OFFER-IN-COMPROMISE
FREQUENTLY ASKED QUESTIONS

Q. What is an Offer-in-Compromise?

A. An Offer-in-Compromise is an offer, as payment in full, of an amount less than the tax, premium or principal claim and that does not include any penalty or interest. An Offer-in-Compromise differs from a settlement in that the requirements for approval are much more stringent. If a business or individual seeks to waive the penalty and/or interest in part or whole, but will pay the tax, premiums and/or principal claim in their entirety, the offer is not an Offer-in-Compromise.

Q. Are all obligations to the State of Ohio eligible for the Offer-in-Compromise program?

A. No. Only claims submitted to the Attorney General for collection are eligible for the Offer-in-Compromise program. If, however, a business or individual has numerous liabilities to the State of Ohio, all liabilities are subject to the Offer-in-Compromise program as long as at least one has been certified to the Attorney General. However, please note the Bureau of Workers Compensation and Department of Jobs and Family Services are generally unable to compromise debts due to unpaid premiums or contributions for ongoing businesses.

Q. Who is eligible to participate in the Offer-in-Compromise program?

A. Any business or person who demonstrates economic hardship or doubt as to the liability of an obligation may participate in the program if the claim has been certified to the Attorney General for collection. In limited circumstances, an individual or business also may participate in the program if the individual or business demonstrates that a claim, if collected, would be subject to refund under the respective agencies' statutes, rules or regulations.

Q. Can a business participate in the Offer-in-Compromise program?

A. The Department of Taxation may be willing to entertain compromise offers from presently active businesses. However, debts due to unpaid BWC premiums or ODJFS contributions will generally not be compromised if the business is still operating. If you have any questions regarding whether or not you may be eligible for a compromise with the Bureau of Worker's Compensation or the Department of Jobs and Family Services, please contact 1-800-OHIOBWC or (614) 466-2319, respectively.

Q. Will the State consider an offer with respect to an estimated liability?

A. No. An applicant must file any and all delinquent tax returns and/or other reports before the Attorney General will consider an offer.

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Q. How does an individual or business make an Offer-in-Compromise?

A. To participate in the program, an individual or business must complete and submit an Offer-in-Compromise form to the Office of the Attorney General, OIC Unit, 150 E. Gay Street, 21st Floor, Columbus, Ohio 43215. A copy of the form, together with instructions and a description of the Offer-in-Compromise program, may be downloaded from the web site. The Attorney General will consider only those offers submitted on the Offer-in-Compromise form. An applicant must answer every question, including each subpart, responding "n/a" or "none" if a question or subpart does not apply to the applicant. The individual or business submitting the offer must sign the Offer-in-Compromise form.

Q. If an individual or business possesses more than one obligation to the State of Ohio, may such individual or business compromise only one such obligation?

A. No. The goal of the Offer-in-Compromise program is to resolve all existing debt owed to the State by a business or individual. An applicant must disclose, and be prepared to resolve, all debts to the State. The Attorney General will not consider an Offer-in-Compromise unless it addresses all debt to the State.

Q. Can an individual submit an Offer-in-Compromise with respect to a joint liability?

A. Yes. The State may (1) accept the offer as payment in full of the entire obligation, (2) accept the offer as payment made by a spouse who did not earn income which contributed to the tax liability (innocent spouse), or (3) accept the offer as payment in full of the applicant's liability and pursue collection of the remainder from the co-obligor. To the extent the State accepts the offer as payment in full only of the applicant's liability, such action will not release the applicant from any liability to the co-obligor. The co-obligor may pursue the applicant for contribution to the extent forced to pay the remainder of the obligation.

Q. What if the individual or business submitting the offer fails to sign the Offer-in-Compromise form?

A. The Attorney General will not consider an offer unless signed by the individual or business. By signing the offer, the applicant agrees to abide by all terms and conditions of the Offer-in-Compromise program as set forth on the Offer-in-Compromise form.

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Q. Does an applicant have to submit any additional documentation with the Offer-in-Compromise form?

A. Yes. An applicant also must submit all state and federal tax returns for the past two (2) years, including all schedules and attachments. If the applicant has submitted an offer-in-compromise application to the Internal Revenue Service within the past five (5) years, the applicant must also submit a copy of that application, including form 433-A and/or form 433-B and/or any other attachments to the Internal Revenue Service application, and the notification of acceptance/rejection if received from the Internal Revenue Service. Finally, the applicant must also obtain and include his or her own credit report in order for the application to be processed. Credit reports can be obtained at **www.annualcreditreport.com**. If the applicant has already obtained a credit report within one year of the date of the filing the Offer-in-Compromise, this may be provided. However, credit reports that were obtained more than one year before the filing of the Offer-in-Compromise application are not acceptable.

Q. Will the applicant receive formal notification of the rejection/acceptance of an offer?

A. Yes. The Attorney General will send an applicant written notification of acceptance or rejection of an offer. If the State of Ohio rejects an offer, it will typically state an acceptable amount for settlement and/or compromise of the liabilities.

Q. How long after submission of an Offer-in-Compromise will an applicant receive notice of acceptance/rejection of the offer?

A. The Attorney General will reply to an offer as promptly as possible. The response time will vary depending on the complexity of the offer, the agencies or departments involved and the number of offers outstanding. Failure to fully and correctly complete the Offer-in-Compromise form may delay the process. If a response is necessary within a certain time frame, the offer should clearly indicate such deadline and the reason therefore. Every effort will be made to comply with deadlines if reasonable.

Q. Who may I contact regarding the status of an outstanding offer?

A. Any questions regarding the status of an offer should be directed to the Offer-in-Compromise staff at (614) 644-4900.

Q. Does an applicant have a right of appeal if an offer is rejected?

A. No. All acceptances/rejections are final.

Q. Does an applicant have to continue to make payments under an existing payment plan with the Attorney General while an Offer-in-Compromise is pending?

A. Yes. Submission of an offer does not relieve an applicant from obligations under an existing payment plan.

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Q. Does submission of an Offer-in-Compromise stop the filing of liens with respect to the liabilities while an offer is pending?

A. No. Liens will continue to be filed and/or continued with respect to liabilities despite the submission of an offer. If an offer is accepted, lien releases will be issued to the applicant upon payment. The applicant will be responsible for filing and recording the releases, including payment of any fee.

Q. Will the State of Ohio continue to offset the obligations against monies owed to the applicant, including tax refunds, while an offer is pending?

A. Yes. The State of Ohio retains the right to offset any monies owed to the applicant, including federal and state tax refunds.

Q. Will the Attorney General cease garnishment, foreclosure and other collection activities while an offer is pending?

A. The Attorney General will not undertake any affirmative collection activities, except offsets and liens, for a reasonable time after receipt of any offer. In no circumstance will the Attorney General institute any new collection activities for a period of 30 days. This period may be extended until resolution of the offer to the extent the applicant continues to comply with the Attorney General and timely respond to any and all requests for further information. If a garnishment and/or foreclosure have already been filed at the time an offer is submitted, such activities will continue to resolution. The Attorney General will also undertake any defensive actions necessary to preserve its claim. Lastly, the Attorney General will, in accordance with statute, continue to issue a "Certification Notice" upon submission of new claims to the Attorney General for collection.

Q. How long does an applicant have to pay the offer if accepted?

A. An applicant must pay within 60 days of acceptance of the offer.

Q. Will the State accept payment of offer in installments?

A. No. Absent special circumstances, the State will not accept installment payments under the Offer-in-Compromise Program. The applicant must make a lump sum payment within 60 days after acceptance of the offer.

Q. Will the State accept a personal check from the applicant?

A. No. Payment must be in the form of a certified check or money order payable to "Treasurer, State of Ohio."

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Q. Is the Applicant required to sign any agreement or other document upon acceptance of an offer?

A. Yes. The Applicant must sign and return an "Offer-in-Compromise Agreement" with the offer payment. The Offer-in-Compromise Agreement will be included with the notification of acceptance/rejection sent to the applicant. An offer is not enforceable against the State unless the Attorney General receives the signed agreement within 60 days of the notification of acceptance.

Q. Does the State of Ohio have any guidelines regarding the minimum percentage of an outstanding liability that it will accept under the Offer-in-Compromise program?

A. No. The Attorney General will review each offer on the merits. The minimum amount that it will accept in compromise of a liability depends upon the facts and circumstances of the individual situation.

Q. Upon acceptance of an offer, does an applicant have any duties and/or responsibilities other than signing of the Offer-in-Compromise Agreement and payment of the offer amount?

A. Yes. An applicant must comply with all State filing and payment obligations, including filing and payment of taxes, for a period of five (5) years after acceptance of the offer. Failure to comply with such obligations may result in reinstatement of the full amount of the compromised liabilities.

Q. Can an applicant pay the offer via credit card?

A. Yes. We can accept credit card payments over the phone. Please contact the Offer-in-Compromise Unit at (614) 644-4900.