Offer in Compromise

An offer in compromise with the Iowa Department of Revenue is a written agreement to settle an unpaid assessed tax debt for less than the total amount due.

General Information

- We will accept the offer in compromise if we believe it is in the State's best interest.
- We will only compromise debt that has been assessed by the Department.
- You must complete and return the entire packet with certified funds (money order or cashier’s check) payment for the amount offered to the return address listed in the packet.
- If the offer is denied, you have the option to request that the payment offered either be returned or applied to your debt.
- Spouses or Responsible Parties can request to compromise their debt jointly or separately.
- You may include more information than requested by us.
- A similar offer in compromise that was approved by the IRS may or may not be approved by the Iowa Department of Revenue.
- When an offer in compromise is accepted, you waive the right to protest or contest any debt and/or refund claims associated with this debt.

How do I obtain an offer in compromise packet?

You must obtain an offer in compromise packet from the Department. If a power of attorney is representing you, the power of attorney can request an offer in compromise packet. Please contact your assigned agent or collector to obtain a packet. You can find the name and telephone number of the agent or collector on the last correspondence you received from the Department.

What factors do we consider when reviewing an offer in compromise?

We consider many factors in reviewing your offer in compromise. Some of these factors include:

- Household Income
- Household Expenses
- Household Assets
- Whether you have resolved the issue that created the tax debt
- Whether you have complied with Iowa tax filings and payments since the time your debt was established
- Whether you could repay this debt over time by payment plan
- Whether you could repay this debt using bank accounts or borrowing against retirement funds
- Whether you could repay this debt by eliminating expenses for non-essential items
- Whether you own assets that could be sold or used as collateral to borrow funds to pay the debt
- Whether you have a medical condition that prevents payment

Decisions by the Iowa Department of Revenue

We will notify you in writing if your offer in compromise is accepted or denied. We will return your offer if you do not provide the information requested in the packet.

Questions?

If you have questions, please contact your assigned agent or collector.