# 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).



# 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



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



<u>5</u> 78	390123	45 <mark>678</mark>	90123456	28901	2345678	390123	345678901	23456	7890123	3456 <u>789</u>	<u> 30123</u> 4 <u>56</u> 7	8901
>		Misso	ouri Departm	ent of Re	venue		Der	oartment U	se Only			
7	Form		in Compro				(MI	M/DD/YY)				
M	10-656A		t Form for L			/ers						
_ "	10 000A :	01.01	C 1 01111 101 L	011 111001	iic iaxpaj	,0.0						
_		1										
		<i>-</i>										
Socia	al Security N	umber					Spouse's Social	Security N	umber			
		-	-					-	-			
Taxpa	ayer Name						Spouse's Name					
- 47.10	99. 119.119						орошоо о лило					
				200	<del>                                      </del>	D: 41 (D 45 4 /F	50000 11					
	Taxpaye	Date of E	Birth(MM/DD/YY	YY) Spou	se's Date of I	3irth(MM/L	DD/YYYY)   Mari	tal Status				
		<u>'                                    </u>	/		/	/		Married	Unmarri	ed (Single, D	Divorced, or Wido	wed)
	Other Na	mes or Ali	ases Used			Spo	uses Other Nam					
	Provide i	nformation	for all other pe	rsons in the	household a	nd claime	d as a dependen	t Attach a	dditional page	es as needed	d. (This informatio	n is
L C			ased on doubt					a	- Jan page	1 100000		
atic	Janoniui I				J. CAGOPLIOI	on our le			<del>                                      </del>	<del>1</del>		
Information			Name		Age		Relationship		Claimed as	a Dependen	t Contributes	
Je le									on your F	orm 1040?	Household Inco	riie ?
=										HII		
na									Yes	No No	Yes L	J No _
Personal							++++++		<del>     <sub> </sub> </del>		<del>                                     </del>	
Pe									Yes Yes	LNo	Yes L	□No
Ξ				$\Box$						++++		
Ę									Yes	L No	Yes L	No
ij	Your Curre	ent Street A	ddress		City				State Z	IP Code	County	
Section												
<b>J</b>	E-Mail Add	ress					Phone Num	nber		Secondary	Phone Number	
					++++		$+++(\perp\perp\perp\perp)$				)	
	Your Mailir	g Address	(If Different From	Above)			City			S	tate ZIP Code	
						$\perp \perp \perp \perp \perp$						
	Name of v	our Tax Ren	resentative (CPA	Attorney Etc	.) Attach POA	Form 2827	Phone Num	nber		Fax Number		
				, , , , , , , , , , , , , , , , , , , ,	, , , , , , , , , , , , , , , , , , , ,					()		
	Tax Repre	sentative's	Address				City			S	tate ZIP Code	
			+++++		++++	++++	++++++	++++	+++++	++++	++++++	<del>                                     </del>
		++++	Ta	х Туре		++++		++++	Tax F	eriods		
	LL Pe	sonal Inco	ome Tax									
		1 1 1 1 1 1										
											·( )	
Ę	I offer to	pay \$	<del>                                     </del>	++++	++++	(iviust be i	more than zero if	oπer is du	e to doubt as	to collectibil	пу)	
atic	Select o	ne of the f	ollowing:	Cash offer	Balance to I	pe paid in:	10 days	30 da	ays	++++	++++++	
Ē		1								o offor)		
Payoff Information		J SHOIT-TEI			(inonuny pay	nems beg	inning within 30	uays of acc	eptance of th	e oner)		
=	\$		within	30 days							$\perp$	
Vof	\$		on the			day of e	ach month starti	ng the seco	ond month aft	er written no	tice of acceptanc	e of
Pa)		for a total			months.				<del>                                     </del>			
	u le Ollei	ivi a iulal	9			+++	++++++		+++++		<del>                                     </del>	
n 2	Will you	borrow the	e settlement off	er amount?	Yes	No	ls lender a membe	er of your ho	usehold or imme	ediate family?	Yes L	No
Ę.												
Section	Explain w	hy you are	requesting an	offer in comp	oromise. Inclu	de any ext	raordinary circum	nstances yo	ou think we sho	ould know ab	out.	
(C)												
					<del>             </del>		<del>                                      </del>				<del>                                      </del>	
					++++	++++	+++++	++++	<del>                                     </del>	++++	++++++	
		++++		+++++		++++	+++++			+++++	++++++	
										+++++		
+									<del>                                     </del>	+++++	<del>                                      </del>	
+				<del>                                     </del>		<b>                                     </b>		<b>                                    </b>	<del>                                     </del>		+++++	
	++++++++++++++++++++++++++++++++++++	++++				184170	10001	++++	+++++	+++++	++++++	
ιΙΤ												
$\Box$												

	Employment												
	Name of Employer (Taxpayer)					Phor	ne Numbe	er .			How Lo	ong Employ Years	ed Months
	Address					City						State	ZIP Code
5													
	Occupation			Allowances	Paid	i 📗	Weekly	/	Every 2 V	Veeks	N	lonthly	Twice Monthly
5	Name of Employer (Spouse)		Claimed or	n Form W-4		Phor	ne Numbe	\r			How Lo	ong Employ	(e.g., 1st & 15th
	Hamo di Employor (opodoo)					(	)	<u> </u>			110112	Years	Months
<u>5</u>	Address					City						State	ZIP Code
5	Occupation		Number of	Allowances	Paid		Weekly	, —	Every 2 V	Vooko	- N	lonthly	Twice Monthly
<u>-</u>	Occupation			Form W-4	Paid	-	vveekiy	<del>'                                      </del>	Every ∠ v	veeks	I IV	ionuny	(e.g., 1st & 15th
,	7												
5	Additional Employment												
200	Name of Employer					Phor	ne Numbe	er e			How Lo	ong Employ	
	Taxpayer Spouse					(	()			+	1	Years .	Months
	Address					City						State	ZIP Code
	Occupation			Allowances	Paid		Weekly	/	Every 2 N	Veek	3 N	lonthly	Twice Month
			Claimed or	n Form W-4									(e.g., 1st & 15ti
	Bank Accounts: Include IRA's, o statements for all accounts of eac												
	bank statements are required.	on person	iii die ned	SCHOIG. All	acii addii	ionai	pages	as nec	aca. II ye	Ju Ow	Cilloic	triair 450,	Joo, Six Inditing
	Provide information for all persons	s in the ho	usehold or	claimed as	a depen	dent.							
	Name of Institution		Addres	is		Type		Date C	pened		Accoun	t Number	Balance
										4			
<u>-</u> 5													
<u> </u>													
						4							
<u>5</u>						+							
	+									+			
<u> </u>	Total of all bank as	ccounts w	th positive	balance									
2 0 0 2 2 2 2 2 2 2 2 2 3													
	Personal Property: Include autom			motorcycle	es, recre	ationa	al vehicle	es, airpl	anes, ma	achine	ery, etc.	Attach add	ditional pages as
<u>-</u>	needed. Attach supporting docum	nentation of	of payoff.										Arrailable Carrier
† 	Year Make Model	License	Number	Lende	r or Lienh	older	Cur	rent Ma	rket Valu	e C	urrent Pa	yoff (car	Available Equity not be less than 0
)						+							
		###				+							
						+							
						$\perp$							
		<del>                                     </del>				$+ \mp$			$++ \overline{+}$				
		#				+	+++						
	Total continue of all	) oreono	roperty					$\perp \perp \perp \perp$					
	Total equity of all p	personal p	roperty										
	Total equity of all p												
	Total equity of all ;		roperty						<u> </u>				



200000	30		444444555555555556666666666272727272788886   4567890123456789012345678901234567890123
04		Real Property: For each property, include copies of deed, homeown	er's or renter's insurance policy with riders, supporting documentation of
05		Ioan balance, and most recent property tax statement. Attach addition	
		De very work of France of programments. We have a light	She Desports operion halow
07 5		Do you rent a home or apartment? Yes No If yes, skip	the Property Section below.
08 0	•	Property	
<b>09</b> 5		Physical Address and Description (Single Family Home, Multi-Family Home, Bare Lot, Acreage, etc.)	County Parcel Number
10 €		(chigo i amily i lono, man i a miy i omo, bara bit, no tago, oc	<del>'</del>
11 5			Current Loan Value Available
13 2		Mortgage Lender's Name and Address	Market Value Balance Equity
14 2			
15		Name(s) of Owners on Deed	Purchase Price Purchase Date (MM/DD/YYYY)
16 5		ivalite(s) of Switers of Deed	Fulcilase Filce Fulcilase Date (WWDD/11111)
17 Si			
18 4			
19 7		Other Taxes Owed. If you select "Yes," provide tax periods and copie	s of the most recent billing notices received.
20 2		Taxes owed to the IRS (provide proof)	No Yes
21 %			
22			+++++++++++++++++++++++++++++++++++++++
21 % 22 23 24		+++++++++++++++++++++++++++++++++++++++	+++++++++++++++++++++++++++++++++++++++
25		<del></del>	
25 26 27 28 29 30 31 32 33	I	Monthly household disposal income. Attach documentation.	
27		Gross Monthly Income	Monthly Living Expenses
28			
29	-	Source Taxpayer Spouse	Source Amount
30		Salary, Wages, Commissions, Tips	House or Rent Payment
31		Pensions, Disability & Social Security	Groceries, Clothing, and Personal Grooming
32		Workers' Comp. & Unemployment	Medical Expenses & Prescriptions
33 0		Alimony & Child Support	Utilities:
34 k	-	Other (Specify)	Electric \$ + Gas \$ +
22		(Suloi (Specify)	+
35 es			Water \$ + Phone \$ =
38 X			Insurance:
39 8			Life \$+ Health \$+
40 6			Auto \$+ Home \$=
41 Ĕ			Vehicle Loan or Lease Payment
42 <u>£</u>			Other (Specify)
43 2			Other (openly)
### PERSONAL PROPERTY   PE			<del>                                      </del>
45 4			
4b 6			
TO Sec			
40			<del>\                                     </del>
51			
52			
53		Subtotal	
54	Ц	Combined Monthly Income	Total Monthly Living Expenses
39		Net Monthly Household Disposable Income	
56	Ц	("Combined Monthly Income" minus "Total Monthly Living Expenses")	<del></del>
		+++++++++++++++++++++++++++++++++++++++	
28 EC		+++++++++++++++++++++++++++++++++++++++	
		+++++++++++++++++++++++++++++++++++++++	
<u> </u>		+++++++++++++++++++++++++++++++++++++++	
62			
63			030001
64			
65 66		(E)	
66	Т		



	0001111111111122222222233333333334444444444	
	7890123456789012345678901234567890123456789012345678901234567890123456789012345678	3012345
04		
05	I. I will remain in compliance with all tax types for three years after acceptance of the offer.	
06	2. The offer remains pending until an authorized Department official issues notification of acceptance	+
07	or rejection, or until the offer is withdrawn by me.	+++++
08		
10	3. I understand that I voluntarily submit any payment made with this offer.	+++++
11	4. If the Department rejects the offer or if the offer is withdrawn, the Department will treat any paid	+
12	amount with the offer as payment toward the outstanding tax liability.	
13	amount with the oner as payment toward the outstanding tax hability.	
14	5. Collection activity is normally suspended while an offer is pending, but such suspension is not	
15	required by law. I further understand that collection activity may continue if it is determined to be in	
16	the state's best interests, or if it is otherwise determined that the filing of the offer has not been made	
17	in good faith.	
18		
19	6. The Department will retain any payment(s) toward the liability for which the offer is made if such	
20	payment was made prior to receipt of the offer by the Department. The Department will retain and	
21	apply all amounts due to refund offset when such amounts are received prior to full payment of an	+
22	accepted offer. An offset does not reduce the accepted Offer in Compromise amount.	+
23 💆	7 Lunderstand that the tay Lawe is and will remain a tay liability until line at all the terms and conditions	
24 9	7. I understand that the tax I owe is, and will remain, a tax liability until I meet all the terms and conditions	
23	of the offer. If I file bankruptcy before the terms and conditions of the offer are completed, any claim	
2b <u>3</u>		
27 pu s and 29 29 29 29 29 29 29 29 29 29 29 29 29	8. Once the Department accepts the offer in writing, I have no right to contest, in court or otherwise,	
20 E	the amount of tax liability.	
20 1	the arrivant or tax hability.	+
31	9. I the taxpayer shall bear all of my own costs, including attorney fees.	
32	10. If I fail to meet the terms and conditions of an accepted offer, the compromise will be considered	
33	null and void. Updated interest and penalties will be added to the total balance due until paid in full.	
34	null and void. Opdated interest and penalties will be added to the total balance due until paid in full.	
35	In addition the Department may:	
36	Immediately issue and record any tax liens necessary to protect the state's legal interest;	
37	Proceed with enforced collection of the total outstanding liability;	
38		
39	Apply amounts already paid under the offer to the total liability.	
40		
41	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,	+
42	correct, and complete. I also declare under penalties of perjury that I employ no illegal or unauthorized aliens as defined under	
43	federal law and that I am not eligible for any tax exemption, credit, or abatement if I employ such aliens.	
44		+
45		<del></del>
46	Taxpayer Signature Date (MM/DD/YYYY)	+
47 48	Signature of Taxpayer Spouse or Partner Date (MM/DD/YYYYY)	<del>+            </del>
48	Signature of Taxpayer Spouse of Partner	+
49	<del>╺┡┼┼┼┼┼┼┼┼┼┼┼┼┼┼┼┼┼┼┼┼┼┼┼┼┼┼┼┼┼┼┼┼┼┼┼┼</del>	+4 + + + + +
		+++++
52 N	On behalf of the Missouri Department of Revenue, I accept the offer to pay for the reasons listed in Section 2	
53 s		111111
2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	Signature of Authorized Department Official Title Date (MM/DD/YYYY)	
54 55 56		
57	Form MO- 656A (Revised 05-20	18)
58 Mai	nil to: Taxation Division Phone: (573) 751-7200 Phone: (573) 522-3218 Visit http://dor.mo.gov/	
59 50		5.
50	Jefferson City, MC 65105-1646 H.Y.: (800) /35-2966 for additional information.  E-mail: collectionsliaison@dor.mo.gov	
61		
62		+++++
63	18417040001	+++++
64	<del></del>	+++++
65 66		+++++

01	
0000000	401111111111112222222223333333333444444444
1234567	39012345678900123456789001234567890012345678900123456789001234567890012345678900123456789001234567890012345678900123456789000000000000000000000000000000000000
04	Offer in Compromise Checklist
05 -	
96 r 97	
07 L	Form MO-656A Offer in Compromise (enclosed)
08 -	<u></u>
09	Third Party Affirmation – Power of Attorney Form 2827 (If Applicable)
10	
11	Supporting Documentation
12	
13	Proof of gross earnings, pension, social security, and other income, including statements showing
111	<del></del>
1 5	deductions for the past three months
12	<del>~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~</del>
14 15 16 17	Copies of bank statements for all checking and savings accounts for the most recent three months (If
1 2	balance owed is \$50,000 or more include most recent six months of bank statements)
18	<del>╧╗╎╎╎╎╎╎╎╎╎╎╎╎╎╎╎╎╎╎╎╎╎╎╎╎╎╎</del>
18 19 20	Copies of expenses including rent, insurance, and property taxes for the most recent three months
20 5	<del>_</del>
21 [	Copies of statements for all mortgages of real estate you own or have interest in
22   -	
23	Copies of statements showing the value of your interest in all retirement accounts, pensions, and
23 [ 24 ]	
25	profit sharing plans for the most recent three months
26 F	
27 L	A statement from lending institutions and other creditors that clearly indicates current balances owed,
28	and payment schedules on all notes payable and revolving accounts
29 - 30 -	<del>-</del>
30	Copies of any judgments or legal decrees (excluding bankruptcies) for the most recent two years
31 -	<u></u>
32	Copies of medical bills showing a balance still owed not covered by insurance and documentation
33	from the insurance company indicating the items not covered
34 —	
35	
36	
37	
38	
39	
40	
41	
42 43	
43	
44 45	
45	
46 47	
47	
48	
49	
40	
51	
52	
53	
54	
55	
56	
57	
58	
51 52 53 54 55 56 57 58 59	
Ea	
61	
62	
63	
64	18000000001
65	8
66	

