

# Offer In Compromise Instruction Booklet



State of North Carolina  
Department of Revenue

## Help Preparing an Offer In Compromise

- This Booklet provides basic instructions for taxpayers preparing an Offer In Compromise.
- Additional Instructions and web-fill versions of forms are available on the Department's website at [www.dorn.com](http://www.dorn.com).
- Contact the collection agent handling your account or the local field office for your county of residence for assistance with specific questions. See the last page for contact information.

## What is an Offer In Compromise?

The North Carolina Offer In Compromise program allows qualifying, financially distressed taxpayers the opportunity to put overwhelming tax liabilities behind them by paying a lump sum amount in exchange for the liability being settled in full. The law provides specific requirements for accepting an offer. The goal of the Offer In Compromise Program is to resolve a liability in a way that is in the best interest of both the State and the taxpayer.

You are required to provide reasonable documentation of financial condition and ability to pay with your request for an offer. A complete review of your current financial situation will be conducted as a part of the offer process. You will be re-

quired to complete and submit forms detailing all of your income, expenses, assets and liabilities. You will also be required to substantiate the information on these forms with documents such as pay stubs, copies of bills, loan records, etc.

Your offer is not automatically accepted because of an *immediate* financial inability to pay. During the review of your financial condition, the Department will estimate how much it can collect over time if the offer is not accepted. The review must indicate that your financial situation prevents full payment for the foreseeable future.

An offer will not be considered if it is determined that the offer was filed for the purpose of

delaying collection or otherwise jeopardizing the Department's ability to collect the tax debt.

Forced collection actions, such as garnishments, in effect at the time you submit your offer will not automatically be suspended during the review period. Interest and penalty will continue to accrue on any unpaid tax debt while the offer is being considered.

This document provides instructions, forms, and other materials you will need to submit a request for an offer in compromise. If you have questions or need additional assistance, please contact your local office at the address and telephone number provided on the last page of this document.

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## Do I Need Professional Assistance to Submit an Offer?

You may have seen advertisements about companies that claim they will settle your liabilities for pennies on the dollar. The ad may say the company has special abilities to negotiate more favorable terms on your behalf. As the old adage states, "if something sounds

too good to be true, it probably is."

The NC Offer In Compromise program is designed to be completed by taxpayers with assistance from NC DOR personnel. While you are welcome to secure the assistance of a tax

professional, the program is designed to meet the needs of taxpayers acting on their own behalf. In some cases, the funds you spend securing assistance might be better spent by applying them towards the offer amount.



## Statutory Basis for Offer In Compromise

NC Gen. Stat. 105-237.1 provides the authority for the Secretary of Revenue to entertain an offer in compromise:

§ 105-237.1. Compromise of liability.

(a) Authority. – The Secretary may compromise a taxpayer's liability for a tax that is collectible under G.S. 105-241.22 when the Secretary determines that the compromise is in the best interest of the State and makes one or more of the following findings:

- (1) There is a reasonable doubt as to the amount of the liability of the taxpayer under the law and the facts.
- (2) The taxpayer is insolvent and the Secretary probably could not otherwise collect an amount equal to or in excess of the amount offered in compromise. A taxpayer is considered insolvent only in one of the following circumstances:
  - a. It is plain and indisputable that the taxpayer is clearly insolvent and will remain so in the reasonable future.
  - b. The taxpayer has been determined to be insolvent in a judicial proceeding.
- (3) Collection of a greater amount than that offered in compromise is improbable, and the funds or a substantial portion of the funds offered in the settlement come from sources from which the Secretary could not otherwise collect.
- (4) A federal tax assessment arising out of the same facts has been compromised with the federal government on the same or a similar basis as that proposed to the State and the Secretary could probably not collect an amount equal to or in excess of that offered in compromise.
- (5) Collection of a greater amount than that offered in compromise would produce an unjust result under the circumstances.

(b) Written Statement. – When the Secretary compromises a tax liability under this section and the amount of the liability is at least one thousand dollars (\$1,000), the Secretary must make a written statement that sets out the amount of the liability, the amount accepted under the compromise, a summary of the facts concerning the liability, and the findings on which the compromise is based. The Secretary must sign the statement and keep a record of the statement. If the compromise settles a dispute that is in litigation, the Secretary must obtain the approval of the Attorney General before accepting the compromise, and the Attorney General must sign the statement describing the compromise. (1957, c. 1340, s. 10; 1959, c. 1259, s. 8; 1973, c. 476, s. 193; 1985, c. 114, s. 11; 1991 (Reg. Sess., 1992), c. 1007, s. 11; 2008-107, s. 28.16(f).)

# Step 1

## Basic Requirements

Please review the following statements. Each statement must be “True” in order for the Department to process your offer request. If your response to any of these statements is “False,” your offer cannot be processed at this time.

1. You have filed all required tax returns and reports.
2. You have received a final notice of assessment for all NC state taxes that you owe.

3. You are not the subject of an open or active bankruptcy case.

If you answer “False” to any of these 3 statements, **STOP**. Your offer cannot be processed at this time.

## Preparing to Submit an Offer

1. You must file all tax returns that you were legally required to file prior to submitting the offer. If you did not file a return for a prior period because you were not legally required to file, you must include a detailed explanation of circumstances with the offer. Timely filing and payment of all tax returns is required while the offer is pending.
2. All estimated payments (if required) must be paid to date for the current year. You will be given an opportunity to make the required payments before returning or denying your offer.
3. The OIC-100 and RO-1062 (Collection Information Statement for Individuals) or RO-1063 (Collection Information Statement for Businesses) must be completed and signed with appropriate identification numbers and all sections completed. Items that do not apply to you should be notated with "N/A." If your source of funds is "third party", please attach form OIC-102 to your OIC-100.

Documents that must be included with the Collection Information Statement are:

- If wage earner, must enclose last 2 paystubs
  - Must include copies of last 3 bank statements
  - Must include complete copies of last 2 federal income tax returns (if required to file)
  - Must include substantiation documentation for any claims of special circumstances made in section 8 of OIC-100 Explanation of Circumstances (copies of actual monthly expenses, out-of-pocket medical expenses, physician's statements detailing illness, etc.)
  - You must respond within the requested time frame for additional information.
  - Liabilities must be assessed by the Department in order to be considered for settlement. We cannot process an offer for a period that has not been assessed. Any money sent with the offer will not be returned and will be applied to your liability.
4. You must pay 20% in certified funds of the amount offered in compromise (non-refundable) when the offer is submitted. Exceptions exist for taxpayers whose income is below federal poverty guidelines.
  5. If your basis for compromise is reasonable doubt as to the amount of liability, please include a computation of the claimed corrected tax due, an explanation of how you arrived at the amount, and any verifying documentation.

# Step 2

## Keep Copies!

*You should make copies of all documents submitted to the Department for your records. Do not send original copies of receipts with your offer in compromise to the Department since they will not be returned.*

# Step 3

*Reasonable  
Collection Potential  
(RCP) equals  
your net equity plus  
estimated collection  
potential from  
future income*

*The Department  
will provide you an  
electronic template  
for completing the  
Collection Statement  
and RCP/ down-  
payment calculations  
upon request*

## Determining the Amount of Your Offer & Required Down Payment

For any basis for compromise other than reasonable doubt as to amount of liability, complete financial information **must** be provided. You must send information that reflects your financial situation for the three months immediately preceding the date you submitted your offer in compromise. Your offer amount must equal or exceed your reasonable collection potential (RCP) amount.

Individual taxpayers must submit form RO1062 Collection Information Statement for Individuals. Business entities (Corporations, partnerships, LLCs, etc.) should submit RO1063 Collection Information Statement for Businesses.

Proprietorships and self employed individuals should complete sections 11 and 12 on the RO-1062. Required documentation is listed under the signature line of the collection information statements.

The information provided on the collection information statements (*Form RO-1062 and RO-1063*) assists us in determining the RCP. The RCP equals the net equity of your assets plus the amount we project we could collect from your future income.

Information from the collection statements should be transferred to the worksheets on pages 5 (individuals) and 6 (businesses). These work-

sheets will help you estimate your RCP and determine your minimum required down payment. Electronic versions of these worksheets are available upon request.

If the Department's financial analysis indicates that you have the ability to fully pay the tax liability, either immediately or through an installment agreement, or you can pay a greater amount than that offered in compromise, your offer will be rejected. You must offer an amount greater than or equal to the RCP amount. All offer amounts must exceed zero.

## Does Offering the RCP Guarantee Acceptance of My Offer?

No. The Department performs an audit of your financial condition as a part of the review process. Here are examples of reasons why your offer for an amount equal to or greater than the RCP you calculate might be rejected:

**Excess Expenses-** The Department uses National Collection Financial Standards produced by the IRS to determine maximum allowable amounts for claimed expenses. Expenses that exceed these standards will be adjusted to the maximum allowed.

**Insufficient Documentation -**

Most items on the financial statement must be substantiated. If you do not provide sufficient documentation to support income, expenses, and other items claimed, your offer will be declined.

**Property Valuation -** The Department will assess the value of all property that you own. If the Department determines value of the property is greater than shown on your financial statement, your offer may be rejected.

**Omitted Items -** If you omit income, assets, or other items of significance from your financial statement, your offer may be rejected.

**Collected Taxes -** If your debt is based on taxes collected from others, but not remitted such as sales or employee withholding taxes, the offer may not be accepted.

**History of Non-Compliance—**A history of regular or willful non-compliance with revenue statutes may constitute grounds for rejection of your offer.

**Other -** The law gives the Secretary the option to accept an offer but in no way requires it. In any instance where the Secretary determines that acceptance is not in the best interest of the State, the offer will be declined.

## Will offers for less than RCP be considered?

If special circumstances cause you to offer an amount less than the RCP, you **must** complete Section 7, "Explanation of Circumstances," on Form OIC-100, explaining your situation.

You **must** also attach to Form OIC-100 any supporting documents to help support your special circumstances.

Special circumstances may include factors such as advanced age, serious illness from which recovery is unlikely, or any other factors that have an impact upon your ability to pay the total RCP and continue to provide for the necessary living expenses for you and your family.

# Calculating the RCP and Down Payment—Individuals

## Step 1: Assessing Liquid Assets - Section 3

Cash on Hand - Section 3 Line 12					\$	
Average Bank Balance - Section 3 line 13e					\$	
Investment account balance (stocks, bonds, retirement) - Section 3 Line 14d					\$	
Cash value of insurance policy - Section 3 Line 15c					\$	
<b>TOTAL LIQUID ASSETS</b>					\$	<b>A</b>

*Refer to the Collection Statement for Individuals (RO-1062)*

## Step 2: Real Property - Section 4

Fair Market Value	\$	x	80%	-	Loan Balance	\$	=	Asset Value	\$	<b>B</b>
	Section 4 Line 16c		QSV			Section 4 Line 16d				

*when completing this form*

## Step 3: Purchased Vehicle/ Other Licensed Asset -Section 5

Fair Market Value	\$	x	80%	-	Loan Balance	\$	=	Asset Value	\$	<b>C</b>
	Section 5 Line 17c		QSV			Section 5 Line 17d				

*The Department allows you to discount property values to 80% of fair market value.*

## Step 4: Other Personal Assets -Section 6

Fair Market Value	\$	x	80%	-	Loan Balance	\$	=	Asset Value	\$	<b>D</b>
	Section 6 Line 18d		QSV			Section 6 Line 18e				

*This is referred to as Quick Sale (QSV) value*

## Step 5: Subtracting Judgments/Liens -Section 7

Balance due	\$	<b>E</b>
	Section 7 Line 19d	

## Step 6: Total Equity in Assets Held

\$	<b>F</b>
(A+B+C+D)-E= F	

## Step 7: Disposable Income Analysis -Section 10

Total Monthly Income (line 35)					\$	<b>G</b>
Wages, pensions, Social Security, dividends, profit from business, alimony child support, commissions, other					Section 10 Line 35	

Less

Total Monthly Expenses (line 47)					\$	<b>H</b>
Mortgage/rent, utilities, vehicle, vehicle maintenance and fuel, food/clothing, health insurance, life insurance, out-of-pocket medical, court-ordered payments, child care, tax payments, other					Section 10 Line 47	

<b>Disposable Monthly Income:</b>	\$	<b>I</b>
	G-H=I	

## Step 8: Proposed Offer Amount

\*\*Do not enter amounts below \$0.00. If equity in assets or disposable income calculations are less than \$0.00, enter \$0.00.

<b>Equity in Assets Held (F)</b>	\$	<b>J</b>
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<b>Disposable Monthly Income (I)</b>	x	<b>36 (months)</b>	\$	<b>K</b>
			I X 36	

<b>Reasonable Collection Potential</b>	\$	<b>L</b>
	J+K=L	

<b>Allowance for Accounting/Legal Fees (not to exceed \$2,000-must provide receipt)</b>	\$	<b>M</b>
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<b>Proposed Amount Offered In Compromise (must be greater than 0)</b>	\$	<b>N</b>
	L-M=N	

<b>20% Deposit in Certified Funds (see instructions for exceptions)</b>	\$	<b>O</b>
	N x 20% = O	

## Calculating RCP and Down Payment – Business Entities

### Step 1: Assessing Business Assets- Section 4

Cash on Hand - Line 15				\$	-	
Total Cash in Banks - Line 16d				\$	-	
Accounts/Notes Receivable - Line 18f				\$	-	
Total Investments (stocks, bonds, mutual funds, stock options, CDs) - line 19c				\$	-	
Total Credit Available - Line 20c				\$	-	
<b>Total Business Assets</b>				\$	-	

### Step 2: Real Property -Section 4

Fair Market Value	\$	-	x	80%	-	Loan Balance	\$	-	=	Asset Value	\$	-
	Section 4 Line 21e			QSV			Section 4 Line 21f					

### Step 3: Vehicles, Leased and Purchased -Section 4

Fair Market Value	\$	-	x	80%	-	Loan Balance	\$	-	=	Asset Value	\$	-
	Section 4 Line 22e			QSV			Section 4 Line 22f					

### Step 4: Business Equipment - Section 4

Fair Market Value	\$	-	x	80%	-	Loan Balance	\$	-	=	Asset Value	\$	-
	Section 4 Line 23e			QSV			Section 4 Line 23f					

### Step 5: Business Liabilities - Section 4

Balance due	\$	-
	Line 24d	

### Step 6: Total Equity in Assets Held

\$	-
(A+B+C+D)-E=F	

### Step 7: Disposable Income Analysis -Section 5

Total Monthly Income (Line 35)	\$	-
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Less

Total Monthly Expenses (Line 48)	\$	-
----------------------------------	----	---

**Disposable Monthly Income:**

\$	-
G-H=I	

### Step 8: Proposed Offer Amount

\*\*Do not enter amounts below \$0.00. If equity in assets or disposable income calculations are less than \$0.00, enter \$0.00.

<b>Equity in Assets Held (F)</b>	\$	-
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<b>Disposable Monthly Income (I)</b>	x	<b>36 (months)</b>	\$	-
			I X 36	

<b>Reasonable Collection Potential (RCP)</b>	\$	-
	J+K=L	

<b>Allowance for Accounting/Legal Fees (not to exceed \$2,000-must provide receipt)</b>	\$	-
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<b>Proposed Amount Offered In Compromise (must be greater than \$0.00)</b>	\$	-
	L-M=N	

<b>20% Deposit in Certified Funds (see instructions for exceptions)</b>	\$	-
	N x 20% = O	

Refer to  
RO-1063  
Collection  
Statement for  
Businesses when  
completing this  
form

The Department  
allows you to  
discount property  
values to 80% of  
fair market value.  
This is referred to  
as Quick Sale  
(QSV) value

A

B

C

D

E

F

G

H

I

J

K

L

M

N

O

## Calculating RCP and Down Payment – Self Employed Individuals

**Must complete RO-1062 Sections 1-12 prior to completion of Worksheet**

**Step 1a: Assessing Individual Assets -Section 3**

Cash on Hand - Line 12					\$	-
Average Bank Balance- line 13e					\$	-
Investment account balance (stocks, bonds, retirement)- line 14d					\$	-
Cash value of insurance policy - line 15c					\$	-

**Step 1b: Assessing Business Assets -Section 11**

Cash on Hand - Line 58					\$	-
Total Cash in Banks - Line 59c					\$	-
Accounts/Notes Receivable - Line 60e					\$	-
Business Assets Line-61e					\$	-
Fair Market Value	\$	-	x	80%	-	Loan Balance
					\$	-
	Section 11 Line 61c		QSV		Section 11 Line 61d	= Asset Value

**Total Individual and Business Liquid Assets** \$ -

**Step 2: Real Property -Section 4**

Fair Market Value	\$	-	x	80%	-	Loan Balance
					\$	-
	Section 4 Line 16c		QSV		Section 4 Line 16d	= Asset Value

**Step 3: Vehicles, Leased and Purchased - Section 5**

Fair Market Value	\$	-	x	80%	-	Loan Balance
					\$	-
	Section 5 Line 17c		QSV		Section 5 Line 17d	= Asset Value

**Step 4: Other Personal Assets- Section 6**

Fair Market Value	\$	-	x	80%	-	Loan Balance
					\$	-
	Section 6 Line 18d		QSV		Section 6 Line 18e	= Asset Value

**Step 5: Individual Judgements/Liens - Section 7**

Total Payments - Line 19d					Balance due	\$	-
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**Step 6: Total Equity in Assets Held**

\$ -  
(A+B+C+D)-E= F

**Step 7: Disposable Income Analysis**

Total Monthly Income (Line 35+Line 71) \$ - G

Less

Total Monthly Expenses (Line 47 + Line 83) \$ - H

**Disposable Monthly Income:** \$ - I  
G-H=I

**Step 8: Proposed Offer Amount**

**\*\*Do not enter amounts below \$0.00. If equity in assets or disposable income calculations are less than \$0.00, enter \$0.00.**

**Equity in Assets Held (F)** \$ - J

**Disposable Monthly Income (I)** x **36 (months)** \$ - K  
I X 36

**Reasonable Collection Potential** \$ - L  
J+K=L

**Allowance for Accounting/Legal Fees (not to exceed \$2,000-must provide receipt)** \$ - M

**Proposed Amount Offered In Compromise (must be greater than \$0.00)** \$ - N  
L-M=N

**20% Deposit in Certified Funds (see instructions for exceptions)** \$ - O  
N x 20% = O

*Refer to  
RO-1062  
Collection  
Statement for  
Individuals  
when  
completing this  
form*

*The Department  
allows you to  
discount property  
values to 80% of  
fair market value.  
This is referred to  
as Quick Sale  
(QSV) value*

A  
B  
C  
D  
E  
F  
G  
H  
I  
J  
K  
L  
M  
N  
O

## 20% Down-Payment Requirement

The Department requires a 20% down payment of the offer amount. This will be applied towards your tax liability and will not be refunded if the offer is later rejected. Payment must be submitted in the form of certified check or money order. Offers received without the down-payment will not be processed.

You may be exempted from this requirement only if your gross income falls below the [Federal Poverty Level](#).

Household Size	Poverty Guideline
1	\$10,830
2	14,570
3	18,310
4	22,050
5	25,790
6	29,530
7	33,270
8	37,010
For families with more than 8 persons, add \$3,740 for each additional person.	

## What Do I Send With My Offer?

1. OIC-100 Form completed and signed (Pages 9 & 10)
- 1a. If source of funds is “third party”, please attach completed form OIC-102 (Page 11) to OIC-100
2. RO-1062 (Collection Information Statement for Individuals) or RO 1063 (Collection Information Statement for Businesses) completed and signed
3. Supporting Documentation
  - If wage earner, must enclose last 2 paystubs
  - Must include complete copies of last 3 bank statements
  - Must include complete copies of last 2 federal income tax returns (if required to file)
  - Must include substantiation documentation for any claims of special circumstances made in section 7 of OIC-100 Explanation of Circumstances (copies of actual monthly expenses, out-of-pocket medical expenses, physician’s statements detailing illness, etc.)
  - You must respond within the requested time frame for additional information.
  - Liabilities must be assessed by the Department in order to be considered for settlement. We cannot process an offer for a period that has not been assessed.
  - Any money sent with the offer will not be returned and will be applied to your liability.
4. Copy of worksheet from page 5 (individuals), page 6 (businesses), or page 7 (self-employed individuals).
5. The Department requires a 20% down payment in certified funds of the offer amount. This is non-refundable and will be applied against the outstanding liability.
6. If your basis for compromise is reasonable doubt as to the amount of liability, please include a computation of the claimed corrected tax due, an explanation of how you arrived at the amount, and any verifying documentation.
7. Information should be submitted to the field office serving your county of residence, or in the case of a business, where the business is located. The last page of this booklet provides contact information.

Step  
4

Form OIC 100  
(11-09)

NORTH CAROLINA DEPARTMENT OF REVENUE

**OFFER IN COMPROMISE**

**1) Name and Address of Taxpayer(s)**

Name	_____	Date	_____
Trading As	_____	Account ID	_____
Address	_____	SSN/FEIN	_____
City	_____ State _____	Zip Code	_____

**2) Outstanding Liability**

Mark an "X" in the box for the correct tax type. Fill in the corresponding tax period(s) and amount(s) due.

<u>Tax Type</u>	<u>Period (s)</u>	<u>Amount of Liability*</u>
<input type="checkbox"/> <b>Individual Income</b>	_____	_____
<input type="checkbox"/> <b>Sales &amp; Use</b>	_____	_____
<input type="checkbox"/> <b>Withholding</b>	_____	_____
<input type="checkbox"/> <b>Other (specify)</b>	_____	_____
		TOTAL \$ _____ -

\* Include tax, penalty, and interest.

**3) Basis For Compromise:** (G.S. 105-237.1 authorizes compromises in the following situations. Check the appropriate block (s).)

- There is reasonable doubt as to the amount of the liability of the taxpayer under the law and the facts.
- The taxpayer is insolvent and the Secretary probably could not otherwise collect an amount equal to or in excess of the amount offered in compromise. A taxpayer is considered insolvent only in one of the following circumstances (check one):
  - a. It is plain and indisputable that the taxpayer is clearly insolvent and will remain so in the reasonable future.
  - b. The taxpayer has been determined to be insolvent in a judicial proceeding.
- Collection of a greater amount than that offered in compromise is improbable, and the funds or a substantial portion of the funds offered in the settlement come from sources from which the Secretary could not otherwise collect.
- A federal tax assessment arising out of the same facts has been compromised with the federal government on the same or a similar basis as that proposed to the State and the Secretary probably could not collect an amount equal to or in excess of that offered in compromise.
- Collection of a greater amount than that offered in compromise would produce an unjust result under the circumstances.

**4) Has any period listed above been compromised with the Internal Revenue Service? \_\_\_\_\_ If yes, attach a copy of the submitted offer, federal acceptance letter, and total amount due.**

**5) Amount of Offer:** \_\_\_\_\_

**6) 20% Down Payment:** \_\_\_\_\_ **“Down Payment must be in Certified Funds.”**  
20% x Line 5

**7) Sources of Funds:** \_\_\_\_\_

\*If source of funds is “third party”, attach form OIC-102



Form OIC 102  
(01-11)

NORTH CAROLINA DEPARTMENT OF REVENUE

**Third Party Affirmation of Offered Amount**

Taxpayer Name: \_\_\_\_\_

Taxpayer SSN/FEIN: \_\_\_\_\_

Amount Offered: \_\_\_\_\_

I, \_\_\_\_\_ (third party name), will provide \$ \_\_\_\_\_ (amount of offer) in certified funds for \_\_\_\_\_ (taxpayer name) payable to the North Carolina Department of Revenue within 30 days after acceptance of the offer in compromise.

Printed Third Party Name: \_\_\_\_\_

Third Party Address: \_\_\_\_\_

Third Party Signature: \_\_\_\_\_

Date: \_\_\_\_\_

North Carolina

\_\_\_\_\_ County

"I, \_\_\_\_\_, a Notary Public for said County and State, do hereby certify that \_\_\_\_\_ personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal, this the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
Notary Public

My commission expires \_\_\_\_\_, 20 \_\_\_\_.

# Step 5

*A Certificate of Tax Liability may be filed at any time while your offer is being considered.*

*Offer Amounts must be paid in full when an offer is accepted. Payment plans are not accepted for offer funds.*

## What Happens After My Offer is Submitted?

*How we evaluate your offer in compromise:* First, the assigned revenue officer makes an initial review of the file to determine whether the offer may be processed and may request additional documentation to verify the information you provide. The complete offer packet is forwarded to the Offer in com-

promise (OIC) Unit for evaluation of the offer.

The (OIC) Unit performs an audit of the information provided. You may be contacted if additional information is needed or documentation is needed.

The OIC Unit makes a recommendation to the Secretary of

Revenue, who has the final approval for all offer in compromise decisions.

## Will Collection Actions Stop?

Not necessarily.

There are certain circumstances when the Department will suspend collection activities while we consider your offer.

After an offer is determined to be complete and submitted for processing, we will not act to

collect the tax liability while we consider and evaluate your offer.

We will also allow 14 days for you to respond after we send a letter notifying you of the Department's intention to deny your offer.

**It is important to note that the Department will not suspend collection if we determine that you submitted your offer to delay collection or cause a delay which will jeopardize our ability to collect the tax.**

## If Your Offer is Accepted

The Department will notify you and your designated representative by mail if the offer is accepted. Payment of the accepted offer must be made by the payment due date as indicated on the acceptance letter (usually 30 days from date of the acceptance letter).

**The Department cannot accept payment plans on an Offer in compromise.**

A recorded Certificate of Tax Liability will be released when the Department receives payment of the accepted offer amount in certified funds.

## If Your Offer is Declined

*Notification:* You will be notified by mail if the offer is declined. You should immediately contact the Department to arrange payment of the entire liability.

*Installment Payments:* If immediate payment of the entire liability is not possible, you may request payment through a Department-approved installment payment agreement.

*Appealing the Decision:* North Carolina statutes make no provision for appeal of a declined offer. The Department may reconsider a rejected offer if there is a material change in the taxpayer's circumstances, or if the Department misinterpreted information contained in the original offer. The rejection letter will contain contact infor-

mation for the Revenue Officer assigned to your case for questions or clarifications.

# Step

## 6

### Where to Submit an Offer or for Assistance Completing an Offer

Call or visit the local Service Center Collection Office that serves your county of residence or location of your business.

Office	Counties	Office Location	Telephone
Asheville	Buncombe, Cherokee Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, Mitchell, Polk, Rutherford, Swain, Transylvania, Yancey	2800 Heart Drive Asheville, NC 28806	828-667-0597
Charlotte	Anson, Cabarrus, Gaston, Mecklenburg, Rowan, Stanley, Union	301 McCullough Drive, Suite 300 Charlotte, NC 28262	704-519-3000
Durham	Durham, Granville, Orange, Person, Vance	3518 Westgate Drive, Suite 101 Durham, NC 27707	919-627-6900
Elizabeth City	Bertie, Camden, Chowan, Currituck, Dare, Gates, Hertford, Hyde, Pasquotank, Perquimans, Tyrell, Washington	401 S. Griffin Street, Suite 300 Elizabeth City, NC 27906	252-331-4746
Fayetteville	Bladen, Columbus, Cumberland, Duplin, Harnett, Hoke, Lee, Moore, Richmond, Robeson, Sampson, Scotland	225 Green Street, Suite 800 Fayetteville, NC 28301	910-486-1212
Greensboro	Alamance, Caswell, Chatham, Davidson, Guilford, Montgomery, Randolph, Rockingham	5 Centerview Drive Lenoir Building, Suite 100 Greensboro, NC 27407	336-315-7001
Greenville	Beaufort, Craven, Greene, Johnston, Lenoir, Martin, Pamlico, Pitt, Wayne	2995 Radio Station Road Greenville, NC 27834	252-830-8536
Hickory	Alexander, Avery, Burke, Caldwell, Catawba, Cleveland, Iredell, Lincoln, McDowell, Watauga	112 2nd Street Place SE P.O. Box 2110 Hickory, NC 28603-2110	828-327-0485
Interstate	Outside of North Carolina	2800 Heart Drive Asheville, NC 28806	828-667-0597 Ext. 333
Raleigh	Franklin, Wake	4701 Atlantic Avenue, Suite 118 P.O. Box 58787 Raleigh, NC 27658-8787	919-707-0800
Rocky Mount	Edgecombe, Halifax, Nash, Northampton, Warren Wilson	110 Fountain Park Drive, Suite F-1 Battleboro, NC 27809	252-467-9200
Wilmington	Brunswick, Carteret, Jones, New Hanover, Onslow, Pender	3340 Jaeckle Drive, Suite 202 Wilmington, NC 28403	910-254-5000
Winston-Salem	Alleghany, Ashe, Davie, Forsyth, Surry, Wilkes, Yadkin	8025 Northpoint Boulevard, Suite 250 Winston-Salem, NC 27106	336-896-7026