

OFFER IN COMPROMISE – TERMS AND CONDITIONS

Section 58.1-105 of the *Code of Virginia* allows the Tax Commissioner to compromise and settle doubtful or disputed claims for taxes or tax liability of doubtful collectibility. The Department of Taxation will consider Offer in Compromise under the following circumstances:

- ☐ **Doubtful Collectibility:** You cannot pay the bill. You must submit a current financial statement with the Offer in Compromise request form.
- ☐ **Doubtful Liability:** You question office audit procedures and/or an established tax law. You must provide a detailed explanation with the Offer in Compromise request form.
- ☐ **Request for Waiver of Penalty:** Extenuating circumstances caused late filing or late payment. You must submit a detailed explanation with the Offer in Compromise request form. The department will consider waiver for penalties only due to reasonable cause. Taxes and/or interest can be waived in cases of **doubtful collectibility**.

**DO NOT FILE AN OFFER IN COMPROMISE IF YOUR BILL IS INCORRECT. To protest the bill, contact the Office of Customer Service at:
(804) 367-8031 or
P.O. Box 1115, Richmond, VA 23218-1115.**

- ❖ In submitting an Offer in Compromise, you must complete the **Offer in Compromise Individual Request for Settlement** form and attach supporting documents to validate your case. Mail the completed form and attachments to the address below. Make checks payable to *Virginia Department of Taxation*. If help is needed to complete the form, and the offer is based on doubtful collectibility, call (804) 367-8045. If the offer is based on doubtful liability or a request for penalty waiver, call (804) 367-8031.
- ❖ If you have both individual and business bills to settle, submit an offer for all outstanding individual or fiduciary income tax accounts. Submit a separate Offer in Compromise – Business Request for Settlement form for business taxes.
- ❖ You are not required to make a payment when the offer is submitted. Clearly indicate on the Offer in Compromise Request form when the Department will receive payment. If a check is submitted with the offer it will be deposited upon receipt. The check's deposit does not mean that the offer is accepted.
- ❖ Your Offer in Compromise will be reviewed. If accepted, a letter will be sent to outline the terms and conditions for payment. If the terms outlined are not met the acceptance becomes void. If the offer is not accepted, a letter of denial and/or subsequent terms for settlement of your account will be sent. You may resubmit the Offer in Compromise providing there is new or additional information.
- ❖ Your attorney, tax preparer, or other representative can submit an Offer in Compromise request form in your behalf. Both you and your representative must sign the submitted form.

Mail the completed form and attachments to:

Tax Commissioner
Virginia Department of Taxation Attn: CICT
P.O. Box 2475
Richmond, VA 23218-2475

The Department of Taxation may accept, amend, or deny an Offer in Compromise based on facts presented.