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"Eliminate Tax Debt"

Offer In Compromise Program



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The Offer in Compromise program was created by Congress to give taxpayer's the ability to settle their tax debt for less. In May of 2012 the IRS announced the "Fresh Start" program, which will allow more Offers to be accepted. However, most taxpayers do not understand the lengthy and difficult process involved from beginning to end to have an Offer in Compromise accepted.

An offer in compromise (OIC) is an agreement between a taxpayer and the Internal Revenue Service that settles the taxpayer's tax liabilities for less than the full amount owed. If the liabilities can be fully paid through an installment agreement or other means, the taxpayer will in most cases not be eligible for an OIC. In order to be eligible for an OIC, the taxpayer must have filed all tax returns, made all required estimated tax payments for the current year and made all required federal tax deposits for the current quarter if the taxpayer is a business owner with employees.

Before the IRS can consider your offer, you must be current with all filing and payment requirements. You are not eligible if you are in an open bankruptcy proceeding.

In most cases, the IRS will not accept an OIC unless the amount offered by the taxpayer is equal to or greater than the reasonable collection potential (the RCP). The RCP is how the IRS measures the taxpayer's ability to pay. The RCP includes the value that can be realized from the taxpayer's assets, such as real property, automobiles, bank accounts, and other property. In addition to property, the RCP also includes anticipated future income, less certain amounts allowed for basic living expenses.



The IRS may accept an OIC based on three grounds.

- First, acceptance is permitted if there is doubt as to liability. This ground is only met when there is a genuine dispute as to the existence or amount of the correct tax debt under the law.
- Second, acceptance is permitted if there is doubt that the amount owed is fully collectible. Doubt as to collectability exists in any case where the taxpayer's assets and income are less than the full amount of the tax liability.
- Third, acceptance is permitted based on effective tax administration. An offer may be accepted based on effective tax administration when there is no doubt that the tax is

legally owed and that the full amount owed can be collected, but requiring payment in full would either create an economic hardship or would be unfair and inequitable because of exceptional circumstances.

Many taxpayer's believe they can negotiate their own Offer in Compromise with the IRS. Several months later they find out that their Offer has been denied because they don't have the expertise or knowledge required to negotiate with difficult IRS agents. It has been proven that having representation drastically increases your chances of the IRS accepting your Offer in Compromise.

EVERY TAX PROBLEM HAS A SOLUTION:

Besides the Offer in Compromise program, there are several other programs available to resolve your IRS and/or State back taxes. If you have an IRS wage garnishment, we can usually have it released within 24 hours. If you haven't filed income tax returns for several years, we are here to help! There are new programs available that will stop an IRS tax lien from being filed. We guarantee that your assets and wages will be protected from seizure or levy while we are representing you and working out an agreement with the IRS.

We have also been successful at having penalties removed through the Penalty Abatement program. Many taxpayer's are not aware that the IRS has 10 years to collect a debt. If you are near the 10 year deadline, having an experienced Tax Attorney handle this on your behalf is crucial. An Installment Agreement is another option available to solve IRS tax problems. The Currently Not Collectible status is available for taxpayers that qualify.