

Missouri Department of Revenue



Offer in Compromise

Short Form for Low Income Taxpayers

This form may be used if:

- Your income is 125% of the federal poverty level or 200% of the federal poverty level with extenuating circumstances, see page 3 for chart;
- You have a fixed income;
- You receive public assistance benefits; or
- You have major medical issues.

If you do not meet one or more of the above criteria, you do not qualify to use this form. You will need to use the Offer in Compromise Long Form ([MO-656](#)).



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What is an Offer in Compromise?

The Department is authorized to consider an Offer in Compromise under [Section 32.378, RSMo](#). An Offer in Compromise allows qualifying taxpayers an opportunity to settle unpaid tax accounts for less than the full amount that is owed. 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 of Missouri and the taxpayer.

An offer based on doubt as to collectibility or severe economic hardship is not automatically accepted due to an immediate financial inability to pay. The Department will review the taxpayer's financial situation and will estimate how much can be collected over time if the offer is not accepted.

If taxpayers are unable to pay their taxes in full, there are other payment options, such as monthly installment agreements, that must be explored before an Offer in Compromise is submitted.

What can an Offer in Compromise do for me?

- Provide a "fresh start" towards tax compliance
- Resolve tax debt for less than the amount owed
- Remove economic burdens of state tax liens and levies

What can an Offer in Compromise not do for me?

- Delay or cancel existing collection actions. If it is determined that the offer was filed to delay collections, the offer will likely be rejected.
- Void or abate existing tax liabilities without any offer of payment or reason for a compromise.
- Release of lien, levy or other enforced collection until the offer is accepted.

What are some reasons an offer may be rejected?

- An offer of 'zero' or 'none' will not be considered.
- The taxpayer fails to make full financial disclosure, including all household income.
- There is evidence that assets were transferred or sold for less than the market value.
- The taxpayer submits false or misleading information.
- The taxpayer has not fully filed all tax types.
- The taxpayer has repeated noncompliance or attempts to avoid paying tax obligations.
- The offer does not include a statement supporting the reason for the offer.
- The offer includes an amount already collected.
- The tax liability sought to be compromised directly relates to a crime for which the taxpayer has plead guilty or was found guilty.

Is professional assistance required to submit an offer?

Taxpayers are welcome to seek tax assistance from a tax professional, but it is not a requirement.

How does the Offer in Compromise process work?

When the Department receives a taxpayer's offer, it is reviewed to determine if all of the required documentation has been submitted and all criteria for submitting an offer have been met. If all documentation is not submitted, documentation is not complete, or if the MO-656A forms are not signed and dated, a letter will be sent requesting additional information. Each offer is considered on an individual basis.

What happens when a decision is made?

When a decision is made, the taxpayer will be notified in writing. If the offer is accepted, the taxpayer must remain compliant on all Missouri tax filings and payment requirements for three years from the date the offer is accepted. If the taxpayer does not remain compliant, the negotiated amount will be retracted and the original balance due plus additional interest, less payments made, will then be owed. The Department will also offset state and federal refunds for tax periods through the tax year that the offer is accepted. An offset does not reduce the accepted Offer in Compromise amount.

Once an offer is accepted and paid according to the terms of the offer, any enforced collection activity such as liens and levies issued against the taxpayer who submitted the offer will be released. Failure to remain in compliance will result in the default of the offer and the Department will require payment of the original balance due plus additional interest, less payments made.

The law does not provide for an appeal of a rejected offer. The taxpayer must make payment arrangements to pay the debt. If this is not done, the case will be referred for further collection actions to collect the debt in full.

Where do I submit the offer?

Collections Enforcement
P.O. Box 1646
Jefferson City MO 65105-1646
Phone: (573) 751-7200
Fax: (573) 522-3218
E-mail Address: collectionsliaison@dor.mo.gov



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Before completing MO-656A, please make sure you are eligible for the Offer in Compromise Short Form for Low Income Taxpayers based on one of the reasons listed below.

- your income is 125% of the federal poverty level or 200% of the federal poverty level with extenuating circumstances;
- you have a fixed income;
- you received public assistance benefits; or
- you have major medical issues.

If you require additional pages for any information you are providing, attach them as needed.

Section 1: Personal Information

Print or type your name(s), social security number(s), date of birth, dependent information, and address in the spaces provided.

Section 2: Payoff Information

Enter the amount you can offer. Check cash offer if the amount is to be paid within 30 days after written notice of acceptance of the offer. Check short-term deferred payment offer if the amount will be paid in more than 30 days.

Indicate if you are borrowing the settlement offer.

You must include an explanation of why you are unable to pay your balance in full.

Section 3: Employment Information

Enter name of employer(s), phone number(s), address, year or months employed, occupation(s), number of allowances claimed on W-4, and how often you are paid.

Section 4: Personal Financial Information

Bank Accounts

Include IRA'S, other retirement plans, certificates of deposit, etc. Attach all pages of the most recent three months of bank statements for all accounts of each person in the household. If you owe more than \$50,000, attach the most recent six months of bank statements.

Enter the name of the institution(s), address, type of account(s), (checking, saving, IRA, etc.), date the account was opened, account number(s), and the balance of the account.

Personal Property

Include boats, automobiles, ATV's, motorcycles, recreational vehicles, airplanes, machinery, etc, not used in your business. Attach additional pages as needed.

Enter year, make, model or style, license number, lender or lien holder, current market value, current payoff, and available equity. Enter zero if equity is less than zero. Attach copies of loan statements including the current payoff.

Real Property

For each property enter description, county, parcel number, mortgage lender's name and address, current market value, loan balance, and available equity. Include name of owner as it appears on the deed, purchase price, and the date. Attach supporting documentation of the loan balance and your most recent real personal property tax receipt for each property.

Other Financial Information

Indicate no or yes for the options in this section. If "yes" is checked provide dates, explanation, and documentation.

Enter gross monthly income. Under other, include income contributed by others in the household. Enter monthly expenses for each category that applies. Attach proof of monthly living expenses such as receipts, utility bills, tax payments, etc. Subtract total living expenses from total monthly income to obtain total disposable income.

Read all terms and conditions of this offer carefully.

Signatures and dates are required for your offer to be considered. If the MO-656A is sent without signatures and dates the offer will be deemed invalid.

Federal Poverty Level Chart

Household/ Family Size	125%	200%
1	15,175	24,280
2	20,575	32,920
3	25,975	41,560
4	31,375	50,200
5	36,775	58,840
6	42,175	67,480
7	47,575	76,120
8	52,975	84,760



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Missouri Department of Revenue
Offer in Compromise Application
Short Form for Low Income Taxpayers

Department Use Only
 (MM/DD/YY)

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Social Security Number

	-		-	
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Spouse's Social Security Number

	-		-	
--	---	--	---	--

Taxpayer Name

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Spouse's Name

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Taxpayer Date of Birth(MM/DD/YYYY) ____/____/____	Spouse's Date of Birth(MM/DD/YYYY) ____/____/____	Marital Status <input type="checkbox"/> Married <input type="checkbox"/> Unmarried (Single, Divorced, or Widowed)
Other Names or Aliases Used		Spouses Other Names or Aliases Used

Section 1 - Personal Information

Provide information for all other persons in the household and claimed as a dependent. Attach additional pages as needed. (This information is optional if offer is based on doubt as to liability or exceptional circumstances).

Name	Age	Relationship	Claimed as a Dependent on your Form 1040?	Contributes to Household Income?
			<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Your Current Street Address	City		State	ZIP Code
E-Mail Address		Phone Number (____)____-____	Secondary Phone Number (____)____-____	
Your Mailing Address (If Different From Above)		City	State	ZIP Code
Name of your Tax Representative (CPA, Attorney, Etc.) Attach POA Form 2827		Phone Number (____)____-____	Fax Number (____)____-____	
Tax Representative's Address		City	State	ZIP Code

Section 2 - Payoff Information

Tax Type	Tax Periods
<input type="checkbox"/> Personal Income Tax	
I offer to pay \$ _____. (Must be more than zero if offer is due to doubt as to collectibility) Select one of the following: <input type="checkbox"/> Cash offer Balance to be paid in: <input type="checkbox"/> 10 days <input type="checkbox"/> 30 days <input type="checkbox"/> Short-term deferred payment offer (monthly payments beginning within 30 days of acceptance of the offer) \$ _____ within 30 days \$ _____ on the _____ day of each month starting the second month after written notice of acceptance of the offer for a total of _____ months. Will you borrow the settlement offer amount? <input type="checkbox"/> Yes <input type="checkbox"/> No Is lender a member of your household or immediate family? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Explain why you are requesting an offer in compromise. Include any extraordinary circumstances you think we should know about.	



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Section 3 - Employment Information

Employment					
Name of Employer (Taxpayer)		Phone Number (____)____-____		How Long Employed ____ Years ____ Months	
Address		City		State	ZIP Code
Occupation	Number of Allowances Claimed on Form W-4	Paid <input type="checkbox"/> Weekly <input type="checkbox"/> Every 2 Weeks <input type="checkbox"/> Monthly <input type="checkbox"/> Twice Monthly (e.g., 1st & 15th)			
Name of Employer (Spouse)		Phone Number (____)____-____		How Long Employed ____ Years ____ Months	
Address		City		State	ZIP Code
Occupation	Number of Allowances Claimed on Form W-4	Paid <input type="checkbox"/> Weekly <input type="checkbox"/> Every 2 Weeks <input type="checkbox"/> Monthly <input type="checkbox"/> Twice Monthly (e.g., 1st & 15th)			

Additional Employment					
Name of Employer <input type="checkbox"/> Taxpayer <input type="checkbox"/> Spouse		Phone Number (____)____-____		How Long Employed ____ Years ____ Months	
Address		City		State	ZIP Code
Occupation	Number of Allowances Claimed on Form W-4	Paid <input type="checkbox"/> Weekly <input type="checkbox"/> Every 2 Weeks <input type="checkbox"/> Monthly <input type="checkbox"/> Twice Monthly (e.g., 1st & 15th)			

Bank Accounts: Include IRA's, other retirement plans, certificates of deposit, etc. Attach all pages of the most recent three months bank statements for all accounts of each person in the household. Attach additional pages as needed. If you owe more than \$50,000, six months bank statements are required.

Provide information for all persons in the household or claimed as a dependent.

Name of Institution	Address	Type	Date Opened	Account Number	Balance
Total of all bank accounts with positive balance					

Personal Property: Include automobiles, boats, ATV's, motorcycles, recreational vehicles, airplanes, machinery, etc. Attach additional pages as needed. Attach supporting documentation of payoff.

Year	Make	Model	License Number	Lender or Lienholder	Current Market Value	Current Payoff	Available Equity (cannot be less than 0)
Total equity of all personal property							

Section 4 - Personal Financial Information



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Section 4 - Personal Financial Information (Cont.)

Real Property: For each property, include copies of deed, homeowner's or renter's insurance policy with riders, supporting documentation of loan balance, and most recent property tax statement. Attach additional pages as needed.

Do you rent a home or apartment? Yes No If yes, skip the Property section below.

Property

Physical Address and Description (Single Family Home, Multi-Family Home, Bare Lot, Acreage, etc.)	County	Parcel Number	
Mortgage Lender's Name and Address	Current Market Value	Loan Value Balance	Available Equity
Name(s) of Owners on Deed	Purchase Price	Purchase Date (MM/DD/YYYY)	
		___/___/___	

Other Taxes Owed. If you select "Yes," provide tax periods and copies of the most recent billing notices received.

Taxes owed to the IRS (provide proof)..... No Yes

Section 5 - Personal Income and Expense Analysis

Monthly household disposal income. Attach documentation.

Gross Monthly Income			Monthly Living Expenses	
Source	Taxpayer	Spouse	Source	Amount
Salary, Wages, Commissions, Tips			House or Rent Payment	
Pensions, Disability & Social Security			Groceries, Clothing, and Personal Grooming	
Workers' Comp. & Unemployment			Medical Expenses & Prescriptions	
Alimony & Child Support			Utilities:	
Other (Specify)			Electric \$ _____ + Gas \$ _____ +	
			Water \$ _____ + Phone \$ _____ =	
			Insurance:	
			Life \$ _____ + Health \$ _____ +	
			Auto \$ _____ + Home \$ _____ =	
			Vehicle Loan or Lease Payment	
			Other (Specify)	
Subtotal				
Combined Monthly Income			Total Monthly Living Expenses	

Net Monthly Household Disposable Income
("Combined Monthly Income" minus "Total Monthly Living Expenses")



1. I will remain in compliance with all tax types for three years after acceptance of the offer.
2. The offer remains pending until an authorized Department official issues notification of acceptance or rejection, or until the offer is withdrawn by me.
3. I understand that I voluntarily submit any payment made with this offer.
4. If the Department rejects the offer or if the offer is withdrawn, the Department will treat any paid amount with the offer as payment toward the outstanding tax liability.
5. Collection activity is normally suspended while an offer is pending, but such suspension is not required by law. I further understand that collection activity may continue if it is determined to be in the state's best interests, or if it is otherwise determined that the filing of the offer has not been made in good faith.
6. The Department will retain any payment(s) toward the liability for which the offer is made if such payment was made prior to receipt of the offer by the Department. The Department will retain and apply all amounts due to refund offset when such amounts are received prior to full payment of an accepted offer. An offset does not reduce the accepted Offer in Compromise amount.
7. I understand that the tax I owe is, and will remain, a tax liability until I meet all the terms and conditions of the offer. If I file bankruptcy before the terms and conditions of the offer are completed, any claim the Department files will be for the full amount less any payments.
8. Once the Department accepts the offer in writing, I have no right to contest, in court or otherwise, the amount of tax liability.
9. I the taxpayer shall bear all of my own costs, including attorney fees.
10. If I fail to meet the terms and conditions of an accepted offer, the compromise will be considered null and void. Updated interest and penalties will be added to the total balance due until paid in full.

In addition the Department may:

- Immediately issue and record any tax liens necessary to protect the state's legal interest;
- Proceed with enforced collection of the total outstanding liability;
- Apply amounts already paid under the offer to the total liability.

I agree to be bound by all the terms and conditions set forth in this offer. 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. I also declare under penalties of perjury that I employ no illegal or unauthorized aliens as defined under federal law and that I am not eligible for any tax exemption, credit, or abatement if I employ such aliens.

Taxpayer Signature	Date (MM/DD/YYYY) ____/____/____
Signature of Taxpayer Spouse or Partner	Date (MM/DD/YYYY) ____/____/____

On behalf of the Missouri Department of Revenue, I accept the offer to pay for the reasons listed in Section 2.		
Signature of Authorized Department Official	Title	Date (MM/DD/YYYY) ____/____/____

Form MO- 656A (Revised 05-2018)

Mail to: Taxation Division
P.O. Box 1646
Jefferson City, MO 65105-1646

Phone: (573) 751-7200
Fax: (573) 522-3218
TTY: (800) 735-2966
E-mail: collectionsliaison@dor.mo.gov

Visit <http://dor.mo.gov/>
for additional information.



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Offer in Compromise Checklist

- Form MO-656A Offer in Compromise (enclosed)
- Third Party Affirmation – Power of Attorney Form 2827 (If Applicable)
- Supporting Documentation
- Proof of gross earnings, pension, social security, and other income, including statements showing deductions for the past three months
- Copies of bank statements for all checking and savings accounts for the most recent three months (If balance owed is \$50,000 or more include most recent six months of bank statements)
- Copies of expenses including rent, insurance, and property taxes for the most recent three months
- Copies of statements for all mortgages of real estate you own or have interest in
- Copies of statements showing the value of your interest in all retirement accounts, pensions, and profit sharing plans for the most recent three months
- A statement from lending institutions and other creditors that clearly indicates current balances owed, and payment schedules on all notes payable and revolving accounts
- Copies of any judgments or legal decrees (excluding bankruptcies) for the most recent two years
- Copies of medical bills showing a balance still owed not covered by insurance and documentation from the insurance company indicating the items not covered



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