



Department of Treasury
Internal Revenue Service

Form 656 (Rev. 1-97)
Catalog Number 16728N

Form 656

Offer in Compromise

- What you should know before submitting an offer in compromise
 - Worksheets to calculate an acceptable offer amount using Form 433-A and/or 433-B and Publication 1854*
 - How to correctly complete Form 656, Offer in Compromise
 - Two copies of Form 656
-

*Required forms can be obtained by calling 1-800-829-1040

What You Should Know Before Preparing an Offer in Compromise

Legal Limitations on Compromise

IRS *may* legally compromise a tax liability owed based only on:

- **Collectibility**—doubt that IRS can collect the full amount owed and/or
- **Liability**—doubt as to whether you owe the amount

IRS *cannot* legally accept a compromise based solely on hardship.

Are You an Offer Candidate?

Do not submit an offer if:

- The entire amount you owe can be collected through liquidation of your assets or through a monthly installment plan.
- IRS can collect more from your assets and/or future income than you are offering.

IRS *will not* decide that “something is better than nothing” and accept the offer because you currently have no assets or income.

Additional Agreements

The IRS may require additional agreements which would require you to:

- Pay a percentage of future earnings
- Give up certain present or potential tax benefits

Suspending Collection

Submitting an offer does not automatically suspend collection activity.

- If there is an indication that you filed the offer to delay collection of the tax or if delay of collection would interfere with the Service’s ability to collect the tax, then IRS will continue collection efforts.

- If you have an installment agreement prior to submitting the offer, you must continue making those payments while the offer is being considered.

Substitute Form 656

Offer in Compromise Form 656 is the official Offer in Compromise agreement. If you are using a substitute Form 656 that is a computer generated or photocopied substitute Form 656 be aware that:

- By signing the substitute Form 656 you affirm:
 1. That this form is a verbatim duplicate of the official Form 656;
 2. That you agree to be bound by all terms and conditions set forth in the official Form 656.

Can We Process Your Form 656?

IRS will return your offer to you and ask for clarification if you do not fill in every line item on the form. Refer to “How To Correctly Complete Form 656”, page 6 that explains how to fill out the form. IRS cannot process your offer if it contains any of these problems:

- Substitute Form 656 is not a verbatim duplicate of the official Form 656
- Pre-printed terms of the offer form are altered
- Taxpayer is not identified
- Taxpayer Identification Number is not included

- An amount is not offered and/or payment terms are not stated
- Appropriate signatures are not present
- Forms 433-A and/or 433-B, if required, are missing or are incomplete
- IRS determines that the amount you offered is less than the equity and available income indicated on the attached Form 433-A and/or 433-B

Financial Information

Only applies when submitting an offer based on doubt as to collectibility.

You must file Form 433-A, Collection Information Statement for individuals, and/or Form 433-B for businesses with Form 656. You must use Publication 1854 "How to Prepare a Collection Information Statement (Form 433-A)".

■ If you do not submit your financial statements or you submit incomplete financial statements, IRS will return the entire offer package to you. The information you provide must be current and reflect activity within the 6 months prior to the date you submit the offer. IRS uses this information to evaluate the offer.

■ *Do not* include information relating to unsecured creditors (See Form 433-A—line 28 and Form 433-B—line 25). For example, do not include amounts you owe on credit cards or loans made without pledging assets as security.

■ If you owe personal income tax and you are also self employed *you must* submit both Forms 433-A and 433-B.

■ If only one spouse has a liability but both have income, prepare the form using only the liable spouse's income and expense information unless state community property laws allow collection from a non-liable spouse. Where community property laws do not apply, IRS will require disclosure of financial information on the non-liable spouse during the investigation.

■ Complete all the items on the form that apply to you.

■ *Assets or income that is available to you but may not be available to IRS* for direct collection action, should be included on the financial statement. Even if the IRS may not collect directly from the assets, those assets are available to raise funds and those funds should be included in the offer.

How Do I Compute the Offer Amount?

To aid you in calculating an acceptable offer amount use the "Work Sheet To Calculate An Acceptable Offer Amount" on page 4. Enter this amount on Line 7 of Form 656.

Investigation of the Offer

In determining the amount that would be acceptable to compromise your liability, an offer examiner will review your offer package to insure that:

■ You accurately included all assets and income available to you.

■ You only claimed the necessary expenses allowable for the health and welfare of you and your family and/or that provide for the production of income.

■ IRS receives any requested documentation. If IRS does not receive the requested documentation, we cannot recommend the offer for acceptance and the offer will be rejected.

If financial changes are made, the examiner will recompute the amount necessary for an acceptable offer.

If Your Offer Is Accepted

■ We will send confirmation of acceptance by mail.

■ You should promptly pay any unpaid offered amounts plus any required interest according to the terms of the offer.

■ You must comply with all contractual terms and conditions of the offer.

■ We will release all Notice of Federal Tax Lien(s) when the offer amount and any additional owed interest is paid in full.

■ Failure to adhere to the 5 year compliance requirement to file all returns and pay all amounts due may result in default of your offer. If this occurs the unpaid compromised tax liability will be reinstated, any released Notice of Federal Tax Lien will be reinstated and the collection process will resume.

Public Disclosure of Your Offer

The law requires that all accepted offers in compromise be made available for review by the general public. Therefore, it is possible that the details of the offer in compromise may become publicly known.

Worksheet to Calculate an Acceptable Offer Amount Using Forms 433-A or 433-B

Read the terms and definitions below before preparing Forms 433-A or 433-B. You must use the National Standard expense amounts found in Publication 1854 to prepare Form 433-A.

Note: If the amount of your necessary expenses is unreasonable based on the BLS and local standards, IRS will not allow these expenses.

Terms and Definitions

Current Market Value—The amount you could reasonably expect to be paid for the asset if you sold it. Do not guess at the value of an asset. Find out the value from realtors, used car dealers, publications, furniture dealers, or other experts on specific types of assets. If you get a written estimate, please include a copy with your financial statement.

Present and Future Income—Generally the amount collectible is your income minus necessary living expenses. We usually consider what we can collect over 5 years.

Necessary Expenses—(*Not for business entities*) Expenses needed to provide for you and your family's health and welfare and the production of income. All expenses must be reasonable in amount. IRS expense amounts are determined from the Bureau of Labor Statistics (BLS) Consumer Expenditure Survey. IRS also developed local standards for housing (includes utilities) from information received from the Bureau of Census.

Expenses Not Generally Allowed—Tuition for private elementary and secondary schools, public or private college expenses, charitable contributions, voluntary retirement benefits, unsecured debts, cable television charges and any other expense that does not meet the "necessary expense" test.

Worksheet Instructions

Follow the steps in the appropriate worksheet below to compute the offer amount.

1. Use Form 433-A if you are an individual wage earner (go to worksheet 1)
2. Use Forms 433-A and 433-B if you are self-employed or if you are both self-employed and a wage earner (go to worksheet 2)
3. Use Form 433-B if the offer is for a business entity (go to worksheet 3)

Note: The offer investigator will review the form and compute an amount acceptable to compromise your liability. The amount you offered may have to be increased based on the investigator's review.

Worksheet 1: Individual Wage Earners

Step 1: Equity in Assets	Enter the dollar amount from line 30, Form 433-A	\$ _____
Step 2: Present and Future Income	(a) Enter the amount from line 41, Form 433-A	\$ _____
	(b) Necessary Expenses (Total lines 42-51)	\$ _____
	Line (a) minus line (b) =	\$ _____
	Multiply by 60 months =	\$ _____
Step 3: Offer Amount	Add total of steps 1 and 2 above = offer amount Note: If the offer amount is more than your total liability, you are not an offer candidate. Contact your local IRS office to resolve your liabilities.	\$ _____
Step 4: Form 656	Enter the total amount from step 3 above in item 7 of Form 656.	

Worksheet 2: Self-Employed or Self-Employed and Wage Earners

Step 1: Equity in Assets	(a) Enter the dollar amount from line 30, Form 433-A \$ _____ (b) Enter the dollar amount from line 27, Form 433-B \$ _____ Enter total of lines (a) and (b) \$ _____
Step 2: Present and Future Income	Enter the amount from line 33, Form 433-B on line 34, Form 433-A. Include line 34 in total on line 41, Form 433A (a) Enter the amount from line 41, Form 433-A \$ _____ (b) Enter expenses (Total lines 42-51, Form 433-A) \$ _____ Line (a) minus line (b) = \$ _____ Multiply by 60 months = \$ _____
Step 3: Offer Amount	Add total of steps 1 and 2 above = offer amount \$ _____ Note: If the offer amount is more than your total liability, you are not an offer candidate. Contact your local IRS office to resolve your liabilities.
Step 4: Form 656	Enter the total amount from step 3 above in item 7 of Form 656.

Worksheet 3: Business Entities

Step 1: Equity in Assets	Enter the dollar amount from line 27, Form 433-B \$ _____
Step 2: Present and Future Income	(a) Enter the amount from line 33, Form 433-B \$ _____ (b) Enter expenses (Total lines 34-44) \$ _____ Line (a) minus line (b) = \$ _____ Multiply by 60 months = \$ _____
Step 3: Offer Amount	Add total of steps 1 and 2 above = offer amount \$ _____ Note: If the offer amount is more than your total liability, you are not an offer candidate. Contact your local IRS office to resolve your liabilities.
Step 4: Form 656	Enter the total amount from step 3 above in item 7 of Form 656.

How to Correctly Complete Form 656

Two Forms 656 are provided. Use one form to submit your offer in compromise. The other form may be used as a worksheet and retained for your personal records.

Failure to read and follow these instructions could result in IRS returning your offer. Questions may be directed to your local IRS office.

Item 1	<p>Enter the taxpayer's name and home or business address. You should also include a mailing address, if different.</p> <p>If the tax liability is owed jointly by a husband and wife and both wish to make an offer, show both names. If you owe one amount by yourself (such as employment taxes), and other amounts jointly (such as income taxes),</p>	<p>but only one person is submitting an offer, list all tax liabilities on one Form 656. If you owe one amount yourself and another amount jointly, and both parties submit an offer, you <i>must complete two Forms 656</i>, one for the amount you owe individually and one for the joint amount.</p>
Item 2	<p>Enter the social security number for the person submitting the offer. For example, if both husband and wife are submitting an offer on a joint income tax liability, the</p>	<p>social security number of both persons should be entered. However, if only the husband is submitting the offer, only his social security number should be entered.</p>
Item 3	<p>If the liability being compromised is owed by a business, enter the employer identification number.</p>	
Item 4	<p>Show the employer identification numbers for all other businesses (excluding corporate entities) which you own. Under the terms of the offer in compromise, you</p>	<p>are required to comply with the filing and paying requirements of the tax laws for a period of 5 years for all the businesses that you own.</p>
Item 5	<p>Check the blocks that identify your tax liability and enter the tax year or period of the liability. If you owe a type of tax not preprinted, list it in the "other" block, specifying the type of tax and tax year and/or period. Tax periods</p>	<p>related to Trust Fund Recovery assessments can be found on copies of notices and from the Notice of Federal Tax Lien.</p>
Item 6	<p>Check the applicable block describing the basis for your offer.</p> <p>■ If Doubt as to Liability you must submit a written statement describing in detail why you do not believe you owe the liability. <i>You must complete item 7.</i></p> <p>■ If Doubt as to Collectibility you must submit Collection Information Statement, Form 433-A for individual and/or Form 433-B for businesses. <i>You must complete item 7.</i></p>	<p>■ If you are submitting an offer on both Doubt as to Liability and Doubt as to Collectibility, please be advised that IRS will first determine whether your offer is acceptable based on Doubt as to Collectibility. If your offer is acceptable based on Doubt as to Collectibility, the liability issue will not be considered.</p>

Item 7

■ Enter the total amount of your offer from the worksheet. Do not include amounts you have already paid, IRS has already physically collected or is due to receive.

■ Enter the amount of your deposit. A deposit is not required, however IRS encourages deposits because it reflects your good faith effort to reach an acceptable compromise. However, the law requires that your deposit go into a special fund. IRS will not pay you interest whether the deposit is applied to an accepted offer, applied to your tax liability, or refunded to you. *When the IRS cashes your check it does not mean your offer is accepted.*

■ Enter how and when you will pay the remainder of your offer. We have provided some specific time periods: 10 days, 30 days, 60 days, or 90 days. You should pay the full amount of the offer as soon as possible. If we determine that you can pay in a shorter time frame, we will require earlier payment or we will reject your offer.

■ Enter other proposed payment terms if you cannot pay the offer amount within 90 days or if you intend to make more than one payment within the specific time frames above. Include the specific dates and payment amount that we will receive. For example, \$1000.00 to be paid on 12-31-97. When IRS reviews your financial statement, if we determine that you can pay in a shorter time frame, we will require earlier payment or we will reject your offer.

Item 8

It is important that you thoroughly read and understand the contractual requirements listed in this section.

Item 9

All persons submitting the offer should sign and date Form 656. Where applicable, include titles of authorized corporate officers, executors, trustees, Powers of Attorney, etc.

If you are using a substitute Form 656 be aware that:

■ By signing the substitute Form 656 you affirm:

1) That this form is a verbatim duplicate of the official Form 656.

2) That you agree to be bound by all the terms and conditions set forth in the official Form 656.

■ If the substitute form is two single sided pages, the taxpayer(s) must initial and date the first page in addition to signing and dating the second page.

Where to File

File your offer in compromise in the IRS district office in your area. If you have been working with a specific IRS employee, file the offer with that employee.

Review your offer form to ensure that all line items are entered correctly.



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Offer in Compromise

(If you need more space, use another sheet titled "Attachment to Form 656", and sign and date it.)

Item 1

Taxpayer's Name and Home or Business Address

Name

Street Address

City

State

Zip Code

Mailing Address (if different from above)

City

State

Zip Code

Item 2

Social Security Numbers

(a) Primary

(b) Secondary

Item 3

Employer Identification Number (Included in offer)

Item 4

Other Employer Identification Numbers (Not included in offer)

Item 5

To: Commissioner of Internal Revenue Service

I/we (includes all types of taxpayers) submit this offer to compromise the tax liabilities plus any interest, penalties, additions to tax, and additional amounts required by law (tax liability) for the tax type and period marked below: (Please mark an "X" for the correct description and fill-in the correct tax periods(s); adding additional periods if needed.)

1040/1120 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)—Period(s) _____

Other Federal taxes (specify type and periods(s), _____

Item 6

I/we submit this offer for the reason(s) checked below:

Doubt as to Liability—"I do not believe I owe this amount." You *must* include a detailed explanation of the reasons you believe you do not owe the tax.

Doubt as to Collectibility—"I have insufficient assets and income to pay the full amount." You *must* include a complete financial statement (Form 433-A and/ or Form 433-B).

Item 7

I/We offer to pay \$ _____

Paid in full with this offer.

Deposit of \$ _____ with this offer.

No deposit.

Check one of the following boxes.

Balance to be paid in 10, 30, 60, or 90 days from notice of acceptance of the offer. If more than one payment will be paid during the time frame checked, provide the amount of the payment and date to be paid on the line below.

Other proposed payment terms. Enter the specific dates (mm/dd/yy format) and dollar amounts of the the payment terms you propose on the lines below.

In addition to the above amount, IRS will add interest from the date IRS accepts the offer until the date you completely pay the amount offered, as required by section 6621 of the Internal Revenue Code, IRS compounds interest daily, as required by section 6622 of the Internal Revenue Code.

Item 8

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

- (a) I/we voluntarily submit all payments made on this offer.
- (b) IRS will apply payments made under the terms of this offer in the best interest of the government.
- (c) If IRS rejects the offer or I/we withdraw the offer, IRS will return any amount paid with the offer. If I/we agree in writing, IRS will apply the amount paid with the offer to the amount owed. If I/we agree to apply the payment, the date the offer is rejected or withdrawn will be considered the date of payment. I/we understand that IRS will not pay interest on any amount I/we submit with the offer.
- (d) I/we will comply with all provisions of the Internal Revenue Code relating to filing my/our returns and paying my/our required taxes for 5 years from the date IRS accepts the offer. This condition does not apply to offers based on Doubt as to Liability.**
- (e) I/we waive and agree to the suspension of any statutory periods of limitation (time limits provided for by law) for IRS assessment and collection of the tax liability for the tax periods identified in item (5).
- (f) IRS will keep all payments and credits made, received, or applied to the amount being compromised before this offer was submitted. IRS may keep any proceeds from a levy served prior to submission of the offer, but not received at the time the offer is submitted. If I/we have an installment agreement prior to submitting the offer, I/we must continue to make the payments as agreed while this offer is pending. Installment agreement payments will not be applied against the amount offered.
- (g) IRS will keep any refund, including interest, due to me/us because of overpayment of any tax or other liability, for tax periods extending through the calendar year that IRS accepts the offer. I/we may not designate a refund, to which the IRS is entitled, to be applied to estimated tax payments for the following year.** This condition doesn't apply if the offer is based only on Doubt as to Liability.
- (h) I/we will return to IRS any refund identified in (g) received after submission of this offer. This condition doesn't apply if the offer is based only on Doubt as to Liability.
- (i) The total amount IRS can collect under this offer can not be more than the full amount of the tax liability.
- (j) I/we understand that I/we remain responsible for the full amount of the tax liability, unless and until IRS accepts the offer in writing and I/we have met all the terms and conditions of the offer. IRS won't remove the original amount of the tax liability from its records until I/we have met all the terms of the offer.
- (k) I/we understand that the tax I/we offer to compromise is and will remain a tax liability until I/we meet all the terms and conditions of this offer. If I/we file bankruptcy before the terms and conditions of this offer are completed, any claim the IRS files in the bankruptcy proceeding will be a tax claim.
- (l) Once IRS accepts the offer in writing, I/we have no right to contest, in court or otherwise, the amount of the tax liability.

(m) The offer is pending starting with the date an authorized IRS official signs this form and accepts my/our waiver of the statutory periods of limitation. The offer remains pending until an authorized IRS official accepts, rejects or acknowledges withdrawal of the offer in writing. If I/we appeal the IRS decision on the offer, IRS will continue to treat the offer as pending until the Appeals Office accepts or rejects the offer in writing. If I/we don't file a protest within 30 days of the date IRS notifies me/us of the right to protest the decision, I/we waive the right to a hearing before the Appeals office about the offer in compromise.

(n) The waiver and suspension of any statutory periods of limitation for assessment and collection of the amount of the tax liability described in item (5), continues to apply: while the offer is pending (see (m) above), during the time I/we have not paid all of the amount offered, during the time I/we have not completed all terms and conditions of the offer, and for one additional year beyond each of the time periods identified in this paragraph.

(o) If I/we fail to meet any of the terms and conditions of the offer, the offer is in default, then IRS may: immediately file suit to collect the entire unpaid balance of the offer; immediately file suit to collect an amount equal to the original amount of the tax liability as liquidating damages, minus any payments already received under the terms of this offer; disregard the amount of the offer and apply all amounts already paid under the offer against the original amount of tax liability; or file suit or levy to collect the original amount of the tax liability, without further notice of any kind.

IRS will continue to add interest as required by section 6621 of the Internal Revenue Code, on the amount IRS determines is due after default. IRS will add interest from the date the offer is defaulted until I/we completely satisfy the amount owed.

Item 9

If I/we submit this offer on a substitute form, I/we affirm that this form is a verbatim duplicate of the official Form 656, and I/we agree to be bound by all the terms and conditions set forth in the official Form 656.

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.

(9a) Signature of Taxpayer-proponent

Date

(9b) Signature of Taxpayer-proponent

Date

For Official Use Only

I accept waiver of the statutory period of limitations for the Internal Revenue Service.

Signature of authorized Internal Revenue Service Official

Title

Date



Department of Treasury
Internal Revenue Service

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Catalog Number 16728N

Form 656

Offer in Compromise

Item 1

Taxpayer's Name and Home or Business Address

Name

Street Address

City

State

Zip Code

Mailing Address (if different from above)

City

State

Zip Code

Item 2

Social Security Numbers

(a) Primary

(b) Secondary

Item 3

Employer Identification Number (Included in offer)

Item 4

Other Employer Identification Numbers (Not included in offer)

Item 5

To: Commissioner of Internal Revenue Service

I/we (includes all types of taxpayers) submit this offer to compromise the tax liabilities plus any interest, penalties, additions to tax, and additional amounts required by law (tax liability) for the tax type and period marked below: (Please mark an "X" for the correct description and fill-in the correct tax periods(s), adding additional periods if needed.)

1040/1120 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)—Period(s) _____

Other Federal taxes (specify type and periods(s)) _____

Item 6

I/we submit this offer for the reason(s) checked below:

Doubt as to Liability—"I do not believe I owe this amount." You *must* include a detailed explanation of the reasons you believe you do not owe the tax.

Doubt as to Collectibility—"I have insufficient assets and income to pay the full amount." You *must* include a complete financial statement (Form 433-A and/ or Form 433-B).

Item 7

I/We offer to pay \$ _____

Paid in full with this offer.

Deposit of \$ _____ with this offer.

No deposit.

Check one of the following boxes.

Balance to be paid in 10, 30, 60, or 90 days from notice of acceptance of the offer. If more than one payment will be paid during the time frame checked, provide the amount of the payment and date to be paid on the line below.

Other proposed payment terms. Enter the specific dates (mm/dd/yy format) and dollar amounts of the the payment terms you propose on the lines below.

In addition to the above amount, IRS will add interest from the date IRS accepts the offer until the date you completely pay the amount offered, as required by section 6621 of the Internal Revenue Code, IRS compounds interest daily, as required by section 6622 of the Internal Revenue Code.

Item 8

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

- (a) I/we voluntarily submit all payments made on this offer.
- (b) IRS will apply payments made under the terms of this offer in the best interest of the government.
- (c) If IRS rejects the offer or I/we withdraw the offer, IRS will return any amount paid with the offer. If I/we agree in writing, IRS will apply the amount paid with the offer to the amount owed. If I/we agree to apply the payment, the date the offer is rejected or withdrawn will be considered the date of payment. I/we understand that IRS will not pay interest on any amount I/we submit with the offer.
- (d) I/we will comply with all provisions of the Internal Revenue Code relating to filing my/our returns and paying my/our required taxes for 5 years from the date IRS accepts the offer. This condition does not apply to offers based on Doubt as to Liability.**
- (e) I/we waive and agree to the suspension of any statutory periods of limitation (time limits provided for by law) for IRS assessment and collection of the tax liability for the tax periods identified in item (5).
- (f) IRS will keep all payments and credits made, received, or applied to the amount being compromised before this offer was submitted. IRS may keep any proceeds from a levy served prior to submission of the offer, but not received at the time the offer is submitted. If I/we have an installment agreement prior to submitting the offer, I/we must continue to make the payments as agreed while this offer is pending. Installment agreement payments will not be applied against the amount offered.
- (g) IRS will keep any refund, including interest, due to me/us because of overpayment of any tax or other liability, for tax periods extending through the calendar year that IRS accepts the offer. I/we may not designate a refund, to which the IRS is entitled, to be applied to estimated tax payments for the following year.** This condition doesn't apply if the offer is based only on Doubt as to Liability.
- (h) I/we will return to IRS any refund identified in (g) received after submission of this offer. This condition doesn't apply if the offer is based only on Doubt as to Liability.
- (i) The total amount IRS can collect under this offer can not be more than the full amount of the tax liability.
- (j) I/we understand that I/we remain responsible for the full amount of the tax liability, unless and until IRS accepts the offer in writing and I/we have met all the terms and conditions of the offer. IRS won't remove the original amount of the tax liability from its records until I/we have met all the terms of the offer.
- (k) I/we understand that the tax I/we offer to compromise is and will remain a tax liability until I/we meet all the terms and conditions of this offer. If I/we file bankruptcy before the terms and conditions of this offer are completed, any claim the IRS files in the bankruptcy proceeding will be a tax claim.
- (l) Once IRS accepts the offer in writing, I/we have no right to contest, in court or otherwise, the amount of the tax liability.

(m) The offer is pending starting with the date an authorized IRS official signs this form and accepts my/our waiver of the statutory periods of limitation. The offer remains pending until an authorized IRS official accepts, rejects or acknowledges withdrawal of the offer in writing. If I/we appeal the IRS decision on the offer, IRS will continue to treat the offer as pending until the Appeals Office accepts or rejects the offer in writing. If I/we don't file a protest within 30 days of the date IRS notifies me/us of the right to protest the decision, I/we waive the right to a hearing before the Appeals office about the offer in compromise.

(n) The waiver and suspension of any statutory periods of limitation for assessment and collection of the amount of the tax liability described in item (5), continues to apply: while the offer is pending (see (m) above), during the time I/we have not paid all of the amount offered, during the time I/we have not completed all terms and conditions of the offer, and for one additional year beyond each of the time periods identified in this paragraph.

(o) If I/we fail to meet any of the terms and conditions of the offer, the offer is in default, then IRS may: immediately file suit to collect the entire unpaid balance of the offer; immediately file suit to collect an amount equal to the original amount of the tax liability as liquidating damages, minus any payments already received under the terms of this offer; disregard the amount of the offer and apply all amounts already paid under the offer against the original amount of tax liability; or file suit or levy to collect the original amount of the tax liability, without further notice of any kind.

IRS will continue to add interest as required by section 6621 of the Internal Revenue Code, on the amount IRS determines is due after default. IRS will add interest from the date the offer is defaulted until I/we completely satisfy the amount owed.

Item 9

If I/we submit this offer on a substitute form, I/we affirm that this form is a verbatim duplicate of the official Form 656, and I/we agree to be bound by all the terms and conditions set forth in the official Form 656.

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.

(9a) Signature of Taxpayer-proponent

Date

(9b) Signature of Taxpayer-proponent

Date

For Official Use Only

I accept waiver of the statutory period of limitations for the Internal Revenue Service.

Signature of authorized Internal Revenue Service Official

Title

Date