

# Offer in Compromise

**Attach Application Fee and Payment (check or money order) here.**

**IRS RECEIVED DATE**

**Section I Taxpayer Contact Information**

Taxpayer's First Name and Middle Initial	Last Name
If a joint offer, spouse's First Name and Middle Initial	Last Name

Business Name

Taxpayer's Address (Home and Business) (number, street, and room or suite no., city, state, ZIP code)

Mailing Address (if different from above) (number, street, and room or suite no., city, state, ZIP code)

**DATE RETURNED**

Social Security Number (SSN) (Primary)	(Secondary)	Employer Identification Number (EIN) (EIN included in offer)	(EIN not included in offer)
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**Section II To: Commissioner of Internal Revenue Service**

I/We (includes all types of taxpayers) submit this offer to compromise the tax liabilities plus any interest, penalties, additions to tax, and additional amounts required by law (tax liability) for the tax type and period marked below: (Please mark an "X" in the box for the correct description and fill-in the correct tax period(s), adding additional periods if needed).

- 1040/1120 Income Tax - Year(s) \_\_\_\_\_
- 941 Employer's Quarterly Federal Tax Return - Quarterly period(s) \_\_\_\_\_
- 940 Employer's Annual Federal Unemployment (FUTA) Tax Return — Year(s) \_\_\_\_\_
- Trust Fund Recovery Penalty as a responsible person of (enter corporation name) \_\_\_\_\_, for failure to pay withholding and Federal Insurance Contributions Act taxes (Social Security taxes), for period(s) ending \_\_\_\_\_
- Other Federal Tax(es) [specify type(s) and period(s)] \_\_\_\_\_

**Note:** If you need more space, use a separate sheet of paper and title it "Attachment to Form 656 Dated \_\_\_\_\_." Sign and date the attachment following the listing of the tax periods.

**Section III Reason for Offer in Compromise**

I/We submit this offer for the reason(s) checked below:

- Doubt as to Collectibility — "I have insufficient assets and income to pay the full amount." You must include a complete Collection Information Statement, Form 433-A and/or Form 433-B.
- Effective Tax Administration — "I owe this amount and have sufficient assets to pay the full amount, but due to my exceptional circumstances, requiring full payment would cause an economic hardship or would be unfair and inequitable." You must include a complete Collection Information Statement, Form 433-A and/or Form 433-B and complete Section VI.

**Section IV Offer in Compromise Terms**

I/We offer to pay \$ \_\_\_\_\_ (must be more than zero). Complete Section VII to explain where you will obtain the funds to make this offer.

Check **only** one of the following:

- Lump sum cash offer** – 20% of the amount of the offer \$ \_\_\_\_\_ must be sent with Form 656. Upon written acceptance of the offer, the balance must be paid in 5 or fewer installments.
  - \$ \_\_\_\_\_ payable within \_\_\_\_\_ months after acceptance
  - \$ \_\_\_\_\_ payable within \_\_\_\_\_ months after acceptance
  - \$ \_\_\_\_\_ payable within \_\_\_\_\_ months after acceptance
  - \$ \_\_\_\_\_ payable within \_\_\_\_\_ months after acceptance
  - \$ \_\_\_\_\_ payable within \_\_\_\_\_ months after acceptance

- Short Term Periodic Payment Offer** - Offer amount is paid within 24 months from the date IRS received your offer. The first payment **must** be submitted with your Form 656. You **must** make regular payments during your offer investigation. Complete the following:
  - \$ \_\_\_\_\_ will be submitted with the Form 656. Beginning in the month after the offer is submitted (insert month \_\_\_\_\_), on the \_\_\_\_\_ day of each month, \$ \_\_\_\_\_ will be sent in for a total of \_\_\_\_\_ months. (Cannot extend more than 24 months from the date the offer was submitted.)

**Section IV Cont.**

**Deferred Periodic Payment Offer** – Offer amount will be paid over the remaining life of the collection statute. The first payment **must** be submitted with your Form 656. You must make regular payments during your offer investigation. Complete the following:

\$ \_\_\_\_\_ will be submitted with the Form 656. Beginning in the month after the offer is submitted (*insert month* \_\_\_\_\_), on the \_\_\_\_\_ day of each month, \$ \_\_\_\_\_ will be sent in for a total of \_\_\_\_\_ months.

**Optional - Designation of Required Payment under IRC 7122(c)**

You have the option to designate the required payment you made under Section IV above. If you choose not to designate your required payment, then the IRS will apply your payment in the best interest of the government. If the required payment is not paid, the offer will be returned even if you make a payment you designated as a deposit. Please complete the following if you choose to designate your payment:

\$ \_\_\_\_\_ paid under IRC 7122 (c) is to be applied to my \_\_\_\_\_ Tax Year/Quarter(s) (*whichever is applicable*) for my/our tax form \_\_\_\_\_.

If you pay more than the required payment when you submit your offer and want any part of that additional payment treated as a deposit, check the box below and insert the amount. It is not required that you designate any portion of your payment as a deposit.

I am making a deposit of \$ \_\_\_\_\_ with this offer.

**Section V By submitting this offer, I/we have read, understand and agree to the following conditions:**

(a) I/We voluntarily submit all tax payments made on this offer, including the mandatory payments of tax required under section 7122(c). These tax payments are not refundable even if I/we withdraw the offer prior to acceptance or the IRS returns or rejects the offer. If the offer is accepted, the IRS will apply payments made after acceptance in the best interest of the government.

(b) Any payments made in connection with this offer will be applied to the tax liability unless I have specified that they be treated as a deposit. Only amounts that exceed the mandatory payments can be treated as a deposit. Such a deposit will be refundable if the offer is rejected or returned by the IRS or is withdrawn. I/we understand that the IRS will not pay interest on any deposit.

(c) The application fee for this offer will be kept by the IRS unless the offer was not accepted for processing.

(d) I/We will comply with all provisions of the Internal Revenue Code relating to filing my/our returns and paying my/our required taxes for 5 years or until the offered amount is paid in full, whichever is longer. In the case of a jointly submitted Offer in Compromise of joint liabilities, I/we understand that default with respect to the compliance provisions described in this paragraph by one party to this agreement will not result in the default of the entire agreement. The default provisions described in Section V(i) of this agreement will be applied only to the party failing to comply with the requirements of this paragraph.

(e) I/We waive and agree to the suspension of any statutory periods of limitation (time limits provided by law) for the IRS assessment of the liability for the periods identified in Section II. I/We understand that I/we have the right not to waive these statutory periods or to limit the waiver to a certain length or to certain periods. I/we understand, however, that the IRS may not consider this offer if I/we refuse to waive the statutory periods for assessment or if we provide only a limited waiver. The amount of any Federal tax due for the periods described in Section II may be assessed at any time prior to the acceptance of this offer or within one year of the rejection of this offer. I/We understand that the statute of limitations for collection will be suspended during the period an offer is considered pending by the IRS (paragraph (k) of this section defines pending).

(f) The IRS will keep all payments and credits made, received or applied to the total original liability before submission of this offer and all payments required under section 7122(c). The IRS will also keep all payments in excess of those required by section 7122(c) that are received in connection with the offer and that are not designated as deposits in Section IV. The IRS may keep any proceeds from a levy served prior to submission of the offer, but not received at the time the offer is submitted. As additional consideration beyond the amount of my/our offer, the IRS will keep any refund, including interest, due to me/us because of overpayment of any tax or other liability, for tax periods extending through the calendar year in which the IRS accepts the offer. The date of acceptance is the date on the written notice of acceptance issued by the IRS to me/us or to my/our representative. I/We may not designate an overpayment ordinarily subject to refund, to which the IRS is entitled, to be applied to estimated tax payments for the following year.

(g) I/We will return to the IRS any refund identified in paragraph (f) received after submission of this offer.

(h) The IRS cannot collect more than the full amount of the liability under this offer.

(i) I/We understand that I/we remain responsible for the full amount of the liabilities, unless and until the IRS accepts the offer in writing and I/we have met all the terms and conditions of the offer. The IRS will not remove the original amount of the liabilities from its records until I/we have met all the terms and conditions of the offer. I/we understand that the liabilities I/we offer to compromise are and will remain liabilities until I/we meet all the terms and conditions of this offer. If I/we file for bankruptcy before the terms and conditions of this offer are completed, any claim the IRS files in the bankruptcy proceedings will be a tax claim.

(j) Once the IRS accepts the offer in writing, I/we have no right to contest, in court or otherwise, the amount of the liability.

(k) The offer is pending starting with the date an authorized IRS official signs the form. The offer remains pending until an authorized IRS official accepts, rejects, returns or acknowledges withdrawal of the offer in writing. If I/we appeal an IRS rejection decision on the offer, the IRS will continue to treat the offer as pending until the Appeals Office accepts or rejects the offer in writing.

If I/we don't file a protest within 30 days of the date the IRS notifies me/us of the right to protest the decision, I/we waive the right to a hearing before the Appeals Office about the Offer in Compromise.

(l) If I/we fail to meet any of the terms and conditions of the offer and the offer defaults, the IRS may:

- immediately file suit to collect the entire unpaid balance of the offer;
- immediately file suit to collect an amount equal to the original amount of the liability, minus any payment already received under the terms of this offer;
- disregard the amount of the offer and apply all amounts already paid under the offer against the original amount of the liability; and/or
- file suit or levy to collect the original amount of the liability, without further notice of any kind.

The IRS will continue to add interest, as section 6601 of the Internal Revenue Code requires, on the amount the IRS determines is due after default. The IRS will add interest from the date the offer is defaulted until I/we completely satisfy the amount owed.

(m) The IRS generally files a Notice of Federal Tax Lien to protect the Government's interest on offers with deferred payments. Also, the IRS may file a Notice of Federal Tax Lien during the offer investigation. This tax lien will be released when the payment terms of the offer agreement have been satisfied.

(n) I/We understand that IRS employees may contact third parties in order to respond to this request and I/we authorize the IRS to make such contacts. Further, by authorizing the IRS to contact third parties, I/we understand that I/we will not receive notice, pursuant to section 7602(c) of the Internal Revenue Code, of third parties contacted in connection with this request.

(o) I/We are offering to compromise all the liabilities assessed against me/us as of the date of this offer and under the taxpayer identification numbers listed in Section II above. I/We authorize the IRS to amend Section II, above, to include any assessed liabilities we failed to list on Form 656.

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**Section VI Explanation of Circumstances**

I am requesting an Offer in Compromise for the reason(s) listed below:

**Note:** If you believe you have special circumstances affecting your ability to fully pay the amount due, explain your situation. You may attach additional sheets if necessary. Please include your name and SSN or EIN on all additional sheets or supporting documentation.

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**Section VII Source of Funds**

I / We shall obtain the funds to make this offer from the following source(s):

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**Section VIII Mandatory Signatures**

<b>Taxpayer Attestation</b>	If I / we submit this offer on a substitute form, I / we affirm that this form is a verbatim duplicate of the official Form 656, and I/we agree to be bound by all the terms and conditions set forth in the official Form 656.		
	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.		
	Signature of Taxpayer	Daytime Telephone Number (      )	Date (mmddyyyy)
	Signature of Taxpayer		Date (mmddyyyy)

**Official Use Only**

I accept the waiver of the statutory period of limitations on assessment for the Internal Revenue Service, as described in Section V(e).

Signature of Authorized Internal Revenue Service Official	Title	Date (mmddyyyy)
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**Section IX Application Prepared by Someone Other than the Taxpayer**

If this application was prepared by someone other than the taxpayer, please fill in that person's name and address below.

Name
Address (if known) (Street, City, State, ZIP code)

**Section X Paid Preparer Use Only**

Name of Preparer			
Signature of Preparer	Date (mmddyyyy)	Check if self-employed <input type="checkbox"/>	Preparer's CAF no. or PTIN
Firm's name (or yours if self-employed), address, and ZIP code			

**Section XI Third Party Designee**

Do you want to allow another person to discuss this offer with the IRS?	<input type="checkbox"/> Yes. Complete the information below.	<input type="checkbox"/> No
Designee's Name	Telephone Number (      )	

**Privacy Act Statement**

We ask for the information on this form to carry out the internal revenue laws of the United States. Our authority to request this information is Section 7801 of the Internal Revenue Code.

Our purpose for requesting the information is to determine if it is in the best interests of the IRS to accept an Offer in Compromise. You are not required to make an Offer in Compromise; however, if you choose to do so, you must provide all of the taxpayer information requested. Failure to provide all of the information may prevent us from processing your request.

If you are a paid preparer and you prepared the Form 656 for the taxpayer submitting an offer, we request that you complete and sign Section X on Form 656, and provide identifying information. Providing this information is voluntary. This information will be used to administer and enforce the internal revenue laws of the United States and may be used to regulate practice before the Internal Revenue Service for those persons subject to Treasury Department Circular No. 230, Regulations Governing the Practice of Attorneys, Certified Public Accountants, Enrolled Agents, Enrolled Actuaries, and Appraisers before the Internal Revenue Service. Information on this form may be disclosed to the Department of Justice for civil and criminal litigation.

We may also disclose this information to cities, states and the District of Columbia for use in administering their tax laws and to combat terrorism. Providing false or fraudulent information on this form may subject you to criminal prosecution and penalties.

**Attention:**

**Instructions and pertaining forms for completing an accurate Offer in Compromise are available in the Form 656-B, Offer in Compromise Booklet. The Form 656-B is available through the IRS website [www.irs.gov](http://www.irs.gov).**

## Collection Information Statement for Wage Earners and Self-Employed Individuals

**Wage Earners** Complete Sections 1, 2, 3, and 4, including signature line on page 4. *Answer all questions or write N/A.*  
**Self-Employed Individuals** Complete Sections 1, 2, 3, 4, 5 and 6 and signature line on page 4. *Answer all questions or write N/A.*  
**For Additional Information**, refer to Publication 1854, "How To Prepare a Collection Information Statement"  
**Include attachments if additional space is needed to respond completely to any question.**

<b>Name on Internal Revenue Service (IRS) Account</b>	<b>Social Security Number SSN on IRS Account</b>	<b>Employer Identification Number EIN</b>
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### Section 1: Personal Information

<b>1a</b> Full Name of Taxpayer and Spouse (if applicable)		<b>1c</b> Home Phone ( ) ( )	<b>1d</b> Cell Phone ( ) ( )
<b>1b</b> Address (Street, City, State, ZIP code) (County of Residence)		<b>1e</b> Business Phone ( ) ( )	<b>1f</b> Business Cell Phone ( ) ( )
		<b>2b</b> Name, Age, and Relationship of dependent(s)	
<b>2a</b> Marital Status: <input type="checkbox"/> Married <input type="checkbox"/> Unmarried (Single, Divorced, Widowed)			
<b>3a</b> Taxpayer	Social Security No. (SSN)	Date of Birth (mmddyyyy)	Driver's License Number and State
<b>3b</b> Spouse			

### Section 2: Employment Information

*If the taxpayer or spouse is self-employed or has self-employment income, also complete Business Information in Sections 5 and 6.*

Taxpayer		Spouse	
<b>4a</b> Taxpayer's Employer Name		<b>5a</b> Spouse's Employer Name	
<b>4b</b> Address (Street, City, State, ZIP code)		<b>5b</b> Address (Street, City, State, ZIP code)	
<b>4c</b> Work Telephone Number ( ) ( )	<b>4d</b> Does employer allow contact at work <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>5c</b> Work Telephone Number ( ) ( )	<b>5d</b> Does employer allow contact at work <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>4e</b> How long with this employer (years)   (months)	<b>4f</b> Occupation	<b>5e</b> How long with this employer (years)   (months)	<b>5f</b> Occupation
<b>4g</b> Number of exemptions claimed on Form W-4	<b>4h</b> Pay Period: <input type="checkbox"/> Weekly <input type="checkbox"/> Bi-weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Other	<b>5g</b> Number of exemptions claimed on Form W-4	<b>5h</b> Pay Period: <input type="checkbox"/> Weekly <input type="checkbox"/> Bi-weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Other

### Section 3: Other Financial Information (Attach copies of applicable documentation.)

<b>6</b> Is the individual or sole proprietorship party to a lawsuit (If yes, answer the following) <span style="float: right;">Yes <input type="checkbox"/> No <input type="checkbox"/></span>			
<input type="checkbox"/> Plaintiff <input type="checkbox"/> Defendant	Location of Filing	Represented by	Docket/Case No.
Amount of Suit \$	Possible Completion Date (mmddyyyy)	Subject of Suit	
<b>7</b> Has the individual or sole proprietorship ever filed bankruptcy (If yes, answer the following) <span style="float: right;">Yes <input type="checkbox"/> No <input type="checkbox"/></span>			
Date Filed (mmddyyyy)	Date Dismissed or Discharged (mmddyyyy)	Petition No.	Location
<b>8</b> Any increase/decrease in income anticipated (business or personal) (If yes, answer the following) <span style="float: right;">Yes <input type="checkbox"/> No <input type="checkbox"/></span>			
Explain. (Use attachment if needed)	How much will it increase/decrease \$	When will it increase/decrease	
<b>9</b> Is the individual or sole proprietorship a beneficiary of a trust, estate, or life insurance policy (If yes, answer the following) <span style="float: right;">Yes <input type="checkbox"/> No <input type="checkbox"/></span>			
Place where recorded:		EIN: :	
Name of the trust, estate, or policy	Anticipated amount to be received \$	When will the amount be received	
<b>10</b> In the past 10 years, has the individual resided outside of the United States for periods of 6 months or longer (If yes, answer the following) <span style="float: right;">Yes <input type="checkbox"/> No <input type="checkbox"/></span>			
Dates lived abroad: from (mmddyyyy)		To (mmddyyyy)	

**Section 4: Personal Asset Information for All Individuals**

**11 Cash on Hand.** Include cash that is not in a bank. **Total Cash on Hand** \$

**Personal Bank Accounts.** Include all checking, online bank accounts, money market accounts, savings accounts, stored value cards (e.g., payroll cards, government benefit cards, etc.) List safe deposit boxes including location and contents.

Type of Account	Full Name & Address ( <i>Street, City, State, ZIP code</i> ) of Bank, Savings & Loan, Credit Union, or Financial Institution.	Account Number	Account Balance As of _____ mmddyyyy
<b>12a</b>			\$
<b>12b</b>			\$
<b>12c Total Cash</b> ( <i>Add lines 12a, 12b, and amounts from any attachments</i> )			\$

**Investments.** Include stocks, bonds, mutual funds, stock options, certificates of deposit, and retirement assets such as IRAs, Keogh, and 401(k) plans. **Include all corporations, partnerships, limited liability companies or other business entities in which the individual is an officer, director, owner, member, or otherwise has a financial interest.**

Type of Investment or Financial Interest	Full Name & Address ( <i>Street, City, State, ZIP code</i> ) of Company	Current Value	Loan Balance (if applicable) As of _____ mmddyyyy	Equity Value Minus Loan
<b>13a</b>				
	Phone	\$	\$	\$
<b>13b</b>				
	Phone	\$	\$	\$
<b>13c</b>				
	Phone	\$	\$	\$
<b>13d Total Equity</b> ( <i>Add lines 13a through 13c and amounts from any attachments</i> )				\$

Available Credit. List bank issued credit cards with available credit. Full Name & Address ( <i>Street, City, State, ZIP code</i> ) of Credit Institution	Credit Limit	Amount Owed As of _____ mmddyyyy	Available Credit As of _____ mmddyyyy
<b>14a</b>			
Acct No.:	\$	\$	\$
<b>14b</b>			
Acct No.:	\$	\$	\$
<b>14c Total Available Credit</b> ( <i>Add lines 14a, 14b and amounts from any attachments</i> )			\$

**15a Life Insurance.** Does the individual have life insurance with a cash value (Term Life insurance does not have a cash value.)  
 **Yes**  **No** If **Yes** complete blocks 15b through 15f for each policy:

<b>15b</b> Name and Address of Insurance Company(ies):			
<b>15c</b> Policy Number(s)			
<b>15d</b> Owner of Policy			
<b>15e</b> Current Cash Value	\$	\$	\$
<b>15f</b> Outstanding Loan Balance	\$	\$	\$
<b>15g Total Available Cash.</b> ( <i>Subtract amounts on line 15f from line 15e and include amounts from any attachments</i> )			\$

**16 In the past 10 years, have any assets been transferred by the individual for less than full value**

(If yes, answer the following. If no, skip to 17a)

Yes  No

List Asset	Value at Time of Transfer \$	Date Transferred (mmddyyyy)	To Whom or Where was it Transferred
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**Real Property Owned, Rented, and Leased.** Include all real property and land contracts.

	Purchase/Lease Date (mmddyyyy)	Current Fair Market Value (FMV)	Current Loan Balance	Amount of Monthly Payment	Date of Final Payment (mmddyyyy)	Equity FMV Minus Loan
<b>17a</b> Property Description		\$	\$	\$		\$

Location (Street, City, State, ZIP code) and County

Lender/Lessor/Landlord Name, Address, (Street, City, State, ZIP code) and Phone

<b>17b</b> Property Description		\$	\$	\$		\$
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Location (Street, City, State, ZIP code) and County

Lender/Lessor/Landlord Name, Address, (Street, City, State, ZIP code) and Phone

**17c Total Equity** (Add lines 17a, 17b and amounts from any attachments) \$

**Personal Vehicles Leased and Purchased.** Include boats, RVs, motorcycles, trailers, etc.

Description (Year, Mileage, Make, Model)		Purchase/Lease Date (mmddyyyy)	Current Fair Market Value (FMV)	Current Loan Balance	Amount of Monthly Payment	Date of Final Payment (mmddyyyy)	Equity FMV Minus Loan
<b>18a</b> Year	Mileage		\$	\$	\$		\$

Make Model Lender/Lessor Name, Address, (Street, City, State, ZIP code) and Phone

<b>18b</b> Year	Mileage		\$	\$	\$		\$
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Make Model Lender/Lessor Name, Address, (Street, City, State, ZIP code) and Phone

**18c Total Equity** (Add lines 18a, 18b and amounts from any attachments) \$

**Personal Assets.** Include all furniture, personal effects, artwork, jewelry, collections (coins, guns, etc.), antiques or other assets.

	Purchase/Lease Date (mmddyyyy)	Current Fair Market Value (FMV)	Current Loan Balance	Amount of Monthly Payment	Date of Final Payment (mmddyyyy)	Equity FMV Minus Loan
<b>19a</b> Property Description		\$	\$	\$		\$

Location (Street, City, State, ZIP code) and County

Lender/Lessor Name, Address, (Street, City, State, ZIP code) and Phone

<b>19b</b> Property Description		\$	\$	\$		\$
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Location (Street, City, State, ZIP code) and County

Lender/Lessor Name, Address, (Street, City, State, ZIP code) and Phone

**19c Total Equity** (Add lines 19a, 19b and amounts from any attachments) \$

**If the taxpayer is self-employed, sections 5 and 6 must be completed before continuing.**

**Monthly Income/Expense Statement** (For additional information, refer to Publication 1854.)

Total Income		Total Living Expenses			IRS USE ONLY
Source	Gross Monthly	Expense Items <sup>5</sup>		Actual Monthly	Allowable Expenses
<b>20</b> Wages (Taxpayer) <sup>1</sup>	\$	<b>33</b> Food, Clothing, and Misc. <sup>6</sup>		\$	
<b>21</b> Wages (Spouse) <sup>1</sup>	\$	<b>34</b> Housing and Utilities <sup>7</sup>		\$	
<b>22</b> Interest - Dividends	\$	<b>35</b> Vehicle Ownership Costs <sup>8</sup>		\$	
<b>23</b> Net Business Income <sup>2</sup>	\$	<b>36</b> Vehicle Operating Costs <sup>9</sup>		\$	
<b>24</b> Net Rental Income <sup>3</sup>	\$	<b>37</b> Public Transportation <sup>10</sup>		\$	
<b>25</b> Distributions <sup>4</sup>	\$	<b>38</b> Health Insurance		\$	
<b>26</b> Pension/Social Security (Taxpayer)	\$	<b>39</b> Out of Pocket Health Care Costs <sup>11</sup>		\$	
<b>27</b> Pension/Social Security (Spouse)	\$	<b>40</b> Court Ordered Payments		\$	
<b>28</b> Child Support	\$	<b>41</b> Child/Dependent Care		\$	
<b>29</b> Alimony	\$	<b>42</b> Life insurance		\$	
<b>30</b> Other (Rent subsidy, Oil credit, etc.)	\$	<b>43</b> Taxes (Income and FICA)		\$	
<b>31</b> Other	\$	<b>44</b> Other Secured Debts (Attach list)		\$	
<b>32</b> Total Income (add lines 20-31)	\$	<b>45</b> Total Living Expenses (add lines 33-44)		\$	

- 1 Wages, salaries, pensions, and social security:** Enter gross monthly wages and/or salaries. Do not deduct withholding or allotments taken out of pay, such as insurance payments, credit union deductions, car payments, etc. To calculate the gross monthly wages and/or salaries:  
*If paid weekly* - multiply weekly gross wages by 4.3. Example: \$425.89 x 4.3 = \$1,831.33  
*If paid biweekly (every 2 weeks)* - multiply biweekly gross wages by 2.17. Example: \$972.45 x 2.17 = \$2,110.22  
*If paid semimonthly (twice each month)* - multiply semimonthly gross wages by 2. Example: \$856.23 x 2 = \$1,712.46
- 2 Net Income from Business:** Enter monthly net business income. This is the amount earned after ordinary and necessary monthly business expenses are paid. **This figure is the amount from page 6, line 82.** If the net business income is a loss, enter "0". Do not enter a negative number. If this amount is more or less than previous years, attach an explanation.
- 3 Net Rental Income:** Enter monthly net rental income. This is the amount earned after ordinary and necessary monthly rental expenses are paid. Do not include deductions for depreciation or depletion. If the net rental income is a loss, enter "0". Do not enter a negative number.
- 4 Distributions:** Enter the total distributions from partnerships and subchapter S corporations reported on Schedule K-1, and from limited liability companies reported on Form 1040, Schedule C, D or E.
- 5 Expenses not generally allowed:** We generally do not allow tuition for private schools, public or private college expenses, charitable contributions, voluntary retirement contributions, payments on unsecured debts such as credit card bills, cable television and other similar expenses. However, we may allow these expenses if it is proven that they are necessary for the health and welfare of the individual or family or for the production of income.
- 6 Food, Clothing, and Misc.:** Total of clothing, food, housekeeping supplies, and personal care products for one month.
- 7 Housing and Utilities:** For principal residence: Total of rent or mortgage payment. Add the average monthly expenses for the following: property taxes, home owner's or renter's insurance, maintenance, dues, fees, and utilities. Utilities include gas, electricity, water, fuel, oil, other fuels, trash collection, telephone, and cell phone.
- 8 Vehicle Ownership Costs:** Total of monthly lease or purchase/loan payments.
- 9 Vehicle Operating Costs:** Total of maintenance, repairs, insurance, fuel, registrations, licenses, inspections, parking, and tolls for one month.
- 10 Public Transportation:** Total of monthly fares for mass transit (e.g., bus, train, ferry, taxi, etc.)
- 11 Out of Pocket Health Care Costs:** Monthly total of medical services, prescription drugs and medical supplies (e.g., eyeglasses, hearing aids, etc.)

**Certification:** Under penalties of perjury, I declare that to the best of my knowledge and belief this statement of assets, liabilities, and other information is true, correct, and complete.

<b>Taxpayer's Signature</b>	<b>Spouse's Signature</b>	<b>Date</b>
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**Attachments Required for Wage Earners and Self-Employed Individuals:**

Copies of the following items for the last 3 months from the date this form is submitted (check all attached items):

- Income - Earnings statements, pay stubs, etc. from each employer, pension/social security/other income, self employment income (commissions, invoices, sales records, etc.).
- Banks, Investments, and Life Insurance - Statements for all money market, brokerage, checking and savings accounts, certificates of deposit, IRA, stocks/bonds, and life insurance policies with a cash value.
- Assets - Statements from lenders on loans, monthly payments, payoffs, and balances for all personal and business assets. Include copies of UCC financing statements and accountant's depreciation schedules.
- Expenses - Bills or statements for monthly recurring expenses of utilities, rent, insurance, property taxes, phone and cell phone, insurance premiums, court orders requiring payments (child support, alimony, etc.), other out of pocket expenses.
- Other - credit card statements, profit and loss statements, all loan payoffs, etc.
- A copy of last year's Form 1040 with all attachments. Include all Schedules K-1 from Form 1120S or Form 1065, as applicable.



**Sections 5 and 6 must be completed only if the taxpayer is SELF-EMPLOYED.**

**Section 5: Business Information**

**46** Is the business a sole proprietorship (filing Schedule C)  Yes, Continue with Sections 5 and 6.  No, Complete Form 433-B. All other business entities, including limited liability companies, partnerships or corporations, must complete Form 433-B.

<b>47</b> Business Name	<b>48</b> Employer Identification Number	<b>49</b> Type of Business Federal Contractor <input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>
<b>50</b> Business Website	<b>51</b> Total Number of Employees	<b>52a</b> Average Gross Monthly Payroll <b>52b</b> Frequency of Tax Deposits

**53** Does the business engage in e-Commerce (Internet sales)  **Yes**  **No**

<b>Payment Processor</b> (e.g., PayPal, Authorize.net, Google Checkout, etc.) Name & Address ( <i>Street, City, State, ZIP code</i> )	Payment Processor Account Number
<b>54a</b>	
<b>54b</b>	

**Credit Cards Accepted by the Business.**

Credit Card	Merchant Account Number	Merchant Account Provider, Name & Address ( <i>Street, City, State, ZIP code</i> )
<b>55a</b>		
<b>55b</b>		
<b>55c</b>		

**56 Business Cash on Hand.** Include cash that is not in a bank. **Total Cash on Hand** \$

**Business Bank Accounts.** Include checking accounts, online bank accounts, money market accounts, savings accounts, and stored value cards (e.g. payroll cards, government benefit cards, etc.) *Report Personal Accounts in Section 4.*

Type of Account	Full name & Address ( <i>Street, City, State, ZIP code</i> ) of Bank, Savings & Loan, Credit Union or Financial Institution.	Account Number	Account Balance As of <u>      </u> mmddyyyy
<b>57a</b>			\$
<b>57b</b>			\$
<b>57c Total Cash in Banks</b> ( <i>Add lines 57a, 57b and amounts from any attachments</i> )			\$

**Accounts/Notes Receivable.** Include e-payment accounts receivable and factoring companies, and any bartering or online auction accounts. (*List all contracts separately, including contracts awarded, but not started.*) **Include Federal Government Contracts.**

Accounts/Notes Receivable & Address ( <i>Street, City, State, ZIP code</i> )	Status ( <i>e.g., age, factored, other</i> )	Date Due ( <i>mmddyyyy</i> )	Invoice Number or Federal Government Contract Number	Amount Due
<b>58a</b>				\$
<b>58b</b>				\$
<b>58c</b>				\$
<b>58d</b>				\$
<b>58e Total Outstanding Balance</b> ( <i>Add lines 58a through 58d and amounts from any attachments</i> )				\$

**Business Assets.** Include all tools, books, machinery, equipment, inventory or other assets used in trade or business. Include Uniform Commercial Code (UCC) filings. Include Vehicles and Real Property owned/leased/rented by the business, if not shown in Section 4.

	Purchase/Lease/Rental Date (mmddyyyy)	Current Fair Market Value (FMV)	Current Loan Balance	Amount of Monthly Payment	Date of Final Payment (mmddyyyy)	Equity FMV Minus Loan
<b>59a</b> Property Description		\$	\$	\$		\$
Location (Street, City, State, ZIP code) and County			Lender/Lessor/Landlord Name, Address (Street, City, State, ZIP code) and Phone			
<b>59b</b> Property Description		\$	\$	\$		\$
Location (Street, City, State, ZIP code) and County			Lender/Lessor/Landlord Name, Address (Street, City, State, ZIP code) and Phone			
<b>59c Total Equity</b> (Add lines 59a, 59b and amounts from any attachments)						\$

**Section 6 should be completed only if the taxpayer is SELF-EMPLOYED**

**Section 6: Sole Proprietorship Information (lines 60 through 81 should reconcile with business Profit and Loss Statement)**

Accounting Method Used:  Cash  Accrual

Income and Expenses during the period (mmddyyyy)

to (mmddyyyy)

Total Monthly Business Income		Total Monthly Business Expenses (Use attachments as needed.)	
Source	Gross Monthly	Expense Items	Actual Monthly
<b>60</b> Gross Receipts	\$	<b>70</b> Materials Purchased <sup>1</sup>	\$
<b>61</b> Gross Rental Income	\$	<b>71</b> Inventory Purchased <sup>2</sup>	\$
<b>62</b> Interest	\$	<b>72</b> Gross Wages & Salaries	\$
<b>63</b> Dividends	\$	<b>73</b> Rent	\$
<b>64</b> Cash	\$	<b>74</b> Supplies <sup>3</sup>	\$
Other Income (Specify below)		<b>75</b> Utilities/Telephone <sup>4</sup>	\$
<b>65</b>	\$	<b>76</b> Vehicle Gasoline/Oil	\$
<b>66</b>	\$	<b>77</b> Repairs & Maintenance	\$
<b>67</b>	\$	<b>78</b> Insurance	\$
<b>68</b>	\$	<b>79</b> Current Taxes <sup>5</sup>	\$
		<b>80</b> Other Expenses, including installment payments (Specify)	\$
<b>69 Total Income</b> (Add lines 60 through 68)	\$	<b>81 Total Expenses</b> (Add lines 70 through 80)	\$
		<b>82 Net Business Income</b> (Line 69 minus 81) <sup>6</sup>	\$

Enter the amount from line 82 on line 23, section 4. If line 82 is a loss, enter "0" on line 23, section 4.

Self-employed taxpayers must return to page 4 to sign the certification and include all applicable attachments.

<sup>1</sup> **Materials Purchased:** Materials are items directly related to the production of a product or service.

<sup>2</sup> **Inventory Purchased:** Goods bought for resale.

<sup>3</sup> **Supplies:** Supplies are items used in the business that are consumed or used up within one year. This could be the cost of books, office supplies, professional equipment, etc.

<sup>4</sup> **Utilities/Telephone:** Utilities include gas, electricity, water, oil, other fuels, trash collection, telephone and cell phone.

<sup>5</sup> **Current Taxes:** Real estate, excise, franchise, occupational, personal property, sales and employer's portion of employment taxes.

<sup>6</sup> **Net Business Income:** Net profit from Form 1040, Schedule C may be used if duplicated deductions are eliminated (e.g., expenses for business use of home already included in housing and utility expenses on page 4). Deductions for depreciation and depletion on Schedule C are not cash expenses and must be added back to the net income figure. In addition, interest cannot be deducted if it is already included in any other installment payments allowed.

FINANCIAL ANALYSIS OF COLLECTION POTENTIAL FOR INDIVIDUAL WAGE EARNERS AND SELF-EMPLOYED INDIVIDUALS		(IRS USE ONLY)
Cash Available (Lines 11, 12c, 13d, 14c, 15g, 56, 57c and 58e)	Total Cash	\$
Distrainable Asset Summary (Lines 17c, 18c, 19c, and 59c)	Total Equity	\$
Monthly Total Positive Income minus Expenses (Line 32 minus Line 45)	Monthly Available Cash	\$

**Privacy Act:** The information requested on this Form is covered under Privacy Acts and Paperwork Reduction Notices which have already been provided to the taxpayer.