable if the offer is rejected or returned by the IRS or is withdrawn. I understand that the IRS will not pay interest on any deposit. The IRS may seize ("levy") my assets up to the time that the IRS official signs and accepts my offer as pending.

e) Once an authorized IRS official signs this form, my offer is considered pending as of that signature date and it remains pending until the IRS accepts, rejects, returns, or terminates my offer or I withdraw my offer. An offer will be considered withdrawn when the IRS receives my written notification of withdrawal by personal delivery or certified mail or when I inform the IRS of my withdrawal by other means and the IRS acknowledges in writing my intent to withdraw the offer.

f) I waive the right to an Appeals hearing if I do not request a hearing within 30 days of the date the IRS notifies me of the decision to reject the offer.

g) I will file tax returns and pay required taxes for the five year period beginning with the date of acceptance of this offer, or until my offer is paid in full, whichever is longer. If this is an offer being submitted for joint tax debt, and one of us does not comply with future obligations, only the non-compliant taxpayer will be in default of this agreement.

h) The IRS 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 until all payment terms of the offer have been met. If I file for bankruptcy before the terms are fully met, any claim the IRS files in the bankruptcy proceedings will be a tax claim.

i) Once the IRS accepts my offer in writing, I have no right to contest, in court or otherwise, the amount of the tax debt.

j) If I fail to meet any of the terms of this offer, the IRS may levy or sue me to collect any amount ranging from the unpaid balance of the offer to the original amount of the tax debt without further notice of any kind. The IRS will continue to add interest, as Section 6601 of the Internal Revenue Code requires, on the amount the IRS determines is due after default. The IRS will add interest from the date I default until I completely satisfy the amount owed.

k) To have my offer considered, I agree to the extension of the time limit provided by law to assess my tax debt (statutory period of assessment). I agree that the date by which the IRS must assess my tax debt will now be the date by which my debt must currently be assessed plus the period of time my offer is pending plus one additional year if the IRS rejects, returns, or terminates my offer or I withdraw it. (Paragraph (e) of this section defines pending and withdrawal). I understand that I have the right not to waive the statutory period of assessment or to limit the waiver to a certain length or certain periods or issues. I understand, however, that the

Section 8 - (Continued)

I understand the IRS may file a Notice of Federal Tax Lien on my property.

I authorize the IRS to contact relevant third parties in order to process my offer

I am submitting an offer as an individual for a joint liability

IRS may not consider my offer if I refuse to waive the statutory period of assessment or if I provide only a limited waiver. I also understand that the statutory period for collecting my tax debt will be suspended during the time my offer is pending with the IRS, for 30 days after any rejection of my offer by the IRS, and during the time that any rejection of my offer is being considered by the Appeals Office.

l) The IRS may file a Notice of Federal Tax Lien during the offer investigation. Generally, the IRS files a Notice of Federal Tax Lien to protect the Government's interest on offers that will be paid over time. This tax lien will be released when the payment terms of the accepted offer have been satisfied.

m) By authorizing the IRS to contact third parties including credit bureaus, I understand that I will not be notified of which third parties the IRS contacts as part of the offer application process, as stated in section 7602(c) of the Internal Revenue Code.

n) I understand if the liability sought to be compromised is the joint and individual 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. The United States still reserves all rights of collection against the co-obligor(s).

Section 9**Signatures**

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

Signature of Taxpayer	Date (mm/dd/yyyy)
Signature of Taxpayer	Date (mm/dd/yyyy)

Section 10**Paid Preparer Use Only**

Signature of Preparer

Name of Paid Preparer	Date (mm/dd/yyyy)	Preparer's CAF no. or PTIN
Firm's Name, Address, and ZIP Code		

Include a valid, signed Form 2848 or 8821 with this application, if one is not on file.

Section 11**Third Party Designee**

Do you want to allow another person to discuss this offer with the IRS?

☐ Yes ☐ No

If yes, provide designee's name

Telephone Number
()

IRS Use Only

I accept the waiver of the statutory period of limitations on assessment for the Internal Revenue Service, as described in Section 8 (k).

Signature of Authorized Internal Revenue Service Official	Title	Date (mm/dd/yyyy)
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Privacy Act Statement

We ask for the information on this form to carry out the internal revenue laws of the United States. Our authority to request this information is Section 7801 of the Internal Revenue Code.

Our purpose for requesting the information is to determine if it is in the best interests of the IRS to accept an offer. You are not required to make an offer; however, if you choose to do so, you must provide all of the taxpayer information requested. Failure to provide all of the information may prevent us from processing your request.

If you are a paid preparer and you prepared the Form 656 for the taxpayer submitting an offer, we request that you complete and sign Section 10 on Form 656, and provide identifying information. Providing this information is voluntary. This information will be used to administer and enforce the internal revenue laws of the United States and may be used to regulate practice before the Internal Revenue Service for those persons subject to Treasury Department Circular No. 230, Regulations Governing the Practice of Attorneys, Certified Public Accountants, Enrolled Agents, Enrolled Actuaries, and Appraisers before the Internal Revenue Service. Information on this form may be disclosed to the Department of Justice for civil and criminal litigation.

We may also disclose this information to cities, states and the District of Columbia for use in administering their tax laws and to combat terrorism. Providing false or fraudulent information on this form may subject you to criminal prosecution and penalties.

Collection Information Statement for Wage Earners and Self-Employed Individuals

Wage Earners Complete Sections 1, 2, 3, and 4, including signature line on page 4. *Answer all questions or write N/A.*
Self-Employed Individuals Complete Sections 1, 2, 3, 4, 5 and 6 and signature line on page 4. *Answer all questions or write N/A.*
For Additional Information, refer to Publication 1854, "How To Prepare a Collection Information Statement"
Include attachments if additional space is needed to respond completely to any question.

Name on Internal Revenue Service (IRS) Account	Social Security Number SSN on IRS Account	Employer Identification Number EIN
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Section 1: Personal Information

1a Full Name of Taxpayer and Spouse (if applicable)		1c Home Phone ()	1d Cell Phone ()
1b Address (Street, City, State, ZIP code) (County of Residence)		1e Business Phone ()	1f Business Cell Phone ()
		2b Name, Age, and Relationship of dependent(s)	
2a Marital Status: <input type="checkbox"/> Married <input type="checkbox"/> Unmarried (Single, Divorced, Widowed)			
3a Taxpayer	Social Security No. (SSN)	Date of Birth (mmddyyyy)	Driver's License Number and State
3b Spouse			

Section 2: Employment Information

If the taxpayer or spouse is self-employed or has self-employment income, also complete Business Information in Sections 5 and 6.

Taxpayer		Spouse	
4a Taxpayer's Employer Name		5a Spouse's Employer Name	
4b Address (Street, City, State, ZIP code)		5b Address (Street, City, State, ZIP code)	
4c Work Telephone Number ()	4d Does employer allow contact at work <input type="checkbox"/> Yes <input type="checkbox"/> No	5c Work Telephone Number ()	5d Does employer allow contact at work <input type="checkbox"/> Yes <input type="checkbox"/> No
4e How long with this employer (years) (months)	4f Occupation	5e How long with this employer (years) (months)	5f Occupation
4g Number of exemptions claimed on Form W-4	4h Pay Period: <input type="checkbox"/> Weekly <input type="checkbox"/> Bi-weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Other	5g Number of exemptions claimed on Form W-4	5h Pay Period: <input type="checkbox"/> Weekly <input type="checkbox"/> Bi-weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Other

Section 3: Other Financial Information (Attach copies of applicable documentation.)

6 Is the individual or sole proprietorship party to a lawsuit (If yes, answer the following) Yes <input type="checkbox"/> No <input type="checkbox"/>			
<input type="checkbox"/> Plaintiff <input type="checkbox"/> Defendant	Location of Filing	Represented by	Docket/Case No.
Amount of Suit \$	Possible Completion Date (mmddyyyy)	Subject of Suit	
7 Has the individual or sole proprietorship ever filed bankruptcy (If yes, answer the following) Yes <input type="checkbox"/> No <input type="checkbox"/>			
Date Filed (mmddyyyy)	Date Dismissed or Discharged (mmddyyyy)	Petition No.	Location
8 Any increase/decrease in income anticipated (business or personal) (If yes, answer the following) Yes <input type="checkbox"/> No <input type="checkbox"/>			
Explain. (Use attachment if needed)	How much will it increase/decrease \$	When will it increase/decrease	
9 Is the individual or sole proprietorship a beneficiary of a trust, estate, or life insurance policy (If yes, answer the following) Yes <input type="checkbox"/> No <input type="checkbox"/>			
Place where recorded: EIN: ;			
Name of the trust, estate, or policy	Anticipated amount to be received \$	When will the amount be received	
10 In the past 10 years, has the individual resided outside of the United States for periods of 6 months or longer (If yes, answer the following) Yes <input type="checkbox"/> No <input type="checkbox"/>			
Dates lived abroad: from (mmddyyyy)		To (mmddyyyy)	

Section 4: Personal Asset Information for All Individuals**11 Cash on Hand.** Include cash that is not in a bank.**Total Cash on Hand** \$**Personal Bank Accounts.** Include all checking, online bank accounts, money market accounts, savings accounts, stored value cards (e.g., payroll cards, government benefit cards, etc.) List safe deposit boxes including location and contents.

Type of Account	Full Name & Address (Street, City, State, ZIP code) of Bank, Savings & Loan, Credit Union, or Financial Institution.	Account Number	Account Balance As of <u>mmddyyyy</u>
12a			\$
12b			\$
12c Total Cash (Add lines 12a, 12b, and amounts from any attachments)			\$

Investments. Include stocks, bonds, mutual funds, stock options, certificates of deposit, and retirement assets such as IRAs, Keogh, and 401(k) plans. Include all corporations, partnerships, limited liability companies or other business entities in which the individual is an officer, director, owner, member, or otherwise has a financial interest.

Type of Investment or Financial Interest	Full Name & Address (Street, City, State, ZIP code) of Company	Current Value	Loan Balance (if applicable) As of <u>mmddyyyy</u>	Equity Value Minus Loan
13a				
	Phone	\$	\$	\$
13b				
	Phone	\$	\$	\$
13c				
	Phone	\$	\$	\$
13d Total Equity (Add lines 13a through 13c and amounts from any attachments)				\$

Available Credit. List bank issued credit cards with available credit.

Full Name & Address (Street, City, State, ZIP code) of Credit Institution

Credit Limit

Amount Owed As of mmddyyyyAvailable Credit As of mmddyyyy

14a				
	Acct No.:	\$	\$	\$
14b				
	Acct No.:	\$	\$	\$
14c Total Available Credit (Add lines 14a, 14b and amounts from any attachments)				\$

15a Life Insurance. Does the individual have life insurance with a cash value (Term Life insurance does not have a cash value.)☐ Yes ☐ No If Yes complete blocks 15b through 15f for each policy:

15b	Name and Address of Insurance Company(ies):			
15c	Policy Number(s)			
15d	Owner of Policy			
15e	Current Cash Value	\$	\$	\$
15f	Outstanding Loan Balance	\$	\$	\$
15g Total Available Cash. (Subtract amounts on line 15f from line 15e and include amounts from any attachments)				\$

16 In the past 10 years, have any assets been transferred by the individual for less than full value
(If yes, answer the following. If no, skip to 17a)

Yes ☐ No ☐

List Asset	Value at Time of Transfer	Date Transferred (mmddyyyy)	To Whom or Where was it Transferred
	\$		

Real Property Owned, Rented, and Leased. Include all real property and land contracts.

	Purchase/Lease Date (mmddyyyy)	Current Fair Market Value (FMV)	Current Loan Balance	Amount of Monthly Payment	Date of Final Payment (mmddyyyy)	Equity FMV Minus Loan
17a Property Description		\$	\$	\$		\$

Location (Street, City, State, ZIP code) and County

Lender/Lessor/Landlord Name, Address, (Street, City, State, ZIP code) and Phone

17b Property Description		\$	\$	\$		\$
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Location (Street, City, State, ZIP code) and County

Lender/Lessor/Landlord Name, Address, (Street, City, State, ZIP code) and Phone

17c Total Equity (Add lines 17a, 17b and amounts from any attachments)

\$

Personal Vehicles Leased and Purchased. Include boats, RVs, motorcycles, trailers, etc.

Description (Year, Mileage, Make, Model)	Purchase/Lease Date (mmddyyyy)	Current Fair Market Value (FMV)	Current Loan Balance	Amount of Monthly Payment	Date of Final Payment (mmddyyyy)	Equity FMV Minus Loan
18a Year Mileage		\$	\$	\$		\$

Make Model Lender/Lessor Name, Address, (Street, City, State, ZIP code) and Phone

18b Year Mileage		\$	\$	\$		\$
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Make Model Lender/Lessor Name, Address, (Street, City, State, ZIP code) and Phone

18c Total Equity (Add lines 18a, 18b and amounts from any attachments)

\$

Personal Assets. Include all furniture, personal effects, artwork, jewelry, collections (coins, guns, etc.), antiques or other assets.

	Purchase/Lease Date (mmddyyyy)	Current Fair Market Value (FMV)	Current Loan Balance	Amount of Monthly Payment	Date of Final Payment (mmddyyyy)	Equity FMV Minus Loan
19a Property Description		\$	\$	\$		\$

Location (Street, City, State, ZIP code) and County

Lender/Lessor Name, Address, (Street, City, State, ZIP code) and Phone

19b Property Description		\$	\$	\$		\$
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Location (Street, City, State, ZIP code) and County

Lender/Lessor Name, Address, (Street, City, State, ZIP code) and Phone

19c Total Equity (Add lines 19a, 19b and amounts from any attachments)

\$

If the taxpayer is self-employed, sections 5 and 6 must be completed before continuing.**Monthly Income/Expense Statement** (For additional information, refer to Publication 1854.)

Total Income		Total Living Expenses		IRS USE ONLY
Source	Gross Monthly	Expense Items ⁵	Actual Monthly	Allowable Expenses
20 Wages (Taxpayer) ¹	\$	33 Food, Clothing, and Misc. ⁶	\$	
21 Wages (Spouse) ¹	\$	34 Housing and Utilities ⁷	\$	
22 Interest - Dividends	\$	35 Vehicle Ownership Costs ⁸	\$	
23 Net Business Income ²	\$	36 Vehicle Operating Costs ⁹	\$	
24 Net Rental Income ³	\$	37 Public Transportation ¹⁰	\$	
25 Distributions ⁴	\$	38 Health Insurance	\$	
26 Pension/Social Security (Taxpayer)	\$	39 Out of Pocket Health Care Costs ¹¹	\$	
27 Pension/Social Security (Spouse)	\$	40 Court Ordered Payments	\$	
28 Child Support	\$	41 Child/Dependent Care	\$	
29 Alimony	\$	42 Life Insurance	\$	
30 Other (Rent subsidy, Oil credit, etc.)	\$	43 Taxes (Income and FICA)	\$	
31 Other	\$	44 Other Secured Debts (Attach list)	\$	
32 Total Income (add lines 20-31)	\$	45 Total Living Expenses (add lines 33-44)	\$	

- 1 Wages, salaries, pensions, and social security:** Enter gross monthly wages and/or salaries. Do not deduct withholding or allotments taken out of pay, such as insurance payments, credit union deductions, car payments, etc. To calculate the gross monthly wages and/or salaries:
If paid weekly - multiply weekly gross wages by 4.3. Example: \$425.89 x 4.3 = \$1,831.33
If paid biweekly (every 2 weeks) - multiply biweekly gross wages by 2.17. Example: \$972.45 x 2.17 = \$2,110.22
If paid semimonthly (twice each month) - multiply semimonthly gross wages by 2. Example: \$856.23 x 2 = \$1,712.46
- 2 Net Income from Business:** Enter monthly net business income. This is the amount earned after ordinary and necessary monthly business expenses are paid. **This figure is the amount from page 6, line 82.** If the net business income is a loss, enter "0". Do not enter a negative number. If this amount is more or less than previous years, attach an explanation.
- 3 Net Rental Income:** Enter monthly net rental income. This is the amount earned after ordinary and necessary monthly rental expenses are paid. Do not include deductions for depreciation or depletion. If the net rental income is a loss, enter "0". Do not enter a negative number.
- 4 Distributions:** Enter the total distributions from partnerships and subchapter S corporations reported on Schedule K-1, and from limited liability companies reported on Form 1040, Schedule C, D or E.
- 5 Expenses not generally allowed:** We generally do not allow tuition for private schools, public or private college expenses, charitable contributions, voluntary retirement contributions, payments on unsecured debts such as credit card bills, cable television and other similar expenses. However, we may allow these expenses if it is proven that they are necessary for the health and welfare of the individual or family or for the production of income.
- 6 Food, Clothing, and Misc.:** Total of clothing, food, housekeeping supplies, and personal care products for one month.
- 7 Housing and Utilities:** For principal residence: Total of rent or mortgage payment. Add the average monthly expenses for the following: property taxes, home owner's or renter's insurance, maintenance, dues, fees, and utilities. Utilities include gas, electricity, water, fuel, oil, other fuels, trash collection, telephone, and cell phone.
- 8 Vehicle Ownership Costs:** Total of monthly lease or purchase/loan payments.
- 9 Vehicle Operating Costs:** Total of maintenance, repairs, insurance, fuel, registrations, licenses, inspections, parking, and tolls for one month.
- 10 Public Transportation:** Total of monthly fares for mass transit (e.g., bus, train, ferry, taxi, etc.)
- 11 Out of Pocket Health Care Costs:** Monthly total of medical services, prescription drugs and medical supplies (e.g., eyeglasses, hearing aids, etc.)

Certification: Under 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's Signature	Spouse's Signature	Date
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Attachments Required for Wage Earners and Self-Employed Individuals:

Copies of the following items for the last 3 months from the date this form is submitted (check all attached items):

- ☐ Income - Earnings statements, pay stubs, etc. from each employer, pension/social security/other income, self employment income (commissions, invoices, sales records, etc.).
- ☐ Banks, Investments, and Life Insurance - Statements for all money market, brokerage, checking and savings accounts, certificates of deposit, IRA, stocks/bonds, and life insurance policies with a cash value.
- ☐ Assets - Statements from lenders on loans, monthly payments, payoffs, and balances for all personal and business assets. Include copies of UCC financing statements and accountant's depreciation schedules.
- ☐ Expenses - Bills or statements for monthly recurring expenses of utilities, rent, insurance, property taxes, phone and cell phone, insurance premiums, court orders requiring payments (child support, alimony, etc.), other out of pocket expenses.
- ☐ Other - credit card statements, profit and loss statements, all loan payoffs, etc.
- ☐ A copy of last year's Form 1040 with all attachments. Include all Schedules K-1 from Form 1120S or Form 1065, as applicable.

Sections 5 and 6 must be completed only if the taxpayer is SELF-EMPLOYED.**Section 5: Business Information**

46 Is the business a sole proprietorship (filing Schedule C) ☐ Yes, Continue with Sections 5 and 6. ☐ No, Complete Form 433-B.
All other business entities, including limited liability companies, partnerships or corporations, must complete Form 433-B.

47 Business Name	48 Employer Identification Number	49 Type of Business Federal Contractor <input type="checkbox"/> Yes <input type="checkbox"/> No
50 Business Website	51 Total Number of Employees	52a Average Gross Monthly Payroll
		52b Frequency of Tax Deposits

53 Does the business engage in e-Commerce (Internet sales) ☐ Yes ☐ No

Payment Processor (e.g., PayPal, Authorize.net, Google Checkout, etc.) Name & Address (Street, City, State, ZIP code)	Payment Processor Account Number
54a	
54b	

Credit Cards Accepted by the Business.

Credit Card	Merchant Account Number	Merchant Account Provider, Name & Address (Street, City, State, ZIP code)
55a		
55b		
55c		

56 Business Cash on Hand. Include cash that is not in a bank. **Total Cash on Hand** \$

Business Bank Accounts. Include checking accounts, online bank accounts, money market accounts, savings accounts, and stored value cards (e.g. payroll cards, government benefit cards, etc.) Report Personal Accounts in Section 4.

Type of Account	Full name & Address (Street, City, State, ZIP code) of Bank, Savings & Loan, Credit Union or Financial Institution.	Account Number	Account Balance As of mmddyyyy
57a			\$
57b			\$
57c Total Cash in Banks (Add lines 57a, 57b and amounts from any attachments)			\$

Accounts/Notes Receivable. Include e-payment accounts receivable and factoring companies, and any bartering or online auction accounts. (List all contracts separately, including contracts awarded, but not started.) **Include Federal Government Contracts.**

Accounts/Notes Receivable & Address (Street, City, State, ZIP code)	Status (e.g., age, factored, other)	Date Due (mmddyyyy)	Invoice Number or Federal Government Contract Number	Amount Due
58a				\$
58b				\$
58c				\$
58d				\$
58e Total Outstanding Balance (Add lines 58a through 58d and amounts from any attachments)				\$

Business Assets. Include all tools, books, machinery, equipment, inventory or other assets used in trade or business. Include Uniform Commercial Code (UCC) filings. Include Vehicles and Real Property owned/leased/rented by the business, if not shown in Section 4.

	Purchase/Lease/Rental Date (mmddyyyy)	Current Fair Market Value (FMV)	Current Loan Balance	Amount of Monthly Payment	Date of Final Payment (mmddyyyy)	Equity FMV Minus Loan
59a Property Description		\$	\$	\$		\$
Location (Street, City, State, ZIP code) and County			Lender/Lessor/Landlord Name, Address (Street, City, State, ZIP code) and Phone			
59b Property Description		\$	\$	\$		\$
Location (Street, City, State, ZIP code) and County			Lender/Lessor/Landlord Name, Address (Street, City, State, ZIP code) and Phone			
59c Total Equity (Add lines 59a, 59b and amounts from any attachments)						\$

Section 6 should be completed only if the taxpayer is SELF-EMPLOYED

Section 6: Sole Proprietorship Information (lines 60 through 81 should reconcile with business Profit and Loss Statement)

Accounting Method Used: ☐ Cash ☐ Accrual

Income and Expenses during the period (mmddyyyy)

to (mmddyyyy)

Total Monthly Business Income		Total Monthly Business Expenses (Use attachments as needed.)	
Source	Gross Monthly	Expense Items	Actual Monthly
60 Gross Receipts	\$	70 Materials Purchased ¹	\$
61 Gross Rental Income	\$	71 Inventory Purchased ²	\$
62 Interest	\$	72 Gross Wages & Salaries	\$
63 Dividends	\$	73 Rent	\$
64 Cash	\$	74 Supplies ³	\$
Other Income (Specify below)		75 Utilities/Telephone ⁴	\$
65	\$	76 Vehicle Gasoline/Oil	\$
66	\$	77 Repairs & Maintenance	\$
67	\$	78 Insurance	\$
68	\$	79 Current Taxes ⁵	\$
		80 Other Expenses, including installment payments (Specify)	\$
69 Total Income (Add lines 60 through 68)	\$	81 Total Expenses (Add lines 70 through 80)	\$
		82 Net Business Income (Line 69 minus 81) ⁶	\$

Enter the amount from line 82 on line 23, section 4. If line 82 is a loss, enter "0" on line 23, section 4.

Self-employed taxpayers must return to page 4 to sign the certification and include all applicable attachments.

1 Materials Purchased: Materials are items directly related to the production of a product or service.

2 Inventory Purchased: Goods bought for resale.

3 Supplies: Supplies are items used in the business that are consumed or used up within one year. This could be the cost of books, office supplies, professional equipment, etc.

4 Utilities/Telephone: Utilities include gas, electricity, water, oil, other fuels, trash collection, telephone and cell phone.

5 Current Taxes: Real estate, excise, franchise, occupational, personal property, sales and employer's portion of employment taxes.

6 Net Business Income: Net profit from Form 1040, Schedule C may be used if duplicated deductions are eliminated (e.g., expenses for business use of home already included in housing and utility expenses on page 4). Deductions for depreciation and depletion on Schedule C are not cash expenses and must be added back to the net income figure. In addition, interest cannot be deducted if it is already included in any other installment payments allowed.

FINANCIAL ANALYSIS OF COLLECTION POTENTIAL FOR INDIVIDUAL WAGE EARNERS AND SELF-EMPLOYED INDIVIDUALS		(IRS USE ONLY)
Cash Available (Lines 11, 12c, 13d, 14c, 15g, 56, 57c and 58e)	Total Cash	\$
Distrainable Asset Summary (Lines 17c, 18c, 19c, and 59c)	Total Equity	\$
Monthly Total Positive Income minus Expenses (Line 32 minus Line 45)	Monthly Available Cash	\$

Privacy Act: The information requested on this Form is covered under Privacy Acts and Paperwork Reduction Notices which have already been provided to the taxpayer.

Service employee - Staple taxpayer's envelope here

Taxpayer name(s)			Taxpayer Identification Number(s)
Taxpayer name(s)			Taxpayer Identification Number(s)
Mailing address			Tax form number
City	State	ZIP Code	Tax period(s) ended
Taxpayer's current daytime phone number			Tax period(s) ended

[illegible]

If this application was prepared by someone other than the taxpayer, please fill in that person's name and address

Name _____

Name and signature of authorized representative (If a representative is signing this form, please attach a copy of your completed Form 2848, Power of Attorney and Declaration of Representative.)

Name of authorized representative

Signature of authorized representative	Date signed
Telephone number of authorized representative	Best time to call

Installment Agreement Request

OMB No. 1545-0074

► If you are filing this form with your tax return, attach it to the front of the return.
► See separate instructions.

Caution: Do not file this form if you are currently making payments on an installment agreement or can pay your balance in full within 120 days. Instead, call 1-800-829-1040. If you are in bankruptcy or we have accepted your offer-in-compromise, see **Bankruptcy or offer-in-compromise**, in the instructions.

This request is for Form(s) (for example, Form 1040 or Form 1040EZ) ►

and for tax year(s) (for example, 2010 and 2011) ►

1 Your first name and initial	Last name	Your social security number
If a joint return, spouse's first name and initial	Last name	Spouse's social security number
Current address (number and street). If you have a P.O. box and no home delivery, enter your box number.		Apt. number
City, town or post office, state, and ZIP code. If a foreign address, enter city, province or state, and country. Follow the country's practice for entering the postal code.		

2 If this address is new since you filed your last tax return, check here ► ☐

3 Your home phone number Best time for us to call	4 Your work phone number Ext. Best time for us to call
5 Name of your bank or other financial institution: Address City, state, and ZIP code	6 Your employer's name: Address City, state, and ZIP code

7 Enter the total amount you owe as shown on your tax return(s) (or notice(s))	7	
8 Enter the amount of any payment you are making with your tax return(s) (or notice(s)). See instructions	8	
9 Enter the amount you can pay each month. Make your payments as large as possible to limit interest and penalty charges. The charges will continue until you pay in full	9	

10 Enter the date you want to make your payment each month. **Do not** enter a date later than the 28th ►

11 If you want to make your payments by electronic funds withdrawal from your checking account, see the instructions and fill in lines 11a and 11b. This is the most convenient way to make your payments and it will ensure that they are made on time.

► **a** Routing number

► **b** Account number

I authorize the U.S. Treasury and its designated Financial Agent to initiate a monthly ACH debit (electronic withdrawal) entry to the financial institution account indicated for payments of my Federal taxes owed, and the financial institution to debit the entry to this account. This authorization is to remain in full force and effect until I notify the U.S. Treasury Financial Agent to terminate the authorization. To revoke payment, I must contact the U.S. Treasury Financial Agent at **1-800-829-1040** no later than 14 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payments of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payments.

Your signature	Date	Spouse's signature. If a joint return, both must sign.	Date
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Department of the Treasury — Internal Revenue Service
Collection Information Statement

Name(s) and Address

Your Social Security Number or Individual Taxpayer Identification Number

Your Spouse's Social Security Number or Individual Taxpayer Identification Number

☐ If address provided above is different than last return filed please check here.

County of Residence

Your Telephone Numbers

Home: ()

Work: ()

Cell: ()

Spouse's Telephone Numbers

Home: ()

Work: ()

Cell: ()

A. ACCOUNTS / LINES OF CREDIT (including Banking Institutions, Checking and Savings accounts, Credit Unions, Certificates of Deposit, Individual Retirement Accounts (IRAs), Keogh Plans, Simplified Employee Pensions, 401(k) Plans, Profit Sharing Plans, Mutual Funds and Stock Brokerage Accounts)

Name and Address of Institution

Type of Account

Current Balance / Value

Total number of dependents you will be claiming on next year's tax return _____ Over 65 ☐ Under 65 ☐Total number of dependents you claimed on last year's tax return _____ Over 65 ☐ Under 65 ☐**B. REAL ESTATE** (home, vacation property, timeshares and other real estate)

County / Description	Monthly Payment(s)	Financing		Current Value	Balance Owed	Equity
<input type="checkbox"/> Primary Residence <input type="checkbox"/> Other		Year Purchased	Purchase Price			
		Year Refinanced	Refinance Amount			
<input type="checkbox"/> Primary Residence <input type="checkbox"/> Other		Year Purchased	Purchase Price			
		Year Refinanced	Refinance Amount			
<input type="checkbox"/> Primary Residence <input type="checkbox"/> Other		Year Purchased	Purchase Price			
		Year Refinanced	Refinance Amount			

C. OTHER ASSETS (cars, boats, recreational vehicles, whole life policies, etc.)

Description	Monthly Payment	Year Purchased	Final Payment (mo / yr)	Current Value	Balance Owed	Equity
			/			
			/			
			/			
			/			
			/			
			/			
			/			

D. CREDIT CARDS (Visa, MasterCard, American Express, Department Stores, etc.)

Type	Credit Limit	Balance Owed	Minimum Monthly Payment

E. WAGE INFORMATION (If you have more than one employer, include the information on another sheet of paper.)

Your current Employer (name and address)

Spouse's current Employer (name and address)

How often are you paid? (Check one)

☐ Weekly ☐ Biweekly ☐ Semi-monthly ☐ Monthly

Gross per pay period _____

Taxes per pay period (Fed) _____ (State) _____ (Local) _____

How long at current employer _____

Date of Birth _____

Total Income from Last Year's 1040 Tax Return _____

How often are you paid? (Check one)

☐ Weekly ☐ Biweekly ☐ Semi-monthly ☐ Monthly

Gross per pay period _____

Taxes per pay period (Fed) _____ (State) _____ (Local) _____

How long at current employer _____

Date of Birth _____

Total Income from Last Year's 1040 Tax Return _____

F. NON-WAGE HOUSEHOLD INCOME (List monthly amounts. For Self-Employment and Rental Income, list the monthly amount received after expenses or taxes.)

Alimony Income: _____

Child Support Income: _____

Net Self Employment Income: _____

Net Rental Income: _____

Unemployment Income: _____

Pension Income: _____

Interest Income: _____

Social Security Income: _____

Other: _____

G. MONTHLY NECESSARY LIVING EXPENSES (List monthly amounts. For expenses paid other than monthly, see instructions.)**1. Food / Personal Care**

Food: _____

Housekeeping Supplies: _____

Clothing and Clothing Services: _____

Personal Care Products & Services: _____

Misc. (Cable, Internet, etc.): _____

Total: 0.00

3. Housing & Utilities

Rent: _____

Electric, Oil/Gas, Water/Trash: _____

Telephone and/or Cell Phone: _____

Real Estate Taxes and Insurance:
(if not included in B above) _____

Total: 0.00

5. Other

Child / Dependent Care: _____

Estimated Tax Payments: _____

Term Life Insurance: _____

Retirement (Employer Required): _____

Retirement (Voluntary): _____

Court Ordered Payments: _____

Profit and Loss Statement: _____

2. TransportationGas/Insurance/Licenses/Parking/
Maintenance etc.: _____

Public Transportation: _____

4. Medical

Health Insurance: _____

Out of Pocket Health Care Expenses: _____

See the instructions for detailed information on how to complete the Monthly Necessary Living Expenses. IRS standard amounts are found on the internet at <http://www.irs.gov/individuals/article/0,,id=96543,00.html>. If you are required to send supporting documentation, please send copies and not the original documents.

H. ADDITIONAL INFORMATION

1. The IRS may establish a payment agreement for you based on the financial data you provided.

2. We cannot consider an installment agreement unless all returns have been filed.

Attach a signed copy of ALL unfiled return(s).

3. Proposed Monthly Installment Agreement Payment Amount: _____

4. Proposed Monthly Payment Date: _____

5. Down Payment Amount: _____

Under penalty of perjury, I declare to the best of my knowledge and belief this statement of assets, liabilities and other information is true, correct and complete.

Your Signature

Spouse's Signature

Date

Instructions

Complete all the blocks. Write N/A (Not Applicable) for those which don't apply to you. We need you to complete the form so we can establish the best method for you to pay the amount due.

If any section is too small for the information you need to supply, please use a separate sheet.

Failure to complete the form or provide copies (not originals) of required attachments (as stated below) may result in a delay in resolving your account. We may also require you to submit financial substantiation after our financial analysis is complete.

Section A – Accounts / Lines of Credit

List all accounts, even if they currently have no balance. However, do not enter bank loans in this section.

Section B – Real Estate

List all real estate you own or are purchasing. This listing should include your home and any other real estate you own. Include the county and description, the year(s) and amount(s) of purchase and/or refinancing, the current market value and the amount you owe. To determine equity, subtract the amount owed from its current market value.

Section C – Other Assets

List all cars, boats, recreational vehicles, whole life policies, or other assets that you own. If a vehicle is leased, write "lease" in the "year purchased" column. To determine equity, subtract the amount owed from its current market value.

Section D – Credit Cards

List all credit cards and lines of credit, even if there is no balance owed.

Section E – Wage Information

Provide the name and address of employers for you and your spouse. Include both spouses' income, even if the tax liability is not the result of a jointly filed return. Check the appropriate box indicating how you are paid. Year to Date Income includes all income, without deductions, for you and your spouse. Include all wage income from all employers since January of the current year. Last years gross income should be recorded from last years filed return.

Section F – Non-Wage Household Income

Enter monthly amounts for all sources of household income. For any income not received monthly, calculate the monthly amount as follows:

- If received quarterly - divide by three.
- If received weekly - multiply by 4.3.
- If received biweekly - multiply by 2.17.

Net Self-Employment Income is the amount you earn after you pay ordinary and necessary monthly business expenses. This figure should relate to the yearly net profit from Schedule C on your Form 1040 or your current year profit and loss statement, but should not include depreciation expenses. If your net income is less than the previous year, attach an explanation. If net income is a loss, enter "0".

Net Rental Income is the amount you earn after you pay ordinary and necessary monthly rental expenses. This figure should relate to the amount reported on Schedule E of your Form 1040 (do not include depreciation expenses). If net rental income is loss, enter "0".

Section G – Monthly Necessary Living Expenses

Expenses that do not provide for the health and welfare of you or your family or for the production of income are generally not considered necessary. These may include tuition for private schools, public or private college expenses, charitable contributions, voluntary retirement contributions and payments to unsecured debts.

Enter monthly amounts for expenses. For any expenses not paid monthly, calculate the monthly amount as follows:

- If paid quarterly - divide by three.
- If paid weekly - multiply by 4.3.
- If paid biweekly - multiply by 2.17.

For expenses claimed in boxes 1 and 4 you may either use the total amounts shown on the IRS website at <http://www.irs.gov/individuals/article/0,,id=96543,00.html>. Substantiation may be required once the financial analysis is completed. If you are currently paying higher expenses you may enter that amount, but you are also required to submit supporting documentation with this form, which show payments being made.

For boxes 2 and 3 you must enter only the amount you actually spend on these expenses. If your total amount is higher than the amount shown on the IRS website shown above, you are **REQUIRED** to submit supporting documentation when submitting this form, such as copies of cancelled checks etc. which show payments being made.

All expenses claimed in box 5 **REQUIRE** supporting documentation when submitting this form. This includes copies of cancelled checks, pay stubs etc. that indicate payments are being made.

For any court ordered payments you **MUST** submit a copy of the court order portion that shows the amount you are ordered to pay and the signatures.

If you do not have access to the IRS website, itemize your actual expenses and we will ask you for additional proof, if required.

Rent - Do not enter mortgage payment here.

Medical - Enter only ongoing medical expenses. Do not include a one time only medical expense.

Out-of-Pocket health care expenses include:

- Medical services
- Prescription drugs
- Medical supplies, including eyeglasses and contact lenses.

Child / Dependent Care - Enter the monthly amount you pay for the care of dependents that can be claimed on your Form 1040.

Estimated Tax Payments - Calculate the monthly amount you pay for estimated taxes by dividing the quarterly amount due on your Form 1040ES by 3.

Life Insurance - Enter the amount you pay for term life insurance only. Whole life insurance has cash value and should be listed in Section C.

Section H – Additional Information

1. The IRS will review your financial information and may establish a payment agreement for you.
2. Attach signed unfiled returns to this form for processing.
3. Propose a payment amount to be paid:
 - In 60-120 days or
 - monthly payments in 60 months
4. Show the date you will make your payment each month. Valid dates are from the 1st -28th of the month.
5. Show the maximum down payment you can make to lower the balance due.



IRS Announces New Effort to Help Struggling Taxpayers Get a Fresh Start; Major Changes Made to Lien Process

IRS YouTube Video
Direct Debit Installment Agreement: [English](#) | [ASL](#)

IR-2011-20, Feb. 24, 2011

WASHINGTON — In its latest effort to help struggling taxpayers, the Internal Revenue Service today announced a series of new steps to help people get a fresh start with their tax liabilities.

The goal is to help individuals and small businesses meet their tax obligations, without adding unnecessary burden to taxpayers. Specifically, the IRS is announcing new policies and programs to help taxpayers pay back taxes and avoid tax liens.

"We are making fundamental changes to our lien system and other collection tools that will help taxpayers and give them a fresh start," IRS Commissioner Doug Shulman said. "These steps are good for people facing tough times, and they reflect a responsible approach for the tax system."

Today's announcement centers on the IRS making important changes to its lien filing practices that will lessen the negative impact on taxpayers. The changes include:

- Significantly increasing the dollar threshold when liens are generally issued, resulting in fewer tax liens.
- Making it easier for taxpayers to obtain lien withdrawals after paying a tax bill.
- Withdrawing liens in most cases where a taxpayer enters into a Direct Debit Installment Agreement.
- Creating easier access to installment agreements for more struggling small businesses.
- Expanding a streamlined Offer in Compromise program to cover more taxpayers.

"These steps are in the best interest of both taxpayers and the tax system," Shulman said. "People will have a better chance to stay current on their taxes and keep their financial house in order. We all benefit if that happens."

This is another in a series of steps to help struggling taxpayers. In 2008, the IRS announced lien relief for people trying to refinance or sell a home. In 2009, the IRS added new flexibility for taxpayers facing payment or collection problems. And last year, the IRS held about 1,000 special open houses to help small businesses and individuals resolve tax issues with the Agency.

Today's announcement comes after a review of collection operations which Shulman launched last year, as well as input from the Internal Revenue Service Advisory Council and the National Taxpayer Advocate.

Tax Lien Thresholds

The IRS will significantly increase the dollar thresholds when liens are generally filed. The new dollar amount is in keeping with inflationary changes since the number was last revised. Currently, liens are automatically filed at certain dollar levels for people with past-due balances.

The IRS plans to review the results and impact of the lien threshold change in about a year.

A federal tax lien gives the IRS a legal claim to a taxpayer's property for the amount of an unpaid tax debt. Filing a Notice of Federal Tax Lien is necessary to establish priority rights against certain other creditors. Usually the government is not the only creditor to whom the taxpayer owes money.

A lien informs the public that the U.S. government has a claim against all property, and any rights to property, of the taxpayer. This includes property owned at the time the notice of lien is filed and any acquired thereafter. A lien can affect a taxpayer's credit rating, so it is critical to arrange the payment of taxes as quickly as possible.

"Raising the lien threshold keeps pace with inflation and makes sense for the tax system," Shulman said. "These changes mean tens of thousands of people won't be burdened by liens, and this step will take place without significantly increasing the financial risk to the government."

Tax Lien Withdrawals

The IRS will also modify procedures that will make it easier for taxpayers to obtain lien withdrawals.

Liens will now be withdrawn once full payment of taxes is made if the taxpayer requests it. The IRS has determined that this approach is in the best interest of the government.

In order to speed the withdrawal process, the IRS will also streamline its internal procedures to allow collection personnel to withdraw the liens.

Direct Debit Installment Agreements and Liens

The IRS is making other fundamental changes to liens in cases where taxpayers enter into a Direct Debit Installment Agreement (DDIA). For taxpayers with unpaid assessments of \$25,000 or less, the IRS will now allow lien withdrawals under several scenarios:

- Lien withdrawals for taxpayers entering into a Direct Debit Installment Agreement.
- The IRS will withdraw a lien if a taxpayer on a regular Installment Agreement converts to a Direct Debit Installment Agreement.
- The IRS will also withdraw liens on existing Direct Debit Installment Agreements upon taxpayer request.

Liens will be withdrawn after a probationary period demonstrating that direct debit payments will be honored.

In addition, this lowers user fees and saves the government money from mailing monthly payment notices. Taxpayers can use the Online Payment Agreement application on IRS.gov to set-up with Direct Debit Installment Agreements.

"We are trying to minimize burden on taxpayers while collecting the proper amount of tax," Shulman said. "We believe taking away taxpayer burden makes sense when a taxpayer has taken the proactive step of entering a direct debit agreement."

Installment Agreements and Small Businesses

The IRS will also make streamlined Installment Agreements available to more small businesses. The payment program will raise the dollar limit to allow additional small businesses to participate.

Small businesses with \$25,000 or less in unpaid tax can participate. Currently, only small businesses with under \$10,000 in liabilities can participate. Small businesses will have 24 months to pay.

The streamlined Installment Agreements will be available for small businesses that file either as an individual or as a business. Small businesses with an unpaid assessment balance greater than \$25,000 would qualify for the streamlined Installment Agreement if they pay down the balance to \$25,000 or less.

Small businesses will need to enroll in a Direct Debit Installment Agreement to participate.

"Small businesses are an important part of the nation's economy, and the IRS should help them when we can," Shulman said. "By expanding payment options, we can help small businesses pay their tax bill while freeing up cash flow to keep funding their operations."

Offers in Compromise

The IRS is also expanding a new streamlined Offer in Compromise (OIC) program to cover a larger group of struggling taxpayers.

This streamlined OIC is being expanded to allow taxpayers with annual incomes up to \$100,000 to participate. In addition, participants must have tax liability of less than \$50,000, doubling the current limit of \$25,000 or less.

OICs are subject to acceptance based on legal requirements. An offer-in-compromise is an agreement between a taxpayer and the IRS that settles the taxpayer's tax liabilities for less than the full amount owed. Generally, an offer will not be accepted if the IRS believes that the liability can be paid in full as a lump sum or through a payment agreement. The IRS looks at the taxpayer's income and assets to make a determination regarding the taxpayer's ability to pay.

Related Items:

- IRS Begins Tax Season 2009 with Steps to Help Financially Distressed Taxpayers; Promotes Credits, e-File Options ([IR-2009-2](#))
- IRS Speeds Lien Relief for Homeowners Trying to Refinance, Sell ([IR-2008-141](#))

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Page Last Reviewed or Updated: June 03, 2011

Form **12277**
(October 2011)

Department of the Treasury — Internal Revenue Service
**Application for Withdrawal of Filed
Form 668(Y), Notice of Federal Tax Lien**
(Internal Revenue Code Section 6323(j))

1. Taxpayer Name (as shown on the Notice of Federal Tax Lien)		2. Social Security/Employer Identification No.	
3. Taxpayer's Representative, if applicable, or Name and Title of contact person, if taxpayer is a business			
4. Address (Number, Street, P.O. Box)			
5. City	6. State	7. ZIP code	8. Phone Number
9. Attach copy of the Form 668(Y), Notice of Federal Tax Lien, if available, OR , if you don't have a copy, provide the following information, if available:			
Serial number of Form 668(Y) (found near the top of the document)		Date Form 668(Y) filed	
Recording office where Form 668(Y) was filed			
10. Current status of the federal tax lien ("x" appropriate box) <input type="checkbox"/> Open <input type="checkbox"/> Released <input type="checkbox"/> Unknown			
11. Reason for requesting withdrawal of the filed Notice of Federal Tax Lien ("x" appropriate box(es)) <input type="checkbox"/> The Notice of Federal Tax Lien was filed prematurely or not in accordance with IRS procedures. <input type="checkbox"/> The taxpayer entered into an installment agreement to satisfy the liability for which the lien was imposed and the agreement did not provide for a Notice of Federal Tax Lien to be filed. <input type="checkbox"/> The taxpayer is under a Direct Debit Installment Agreement. <input type="checkbox"/> Withdrawal will facilitate collection of the tax. <input type="checkbox"/> The taxpayer, or the Taxpayer Advocate acting on behalf of the taxpayer, believes withdrawal is in the best interest of the taxpayer and the government.			
12. Explain the basis for the withdrawal request (attach additional sheets and other documentation that substantiates your request, as needed)			

Affirmation	Under penalties of perjury, I declare that I have examined this application (including any accompanying schedules, exhibits, affidavits, and statements) and, to the best of my knowledge and belief, it is true, correct, and complete		
	Signature (Taxpayer or Representative)	Title (if business)	Date

General Instructions

1. Complete the application. If the information you supply is not complete, it may be necessary for the IRS to obtain additional information before making a determination on the application.
 - Sections 1 and 2: Enter the taxpayer's name and Social Security Number (SSN) or Employer Identification Number (EIN) as shown on the Notice of Federal Tax Lien (NFTL).
 - Section 3: Enter the name of the person completing the application if it differs from the taxpayer's name in section 1 (for example, taxpayer representative). For business taxpayers, enter the name and title of person making the application. Otherwise, leave blank.
 - Sections 4 through 8: Enter current contact information of taxpayer or representative.
 - Section 9: Attach a copy of the NFTL to be withdrawn, if available. If you don't have a copy of the NFTL but have other information about the NFTL, enter that information to assist the IRS in processing your request.
 - Section 10: Check the box that indicates the current status of the lien.
 "Open" means there is still a balance owed with respect to the tax liabilities listed on the NFTL.
 "Released" means the lien has been satisfied or is no longer enforceable.
 "Unknown" means you do not know the current status of the lien.
 - Section 11: Check the box(es) that best describe the reason(s) for the withdrawal request. **NOTE:** If you are requesting a withdrawal of a released NFTL, you generally should check the last box regarding the best interest provision.
 - Section 12: Provide a detailed explanation of the events or the situation to support your reason(s) for the withdrawal request. Attach additional sheets and supporting documentation, as needed.
 - Affirmation: Sign and date the application. If you are completing the application for a business taxpayer, enter your title in the business.
2. Mail your application to the IRS office assigned your account. If the account is not assigned or you are uncertain where it is assigned, mail your application to IRS, ATTN: Advisory Group Manager, in the area where you live or is the taxpayer's principal place of business. Use Publication 4235, *Advisory Group Addresses*, to determine the appropriate office.
3. Your application will be reviewed and, if needed, you may be asked to provide additional information. You will be contacted regarding a determination on your application.
 - a. If a determination is made to withdraw the NFTL, we will file a Form 10916(c), *Withdrawal of Filed Notice of Federal Tax Lien*, in the recording office where the original NFTL was filed and provide you a copy of the document for your records.
 - b. If the determination is made to not withdraw the NFTL, we will notify you and provide information regarding your rights to appeal the decision.
4. **At your request, we will notify other interested parties of the withdrawal notice. Your request must be in writing and provide the names and addresses of the credit reporting agencies, financial institutions, and/or creditors that you want notified.**

NOTE: Your request serves as our authority to release the notice of withdrawal information to the agencies, financial institutions, or creditors you have identified.
5. If, at a later date, additional copies of the withdrawal notice are needed, you must provide a written request to the Advisory Group Manager. The request must provide:
 - a. The taxpayer's name, current address, and taxpayer identification number with a brief statement authorizing the additional notifications;.
 - b. A copy of the notice of withdrawal, if available; and
 - c. A supplemental list of the names and addresses of any credit reporting agencies, financial institutions, or creditors to notify of the withdrawal of the filed Form 668(Y).

Privacy Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. The primary purpose of this form is to apply for withdrawal of a notice of federal tax lien. The information requested on this form is needed to process your application and to determine whether the notice of federal tax lien can be withdrawn. You are not required to apply for a withdrawal; however, if you want the notice of federal tax lien to be withdrawn, you are required to provide the information requested on this form. Sections 6001, 6011, and 6323 of the Internal Revenue Code authorize us to collect this information. Section 6109 requires you to provide the requested identification numbers. Failure to provide this information may delay or prevent processing your application; providing false or fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

**Application for Certificate of Subordination of
Federal Tax Lien**

Complete the entire application. Enter NA (*not applicable*), when appropriate. Attachments and exhibits should be included as necessary. Additional information may be requested to clarify the details of the transaction(s).

1. Taxpayer Information (Individual or Business named on the notice of lien)

Name (<i>Individual</i> First, Middle Initial, Last) or (<i>Business</i>) as it appears on lien		Primary Social Security Number (last 4 digits only)
Name Continuation (<i>Individual</i> First, Middle Initial, Last) or (<i>Business</i> d/b/a)		Secondary Social Security Number (last 4 digits only)
Address (Number, Street, P.O. Box)		Employer Identification Number
City	State	ZIP Code
Telephone Number (with area code)		Fax Number (with area code)

2. Applicant Information☐ Check if also the Taxpayer (*If not the taxpayer, attach copy of lien. See Sec.10*)

Name (First, Middle Initial, Last)		Relationship to taxpayer
Address (Number, Street, P.O. Box)		
City	State	ZIP Code
Telephone Number (with area code)		Fax Number (with area code)

3. Property Owner☐ Check if also the Applicant

Relationship to Taxpayer	
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4. Attorney/Representative InformationAttached: Form 8821 or
Power of Attorney Form 2848 ☐ Yes ☐ No

Name (First, Middle Initial, Last)		Interest Represented (e.g. taxpayer, lender, etc.)
Address (Number, Street, P.O. Box)		
City	State	ZIP Code
Telephone Number (with area code)		Fax Number (with area code)

5. Lending/Finance Company

Company Name	Contact Name	Contact Phone Number
Type of transaction (<i>For example, loan consolidation, refinance, etc</i>)		

6. Monetary Information

Amount of existing loan (if refinancing)	
Amount of new loan	
Amount to be paid to the United States (6325(d)(1) applications only)	

7. Basis for Subordination: Check the box below that best addresses what you would like the United States to consider in your application for subordination. (Publication 784 has additional descriptions of the Internal Revenue Code sections listed below.)

- ☐ 6325(d)(1) the United States will receive an amount equal to the lien or interest to which the certificate of subordination is issued (provide amount in Section 6 above)
- ☐ 6325(d)(2) the issuance of the certificate of subordination will increase the government's interest and make collection of the tax liability easier. **(Complete and attach a signed and dated statement describing how the amount the United States may ultimately realize will increase and how collection will be facilitated by the subordination.)**
- Statement ☐ Attached ☐ NA

8. Description of property (For example, 3 bedroom rental house; 2002 Cessna twin engine airplane, serial number AT919000000000X00; etc.):

Address of real property (If this is personal property list the address where the property is located):		
Address (Number, Street, P.O. Box)		
City	State	ZIP Code
Real Estate: Legible copy of deed or title showing legal description <input type="checkbox"/> Attached <input type="checkbox"/> NA		

9. Appraisal and Valuations

Appraisal: (Professional appraisal completed by a disinterested third party but it is not required for a subordination)	<input type="checkbox"/> Attached
OR ONE OF THE FOLLOWING VALUATIONS:	
County valuation of property (real property)	<input type="checkbox"/> Attached
Informal valuation of property by disinterested third party	<input type="checkbox"/> Attached
Proposed selling price (for property being sold at auction)	<input type="checkbox"/> Attached
Other: _____	<input type="checkbox"/> Attached

10. Copy of Federal Tax Lien(s) *(Complete if applicant and taxpayer differ)*☐ Attached ☐ NoOR list the lien number(s) found near the top right corner on the lien document(s) *(if known)*

11. Copy of the proposed loan agreement *(if available)*☐ Attached ☐ No

AND

Describe how subordination is in the best interests of the United States:

12. Copy of a current title report *(required for subordination)*☐ Attached ☐ No

OR

List encumbrances with seniority over the Federal Tax Lien. Include name and address of the holder; description of the encumbrance, e.g., mortgage, state lien, etc.; date of agreement; original loan amount and interest rate; amount due at time of application; and family relationship, if applicable. Include any home equity line of credit (HELOCs) advances beginning the 46th day after the NFTL was filed, through the date you submit your application, and include expected advances through the date the certificate will be issued. ***(Attach additional sheets as needed):***

13. Copy of proposed closing statement *(aka HUD-1)*☐ Attached ☐ No

OR

Itemize all proposed costs, commissions, and expenses of any transfer or sale associated with property ***(Attach additional sheets as needed):***

14. Additional information that may have a bearing on this request, such as pending litigation, explanations of unusual situations, etc., is attached for consideration☐ Yes ☐ No**15. Declaration**

Under penalties of perjury, I declare that I have examined this application, including any accompanying schedules, exhibits, affidavits, and statements and to the best of my knowledge and belief it is true, correct and complete.

Signature/Title_____
Date_____
Signature/Title_____
Date

**Application for Certificate of Discharge of
Property from Federal Tax Lien**

Complete the entire application. Enter NA (*not applicable*), when appropriate. Attachments and exhibits should be included as necessary. Additional information may be requested of you or a third party to clarify the details of the transaction(s).

1. Taxpayer Information (*Individual or Business named on the notice of lien*):

Name (<i>Individual</i> First, Middle Initial, Last) or (<i>Business</i>) as it appears on lien		Primary Social Security Number (last 4 digits only)
Name Continuation (<i>Individual</i> First, Middle Initial, Last) or (<i>Business</i> d/b/a)		Secondary Social Security Number (last 4 digits only)
Address (<i>Number, Street, P.O. Box</i>)		Employer Identification Number
City	State	ZIP Code
Telephone Number (<i>with area code</i>)	Fax Number (<i>with area code</i>)	

2. Applicant Information:☐ Check if also the Taxpayer (*If not the taxpayer, attach copy of lien. See Sec. 10*)

Name (<i>First, Middle Initial, Last</i>)		Relationship to taxpayer
Address (<i>Number, Street, P.O. Box</i>)		
City	State	ZIP Code
Telephone Number (<i>with area code</i>)	Fax Number (<i>with area code</i>)	

3. Purchase/Transferee/New Owner☐ Check if also the Applicant

	Relationship to taxpayer
--	--------------------------

4. Attorney/Representative InformationAttached: Form 8821 or
Power of Attorney Form 2848 ☐ Yes ☐ No

Name (<i>First, Middle Initial, Last</i>)		Interest Represented (<i>e.g. taxpayer, lender, etc.</i>)
Address (<i>Number, Street, P.O. Box</i>)		
City	State	ZIP Code
Telephone Number (<i>with area code</i>)	Fax Number (<i>with area code</i>)	

5. Lender/Finance Company Information - or (Settlement/Escrow Company for applications under Section 6325(b)(3) only)

Company Name	Contact Name	Contact Phone Number
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6. Monetary Information**Proposed sales price**

Expected proceeds to be paid to the United States in exchange for the certificate of discharge (Enter NA if no proceeds are anticipated)

7. Basis for Discharge: Check the box below that best addresses what you would like the United States to consider in your application for discharge. (Publication 783 has additional descriptions of the Internal Revenue Code sections listed below.)

- ☐ 6325(b)(1) Value of property remaining attached by the lien(s) is at least double the liability of the federal tax lien(s) plus other encumbrances senior to the lien(s)
- ☐ 6325(b)(2)(A) The United States receives an amount not less than the value of the United States' interest.
(Note: If you are applying under 6325(b)(2)(A) and are the property owner but not the taxpayer, see also section 16.)
- ☐ 6325(b)(2)(B) Interest of the United States in the property to be discharged has no value.
- ☐ 6325(b)(3) Proceeds from property sale held in escrow subject to the liens and claims of the United States.
- ☐ 6325(b)(4) Deposit made or bond furnished in an amount equal to the value of the United States' interest.
(Note: This selection provides a remedy under 7426(a)(4) for return of deposit but is exclusively for a property owner not named as the taxpayer on the lien)

8. Description of property (for example, 3 bedroom rental house; 2002 Cessna twin engine airplane, serial number AT919000000000X00; etc.):**Address of real property** (If this is personal property, list the address where the property is located):

Address (Number, Street, P.O. Box)

City

State

ZIP Code

FOR REAL ESTATE: a legible copy of the deed or title showing the legal description is required

☐ Attached ☐ NA
FOR Discharge Requests under Section 6325(b)(1):

copy of deed(s) or title(s) for property remaining subject to the Federal Tax Lien is required

☐ Attached ☐ NA
9. Appraisal and Valuations**REQUIRED APPRAISAL**

Professional appraisal completed by a disinterested third party

☐ Attached
PLUS ONE OF THE FOLLOWING ADDITIONAL VALUATIONS:

County valuation of property (real property)

☐ Attached

Informal valuation of property by disinterested third party

☐ Attached

Proposed selling price (for property being sold at auction)

☐ Attached

Other: _____

☐ Attached

AND for applications under Section 6325(b)(1), valuation information (of the type described above in this section) must also be provided for property remaining subject to the lien.

10. Copy of Federal Tax Lien(s) *(Complete if applicant and taxpayer differ)*☐ Attached ☐ NoOR list the lien number(s) found near the top right corner on the lien document(s) *(if known)*

11. Copy of the sales contract/purchase agreement *(if available)*☐ Attached ☐ No

OR

Describe how and when the taxpayer will be divested of his/her interest in the property:

12. Copy of a current title report☐ Attached ☐ No

OR

List encumbrances senior to the Federal Tax Lien. Include name and address of holder; description of encumbrance, e.g., mortgage, state lien, etc.; date of agreement; original loan amount and interest rate; amount due at time of application; and family relationship, if applicable ***(Attach additional sheets as needed)***:**13. Copy of proposed closing statement** *(aka HUD-1)*☐ Attached ☐ No

OR

Itemize all proposed costs, commissions, and expenses of any transfer or sale associated with property ***(Attach additional sheets as needed)***:**14. Additional information** that may have a bearing on this request, such as pending litigation, explanations of unusual situations, etc., is attached for consideration☐ Attached ☐ No**15. Escrow Agreement** *(For applications under IRC 6325(b)(3))*☐ Attached ☐ No

Escrow agreement must specify type of account, name and depositary for account, conditions under which payment will be made, cost of escrow, name and address of any party identified as part of escrow agreement, and signatures of all parties involved including Advisory Group Manager. Terms for agreement must be reached before discharge approved.

16. WAIVER *(For applications made by third parties under IRC 6325(b)(2))*

If you are applying as an owner of the property and you are not the taxpayer, to have this application considered under section 6325(b)(2), you must waive the rights that would be available if the application were made under section 6325(b)(4). If you choose not to waive these rights, the application will be treated as one made under 6325(b)(4) and any payment will be treated like a deposit under that section. Please check the appropriate box.

I understand that an application and payment made under section 6325(b)(2) does not provide the judicial remedy available under section 7426(a)(4). In making such an application / payment, I waive the option to have the payment treated as a deposit under section 6325(b)(4) and the right to request a return of funds and to bring an action under section 7426(a)(4).

☐ Waive ☐ No**17. Declaration**

Under penalties of perjury, I declare that I have examined this application, including any accompanying schedules, exhibits, affidavits, and statements and to the best of my knowledge and belief it is true, correct and complete.

Signature/Title_____
Date_____
Signature/Title_____
Date

IRS Contact List for Practitioners

NOTE: Local Time – Alaska (AK) and Hawaii (HI) follow Pacific Time (PT)

Title	Telephone Number	Hours of Operation
Practitioner Priority Service	866-860-4259	M-F, 8 a.m. – 8 p.m., local time
IRS Tax Professional PTIN Information Line	877-613-7846	M-F, 8 a.m. – 5 p.m., CT
IRS Tax Help Line for Individuals	800-829-1040	M-F, 7 a.m. – 10 p.m., local time
Business and Specialty Tax Line	800-829-4933	M-F, 7 a.m. – 10 p.m., local time
e-Help Desk (IRS Electronic Products)	866-255-0654	M-F, 6:30 a.m. – 6 p.m. CT (non-peak) Check out <u>peak hours</u> .
Refund Hotline	800-829-1954	Automated Service available 24/7
Federal Management Service – FMS – Treasury Refund Offset Information	800-304-3107	M-F, 7:30 a.m. – 5:00 p.m., CT
Forms and Publications	800-829-3676	M-F, 7 a.m. – 10 p.m., local time
National Taxpayer Advocate's Help Line	877-777-4778	M-F, 7 a.m. – 10 p.m., local time
Local Taxpayer Advocate – Location	XXX-XX-XXXX	M-F, 8 a.m. – 4:30 p.m., local time
Centralized Lien Payoff	800-913-6050	M-F, 8 a.m. – 5 p.m., local time
Centralized Bankruptcy	800-973-0424	M-F, 7 a.m. – 10 p.m. ET
Telephone Device for the Deaf (TDD)	800-829-4059	M-F, 7 a.m. – 10 p.m., local time
Electronic Federal Tax Payment System (EFTPS) – for Businesses	800-555-4477	Automated Service and Live Assistance available 24/7
Electronic Federal Tax Payment System (EFTPS) – for Individuals	800-316-6541	Automated Service and Live Assistance available 24/7
Government Entities (TEGE) Help Line	877-829-5500	M-F, 7 a.m. – 5:30 p.m. CT
Forms 706 and 709 Help Line	866-699-4083	M-F, 7 a.m. – 7 p.m., local time
Automated Collection System (ACS) (Business)	800-829-3903	M-F, 8 a.m. – 8 p.m., local time
Automated Collection System (ACS) (Individual)	800-829-7650	M-F, 8 a.m. – 8 p.m., local time
Tax Fraud Referral Hotline	800-829-0433	Automated Service available 24/7
Employer Identification Number (EIN)	800-829-4933	M-F, 7 a.m. – 10 p.m., local time
Excise Tax and Form 2290 Help Line	866-699-4096	M-F, 8 a.m. – 6 p.m. ET
Identity Protection Specialized Unit	800-908-4490	M-F, 8 a.m. – 8 p.m., local time
Information Return Reporting	866-455-7438	M-F, 8:30 a.m. – 4:30 p.m. ET
ITIN Program Office (Form W-7 and Acceptance Agent Program – Form 13551)	404-338-8963	Message Line: 24/7 hour operation
IRS Federally Declared Disaster or Combat Zone Inquiries Hotline	866-562-5227	M-F, 7 a.m. – 10 p.m., local time