

## **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.