

Everything About The IRS OIC

An OIC ([Offer in Compromise](#)) is a process that enables you to settle your tax debt by paying just a small amount to the IRS, as little as 1% of the tax due. To be able to qualify for this, stringent requirements should be satisfied.

You should clearly understand that in America, taxpayers essentially have no legal rights to ask or get a valid tax debt lessened by any amount, other than by paying it down. The government is completely at its discretion regarding the reduction of anybody's tax bill. Luckily, in most situations and with very few exceptions, the IRS is obliged to give a properly submitted OIC some amount of fair consideration. The odds of acceptance are quite slim. Less than half of all of the OICs that are submitted to the IRS are accepted, but fortunately, that is not the end of the story. If your submitted OIC is rejected, you then have the choice to take it to the IRS Appeals Office for further review of your IRS issue.

The submission of an [OIC](#) involves a rigid process. The Form 656, Offer in Compromise, should be completed with a \$150 application fee. You can be exempt from this fee if you submit the Application Fee Worksheet included in the Form 656 booklet and prove that you qualify under poverty guidelines.

Undergoing the OIC process will not be easy. There will be numerous steps to take once you complete the initial forms. You will be asked to include financial documents to prove your case once you have filed the forms. These forms may or may not be readily on hand such as pay stubs, bank records, and vehicle registration. Submitting an Offer in Compromise is a considerably time-consuming endeavor, so you must weigh the cost and advantages of utilizing this method to solve your IRS issue. Also, if your OIC is rejected, the IRS can use the information you submitted to aggressively collect the debt you owe them. It is a good idea to make sure your case is significantly compelling before you actually file an OIC.

There are some conditions that need to be present in order for you to qualify for OIC consideration. One concept that has to exist is doubt as to collectability. This basically means that there should be a substantial level of doubt about the IRS's ability to collect the tax debt from you, either at this present time, or anytime in the future. Another qualification would be whether or not you actually owe the tax bill that the IRS is claiming. You may qualify for an OIC if you can provide enough evidence to question your liability for the tax debt. The last says that paying your tax debt fully is unjust and inequitable as it'll place you in an extreme [economic hardship](#).