

**OFFER IN COMPROMISE APPLICATION**

NAME: DBA: ADDRESS:		For Department Use Only	
		<input type="checkbox"/> CC  <input type="checkbox"/> M/O  Effective Date _____	
Social Security Number	EDD Account Number	Amount Paid \$	Log #

1. The undersigned submits this Offer in Compromise for payment of California state payroll tax liability, which includes Unemployment Insurance, State Disability Insurance, Employment Training Tax, Personal Income Tax, penalty and accrued interest described as follows:

2. The total amount of the offer \$ \_\_\_\_\_. See specific instructions.

3. A full financial disclosure, including community property, is contained in the financial statement, submitted as part of this application.

4. Explain the facts and reasons why this offer should be accepted:

5. All payments made with this offer are submitted voluntarily. In the event an offer is not accepted, the amount will either be applied to the liability or refunded, at the discretion of the individual submitting the offer. Check the appropriate box below:

☐ Retain the amount offered/apply to account.

☐ Refund the amount paid.

Monies paid to the Employment Development Department (EDD) with an offer will not be applied against the liability until the offer has been accepted.

## ELIGIBILITY REQUIREMENTS

- Any person assessed under Section 1735 of the California Unemployment Insurance Code (CUIC), a partner or an individual owner with inactive, out-of-business accounts.
- Any person assessed under Section 1735 of the CUIC, a partner or an individual of an active business, only if you no longer have a controlling interest or association with the business.
- Any person assessed under Section 1735 of the CUIC, a partner or an individual owner who does not have access to current income sufficient to pay more than the accumulating interest and 6.7 percent of the liability on an annual basis.
- Any person assessed under Section 1735 of the CUIC, a partner or an individual owner who does not have assets, whether or not subjected to lien by the EDD, that if sold, would satisfy the liability.
- The amount offered by the individual must be more than the EDD could expect to collect through involuntary means within four years of the time the offer is made.
- Only non-disputed, final tax liabilities will be considered for compromise. Liabilities under petition or bankruptcy will not be considered.
- Liabilities, as a result of fraud (Section 1128 of the CUIC) or actions resulting in a conviction for a violation of the CUIC, will not be compromised.

### Acknowledgment of Facts

A determination by the Director that it would not be in the best interest of the state to accept partial payment in satisfaction of a tax liability will not be subject to administrative appeal or judicial review.

When in the Director's judgment it serves the best interest of the state, the Director may permit the agreed upon amount to be paid in installments under a payment agreement not to exceed five years in length.

It is understood that this offer will be considered and acted upon in due course and that it does not relieve the individual from the liability sought to be compromised unless and until the offer is accepted in writing by the Director or a delegated representative and there has been a full compliance with the terms of the offer.

All liens will remain in effect until the terms of the compromise agreement are fulfilled, including payment of the amount offered.

Under penalties of perjury, I declare that I have examined this offer, including accompanying documents, and to the best of my knowledge and belief, it is true, correct, and complete.		
Signature of Applicant	Date	
Signature of Applicant	Date	
Signature of Authorized EDD Representative	Title	Date

Part 1 (EDD Copy)