Offer in Compromise — Forms & Payment Terms Checklist

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1. IDENTIFY YOUR OIC TYPE

- ☐ Doubt as to Collectibility (DATC) — can't pay in full within CSED
- ☐ Doubt as to Collectibility with Special Circumstances (DATCSC)
- ☐ Effective Tax Administration (ETA) — economic hardship / equity
- ☐ Doubt as to Liability (DATL) — you don't actually owe the tax

2. CORE FORMS TO COMPLETE

- ☐ Form 656-B — Offer in Compromise Booklet (instructions + worksheets)
- ☐ Form 656 — Offer in Compromise (DATC / DATCSC / ETA)
- ☐ Form 656-L — Offer in Compromise (Doubt as to Liability) — use INSTEAD of 656
- ☐ Form 433-A (OIC) — Individual collection information statement
- ☐ Form 433-B (OIC) — Business collection information statement
- ☐ Form 2848 — Power of Attorney (if represented)
- ☐ Form 13711 — Request for Appeal of Offer in Compromise (if rejected)

3. FINANCIAL DOCUMENTATION (ATTACH TO 433-A/B OIC)

- ☐ Last 3 months of bank statements (all accounts)
- ☐ Last 3 months of pay stubs / profit & loss (self-employed)
- ☐ Most recent statements for investments, retirement, crypto
- ☐ Vehicle titles / loan balances
- ☐ Real estate: mortgage statements, current market value
- ☐ Monthly living expense documentation (rent, utilities, insurance)
- ☐ Last 3 months of business receipts & expenses (if applicable)

4. PAYMENT TERMS — CHOOSE ONE

- ☐ Lump Sum Cash: 20% with submission + balance in 5 or fewer payments within 5 months of acceptance
- ☐ Periodic Payment: first payment with submission + continued monthly payments while IRS reviews
- ☐ Application fee: $205 (waived if low-income certification qualifies)
- ☐ Low-Income Certification (Section 1, Form 656) — waives fee AND initial payment
- ☐ Form 656-PPV — Periodic Payment Voucher (for ongoing monthly payments)

5. COMPLIANCE PREREQUISITES (BEFORE FILING)

- ☐ All required tax returns filed (last 6 years minimum)
- ☐ Current-year estimated payments / withholding on track
- ☐ Not in an open bankruptcy proceeding
- ☐ Business owners: current on federal tax deposits for last 2 quarters

6. AFTER SUBMISSION

- ☐ Continue making periodic payments (if applicable) — stopping = default
- ☐ Stay compliant with filings & payments for 5 years after acceptance
- ☐ If Returned (not processable): fix the defect and resubmit — no appeal right
- ☐ If Rejected: file Form 13711 within 30 days to preserve appeal rights
- ☐ Track CSED — offer submission tolls collection statute