



STATE OF CALIFORNIA  
**Franchise Tax Board**

# **Offer in Compromise Booklet for Individuals**

Table of Contents

[What You Need to Know Before You Prepare an Offer in Compromise](#) . . . . . 3

[Offer in Compromise Application – Checklist of Required Items](#) . . . . . 4

[Section 1 – Personal Information](#) . . . . . 5

[Section 2 – Employment, Business Income, and Education Information](#) . . . . . 6

[Section 3 – General Financial Information](#) . . . . . 8

[Section 4 – Asset and Liability Analysis](#) . . . . . 11

[Section 5 – Monthly Household Income and Expense Analysis](#) . . . . . 12

[Section 6 – Three Year Income Summary](#) . . . . . 13

[Section 7 – Basis for the Offer](#) . . . . . 13

[Section 8 – Offer in Compromise Payment Information](#) . . . . . 14

[Section 9 – Statement of Agreement](#) . . . . . 15

[Frequent Topics](#) . . . . . 16

[Franchise Tax Board Privacy Notice on Collection](#) . . . . . 17

# What You Need to Know Before You Prepare an Offer in Compromise

An Offer in Compromise (OIC) provides an alternative for individuals who are unable to pay their outstanding California income tax liabilities, and who won't be able to in the foreseeable future.

## Are You an OIC Candidate?

If you are an individual without the income, assets, or means to pay your tax liability now or in the foreseeable future, you may be eligible for an OIC. The OIC Program allows you to offer a lesser amount for payment of a **non-disputed final tax liability**.

Generally, we approve an OIC when **the amount offered represents the most we can expect to collect within a reasonable period of time**.

Each case is evaluated based on its own unique set of facts and circumstances. We give the following factors strong consideration in the evaluation:

- Ability to pay
- Value of your assets
- Present and future income
- Present and future expenses
- The potential for changed circumstances
- The offer is in the best interest of the state

## Can We Process Your Application?

We will only process your OIC application if you meet the following requirements:

- File all of the required tax returns. If you have no filing requirement, note it on the application.
- Fully complete the OIC application and provide all supporting documentation.
- Agree with the Franchise Tax Board (FTB) on the amount of tax you owe.
- Provide a signed and dated 4905 PIT Application.

## Will a Collateral Agreement be Required?

Upon approval, we may require you to enter into a collateral agreement for a term of five years. Generally, a collateral agreement will be required in cases when you have a significant potential for increased earnings. A collateral agreement requires you to pay to FTB a percentage of future earnings that exceed an agreed upon threshold.

## Is Collection Activity Suspended?

Submitting an offer does not automatically suspend collection activity. In most cases, collection action will be suspended until the OIC evaluation is completed. However, if delaying collection activity jeopardizes our ability to collect the tax, we may continue with collection efforts. Interest, fees, and penalties continue to accrue as prescribed by law.

## When Should Offered Funds be Submitted?

**Do not submit the offered funds until we request them by letter.** When we do ask for the funds, submit them by cashier's check, money order, or WebPay. The offer must be a lump sum payment. We are unable to accept installment payments toward the offer amount or include prior payments.



## Offer in Compromise Application

You must submit the following documentation with your Offer in Compromise Application or we will return your application as incomplete. You must include the information for you and your spouse/registered domestic partner (RDP). Please submit copies only. We will not return any documents that you send us. Indicate if any of the items below are not applicable (N/A). Additional documentation may be required and requested as the evaluation of the OIC proceeds.

### Checklist of Required Items

N/A	Included	
-----	----------	--

- |                          |                          |   |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | <b>Verification of Household Income</b><br>Complete pay stubs for the past three months, or financial statements for the past two years if self-employed. Include any investment or ownership in any business entity or trust, and income derived from these sources (dividends, K-1 income, distributions, etc.).  |
| <input type="checkbox"/> | <input type="checkbox"/> | <b>Verification of Expenses</b><br>Billing statements for the last three months and proof that expenses are being paid. Include copies of revolving charge card statements, bills from other creditors (student loans, signature loans, medical bills, etc.), and personal loan statements.   |
| <input type="checkbox"/> | <input type="checkbox"/> | <b>Bank Accounts</b> <ul style="list-style-type: none"><li>• List all types of accounts, including checking, savings, mobile payment service (Venmo, PayPal, Zelle, etc.), certificates of deposits, etc., held during the past three years.</li><li>• Provide copies of the last six months of bank statements for every bank account and the closing statement for any account closed in the past two years.</li><li>• Provide copies of the last six months of mobile payment service history (Venmo, Paypal, Zelle, etc.).</li><li>• If self-employed, provide bank statements for the last twelve months. Include accounts that have been closed during that period.</li></ul> |
| <input type="checkbox"/> | <input type="checkbox"/> | <b>Securities</b><br>Investment account statements showing the most recent value of stocks, bonds, mutual funds, virtual currencies, and/or retirement or profit sharing plans (e.g., IRA, 401(k), Keogh, or annuity).  |
| <input type="checkbox"/> | <input type="checkbox"/> | <b>Current Leases or Rental Agreements, Either as Landlord or Tenant</b>  |
| <input type="checkbox"/> | <input type="checkbox"/> | <b>Real Estate Information</b> <ul style="list-style-type: none"><li>• Mortgage statements (including current balance owed and amount of monthly payment) for each property you own.</li><li>• Most recent property tax bill for each property you own.</li><li>• Escrow statements for each property you currently own, sold, or gifted in the last five years.</li></ul>  |
| <input type="checkbox"/> | <input type="checkbox"/> | <b>Internal Revenue Service (IRS) Information</b> <ul style="list-style-type: none"><li>• If applicable, copy of IRS OIC application and determination letter or other IRS arrangements.</li><li>• Copies of any notices of IRS adjustments or assessments that you have not reported to FTB.</li><li>• Copies of any notices regarding an IRS audit for any tax years if the audit is still open.</li></ul>  |
| <input type="checkbox"/> | <input type="checkbox"/> | <b>Legal Documents</b><br>Marital settlement agreements, divorce decrees, marital property settlements, trust documents, and bankruptcy documents.  |
| <input type="checkbox"/> | <input type="checkbox"/> | <b>Medical Information</b><br>A signed physician's letter including diagnosis and prognosis and/or other documents to show any medical condition that should be considered.   |
| <input type="checkbox"/> | <input type="checkbox"/> | <b>Power of Attorney</b><br>Copy of FTB 3520 PIT, Individual and Fiduciary Power of Attorney Declaration, if this offer is submitted by a designated representative.  |
| <input type="checkbox"/> | <input type="checkbox"/> | <b>Vehicle Information</b><br>Copies of loan/lease statements for any vehicles.   |

FTB account number: \_\_\_\_\_

**Mail your completed and signed application to:**

OFFER IN COMPROMISE PROGRAM MS A453  
**FRANCHISE TAX BOARD**  
PO BOX 2966  
RANCHO CORDOVA CA 95741-2966

If you have any questions, refer to the section, **What you need to know before you prepare an Offer in Compromise**, in this booklet, or contact the Offer in Compromise Program at 916.845.4787. You may also fax us at 916.845.0479.

**Important Information**

Complete all areas that are not shaded. Write "n/a" in those fields that do not apply. If you filed a tax return with a spouse/registered domestic partner (RDP), make sure to include their social security number (SSN) or individual taxpayer identification number (ITIN) if applicable.

**Section 1 Personal Information**

Taxpayer's First Name	M.I.	Taxpayer's Last Name	Taxpayer's SSN or ITIN
Other names and aliases ever used			Taxpayer's Date of Birth
Taxpayer's Driver License Number	State	Taxpayer's Email	Taxpayer's Phone Number

**Spouse/RDP**

Spouse's/RDP's First Name	M.I.	Spouse's/RDP's Last Name	Spouse's/RDP's SSN or ITIN
Other Names and Aliases Ever Used			Spouse's/RDP's Date of Birth
Spouse's/RDP's Driver License Number	State	Spouse's/RDP's Email	Spouse's/RDP's Phone Number

**Dependents** (Please attach additional pages if needed)

Dependent 1 (First and Last Name)	Date of Birth	SSN/ITIN	Relationship
Dependent 2 (First and Last Name)	Date of Birth	SSN/ITIN	Relationship
Dependent 3 (First and Last Name)	Date of Birth	SSN/ITIN	Relationship

**Current Mailing Address**

Street Address (Number and Street) or PO Box	Apt./Suite
City	State ZIP Code

**Physical Address**

Street Address (Number and Street)	Apt./Suite
City	State ZIP Code

**Previous Address** (If at current address less than two years)

Street Address (Number and Street)	Apt./Suite
City	State ZIP Code

FTB account number: \_\_\_\_\_

## Representative Information

Attach a copy of FTB 3520 PIT, Individual or Fiduciary Power of Attorney Declaration

Primary Representative's Name (First Name, Middle Initial, and Last Name)		Title		Phone Number	
Street Address (Number and Street) or PO Box				Fax Number	
City		Email Address		State	ZIP Code

## Section 2 Employment, Business Income, and Education Information

### Taxpayer's Information

#### A. Current Employer or Business

Taxpayer's Employer or Business Name		Business Phone Number	
Do you have any ownership in the business? <input type="checkbox"/> Yes <input type="checkbox"/> No	Occupation	How Long Employed (Years/Months)	
Street Address (Number And Street) or PO Box		City	State ZIP Code

Position:

☐ Wage Earner Salaried ☐ Wage Earner Hourly ☐ Partner ☐ Officer ☐ Sole Proprietor

Paid:

☐ Weekly ☐ Biweekly ☐ Monthly ☐ Semi-monthly

#### B. Employment History (Please attach an additional page if needed. A resume is also acceptable.)

Taxpayer's Employer or Business Name 1	Do you have any ownership in the business? <input type="checkbox"/> Yes <input type="checkbox"/> No	How Long Employed (Years/Months)	
Occupation	City	State	ZIP Code
Taxpayer's Employer or Business Name 2		How Long Employed (Years/Months)	
Occupation	City	State	ZIP Code
Taxpayer's Employer or Business Name 3		How Long Employed (Years/Months)	
Occupation	City	State	ZIP Code

#### C. Education (Please select the highest level of education completed and completion date.)

<input type="checkbox"/> Less than high school	<input type="checkbox"/> Associate's degree in _____
<input type="checkbox"/> High school graduate or equivalent	<input type="checkbox"/> Bachelor's degree in _____
<input type="checkbox"/> Some college, no degree	<input type="checkbox"/> Master's degree in _____
	<input type="checkbox"/> Doctorate degree in _____

Year highest level of education was completed \_\_\_\_\_

FTB account number: \_\_\_\_\_

## Spouse's/RDP's Information

### D. Current Employer or Business

Spouse's/RDP's Employer or Business Name		Business Phone Number	
Do you have any ownership in the business? <input type="checkbox"/> Yes <input type="checkbox"/> No	Occupation	How Long Employed (Years/Months)	
Street Address (Number And Street) or PO Box	City	State	ZIP Code

Position:

☐ Wage Earner Salaried ☐ Wage Earner Hourly ☐ Partner ☐ Officer ☐ Sole Proprietor

Paid:

☐ Weekly ☐ Biweekly ☐ Monthly ☐ Semi-monthly

### E. Employment History (Please attach an additional page if needed. A resume is also acceptable.)

Spouse's/RDP's Employer or Business Name 1	Do you have any ownership in the business? <input type="checkbox"/> Yes <input type="checkbox"/> No	How Long Employed (Years/Months)	
Occupation	City	State	ZIP Code
Spouse's/RDP's Employer or Business Name 2		How Long Employed (Years/Months)	
Occupation	City	State	ZIP Code
Spouse's/RDP's Employer or Business Name 3		How Long Employed (Years/Months)	
Occupation	City	State	ZIP Code

### F. Education (Please select the highest level of education completed and completion date.)

☐ Less than high school ☐ Associate's degree in \_\_\_\_\_  
☐ High school graduate or equivalent ☐ Bachelor's degree in \_\_\_\_\_  
☐ Some college, no degree ☐ Master's degree in \_\_\_\_\_  
☐ Doctorate degree in \_\_\_\_\_  
Year highest level of education was completed \_\_\_\_\_

FTB account number: \_\_\_\_\_

### Section 3 General Financial Information

#### Part A — Bank Accounts

List **all** types of accounts, including individual retirement accounts (IRAs) and retirement plans, checking, savings, mobile payment services (Venmo, PayPal, Zelle, etc.) certificates of deposits, etc., held during the past three years. Provide copies of the last six months of bank statements for every bank account and the closing statement for any account closed in the past two years. If self-employed, provide bank statements for the last twelve months. Include accounts that have been closed during that period. Attach additional pages if needed.

Institution Name	Type of Account Checking/Saving	Account Number	Balance
			\$
			\$
			\$
			\$
			\$
<b>Total.</b> Enter this amount on Section 4, line 2, (Asset and Liability Analysis) of this application. . . . . ▶			\$

#### Part B — Automobiles, Trucks, and Other Vehicles

Provide the following information for any cars, trucks, boats, RVs, etc. that you own. Attach additional pages if needed.

Year, Make, Model	License Plate Number	Lender/ Pink Slip Holder	Current Market Value	Current Payoff	Available Equity
		<input type="checkbox"/> Lease <input type="checkbox"/> Own	\$	\$	\$
		<input type="checkbox"/> Lease <input type="checkbox"/> Own	\$	\$	\$
		<input type="checkbox"/> Lease <input type="checkbox"/> Own	\$	\$	\$
		<input type="checkbox"/> Lease <input type="checkbox"/> Own	\$	\$	\$
<b>Total.</b> Enter this amount on Section 4, line 3, (Asset and Liability Analysis) of this application. . . . . ▶					\$

#### Part C — Life Insurance Policies

Provide the following information for any term life insurance, whole life insurance, universal life insurance, etc. in your name. Attach additional pages if needed.

Insurance Name	Policy Number	Type	Policy Amount	Loan/Cash Surrender Value
			\$	\$
			\$	\$
			\$	\$
<b>Total.</b> Enter this amount on Section 4, line 4, (Asset and Liability Analysis) of this application. . . . . ▶				\$



FTB account number: \_\_\_\_\_

### Part D — Securities

Provide the following information for stocks, bonds, mutual funds, money market funds, virtual currency, etc. Attach additional pages if needed.

Type	Location/Digital Currency Exchange Number	Quantity or Denomination	Current Value
			\$
			\$
			\$
			\$
<b>Total.</b> Enter this amount on Section 4, line 5, (Asset and Liability Analysis) of this application. . . . . ▶			\$

### Part E — Safe Deposit Boxes

Provide the following information for all deposit boxes rented or accessed by you. Attach additional pages if needed.

Institution Name and Address	List of Contents	Current Value of Assets
		\$
		\$
<b>Total.</b> Enter this amount on Section 4, line 6, (Asset and Liability Analysis) of this application. . . . . ▶		\$

### Part F — Real Estate (Residential, Commercial, and Undeveloped Land)

Provide the following information for all property you own. Attach additional pages if needed.

Property Address	Purchase Price	Fair Market Value	Balance Due on Mortgage	Equity Value
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
<b>Total.</b> . . . . . ▶	\$	\$	\$	\$

### Part G — Affiliated Business and Trusts

Investment or affiliation in any business entity or trust, and income derived from these sources (dividends, K-1 income, distributions, etc.).

Name of Business or Trust	FEIN/FTB ID	Affiliation or Position

Outstanding loans from business or trust \_\_\_\_\_

Loan Amount \_\_\_\_\_ Loan Date \_\_\_\_\_

How were the loans used? \_\_\_\_\_

FTB account number: \_\_\_\_\_

## Part H — Lines of Credit and Credit Cards

Provide the following information for all your lines of credit and credit cards. Attach additional pages if needed.

Type of Account	Name of Credit Grantor	Minimum Monthly Payment	Credit Limit	Credit Availability	Amount Owed
		\$	\$	\$	\$
		\$	\$	\$	\$
		\$	\$	\$	\$
		\$	\$	\$	\$
		\$	\$	\$	\$
		\$	\$	\$	\$
<b>Total Payments.</b> Enter total of payments on Section 5, Line 32 of this application. ►		\$	<b>Total Owed.</b> Enter total owed on Section 4, Line 22 of this application. ►		\$

## Part I — Additional Financial Information

Provide the following information relating to you and your spouse's/RDP's financial condition. If you check yes, provide dates, explanation, and documentation.

Court Orders (alimony, child support, and restitution) . . . . .	<input type="checkbox"/> Yes	<input type="checkbox"/> No	_____
Repossessions . . . . .	<input type="checkbox"/> Yes	<input type="checkbox"/> No	_____
Anticipated increase in income. . . . .	<input type="checkbox"/> Yes	<input type="checkbox"/> No	_____
Bankruptcies/receiverships. . . . .	<input type="checkbox"/> Yes	<input type="checkbox"/> No	_____
Recent transfer of assets . . . . .	<input type="checkbox"/> Yes	<input type="checkbox"/> No	_____
Beneficiary to trust, estate, profit sharing, etc. .	<input type="checkbox"/> Yes	<input type="checkbox"/> No	_____
Last California income tax return filed . . . . .	Year _____		_____
Total exemptions you claim from return . . . . .	_____		_____
Adjusted gross income from return. . . . .	_____		_____

FTB account number: \_\_\_\_\_

## Section 4 Asset and Liability Analysis

### Assets

- |   |  |   |         |
|---|--|---|---------|
| 1 | Cash   | 1 | _____   |
| 2 | Bank accounts/balance (from Section 3, Part A)                       | 2 | _____   |
| 3 | Vehicles/available equity (from Section 3, Part B)                   | 3 | _____   |
| 4 | Loan/cash surrender value of life insurance (from Section 3, Part C) | 4 | _____   |
| 5 | Securities (from Section 3, Part D)                                  | 5 | _____   |
| 6 | Safe deposit box value of contents (from Section 3, Part E)          | 6 | _____   |
| 7 | <b>Total Assets</b>  | 7 | ► _____ |

### Real Estate

Enter from Section 3, Part F.

- |   |                             |   |       |
|---|-----------------------------|---|-------|
| 8 | Total Equity of Real Estate | 8 | _____ |
|---|-----------------------------|---|-------|

### Other Assets

- |    |   |    |         |
|----|---|----|---------|
| 9  | Notes (promissory notes, Treasury notes, etc.)                                      | 9  | _____   |
| 10 | Accounts receivable   | 10 | _____   |
| 11 | Judgements/settlements receivable   | 11 | _____   |
| 12 | Aircraft, watercraft  | 12 | _____   |
| 13 | Interest in trusts (e.g., trustee, trustor, beneficiary, etc., regardless of value) | 13 | _____   |
| 14 | Interest in estates   | 14 | _____   |
| 15 | Interest in business entities   | 15 | _____   |
| 16 | Other assets _____  | 16 | _____   |
| 17 | Other assets _____  | 17 | _____   |
| 18 | Other assets _____  | 18 | _____   |
| 19 | Other assets _____  | 19 | _____   |
| 20 | <b>Total Other Assets</b>   | 20 | ► _____ |
| 21 | <b>Sum total</b> of assets (equity and other)                                       | 21 | _____   |

### Current Liabilities

Enter your current liabilities, including judgments, notes, and other charge accounts. Do not include vehicle or home loans.

- |    |   |    |         |
|----|---|----|---------|
| 22 | Total owed for lines of credit (from Section 3, Part H) | 22 | _____   |
| 23 | Taxes owed to IRS (provide a copy of recent notices)    | 23 | _____   |
| 24 | Other liabilities _____                                 | 24 | _____   |
| 25 | Other liabilities _____                                 | 25 | _____   |
| 26 | Other liabilities _____                                 | 26 | _____   |
| 27 | Other liabilities _____                                 | 27 | _____   |
| 28 | <b>Total Liabilities</b>                                | 28 | ► _____ |

## Section 5 Monthly Household Net Income and Expense Analysis

		Monthly Net (NOT Gross) Income	FTB use only
1	Wages/salaries, tips, etc. (Taxpayer) . . . . .	1	
2	Pension (Taxpayer) . . . . .	2	
3	Overtime/bonuses/commissions (Taxpayer) . . . . .	3	
4	Wages/salaries, tips, etc. (Spouse/RDP) . . . . .	4	
5	Pension (Spouse/RDP) . . . . .	5	
6	Overtime/bonuses/commissions (Spouse/RDP) . . . . .	6	
7	Business income . . . . .	7	
8	Rental income . . . . .	8	
9	Interest/dividends/royalties . . . . .	9	
10	Payments from trust/partnerships/entities . . . . .	10	
11	Child support . . . . .	11	
12	Alimony . . . . .	12	
13	Unemployment . . . . .	13	
14	Disability . . . . .	14	
15	Social Security . . . . .	15	
16	Other household income . . . . .	16	
17	<b>Total Income</b> . . . . . ▶	17	
		<b>Expenses Amount</b>	
18	Rent/mortgage . . . . .	18	
19	Real estate taxes . . . . .	19	
20	Home insurance _____ & Association fees _____ . .	20	
21	Groceries, number of people _____ . . . . .	21	
22	Utilities a. Cable _____ & Internet _____ . .	22a	
	b. Electric _____ & Phone _____ . .	22b	
	c. Gas _____ & Water _____ . .	22c	
	d. Trash _____ & Sewer _____ . .	22d	
23	Auto payments . . . . .	23	
24	Auto insurance . . . . .	24	
25	Gasoline, number of miles to work _____ . . . . .	25	
26	Life/health insurance (if not deducted from paycheck) . . . . .	26	
27	Medical payments (not covered by insurance) . . . . .	27	
28	Estimated tax payments (if not deducted from paycheck) . . . . .	28	
29	Court-ordered payments (alimony, child support, restitution) . . . . .	29	
30	Garnishments (if not deducted from your paycheck) . . . . .	30	
31	Delinquent tax (taxes not owed to FTB) . . . . .	31	
32	Credit card payments . . . . .	32	
33	Other expenses. _____ . . . . .	33	
34	Other expenses. _____ . . . . .	34	
35	<b>Total Monthly Expenses</b> . . . . . ▶	35	
36	Difference Between Total Monthly Net Income and Total Monthly Expenses . . . . .	36	

FTB account number: \_\_\_\_\_

## Section 6 Three-Year Income Summary

Please provide an income summary of the current year and the two preceding years.

Gross Household Income		Income Year	Income Year	Current Year
1	Wages/salaries, tips, etc. (Taxpayer) . . . . .	1		
2	Pension (Taxpayer) . . . . .	2		
3	Overtime/bonuses/commissions (Taxpayer) . . . . .	3		
4	Wages/salaries (Spouse/RDP) . . . . .	4		
5	Pension (Spouse/RDP) . . . . .	5		
6	Overtime/bonuses/commissions (Spouse/RDP) . . . . .	6		
7	Business income . . . . .	7		
8	Rental income . . . . .	8		
9	Interest/dividends/royalties . . . . .	9		
10	Payments from trust/partnerships/entities . . . . .	10		
11	Child support . . . . .	11		
12	Alimony . . . . .	12		
13	Unemployment . . . . .	13		
14	Disability . . . . .	14		
15	Social Security . . . . .	15		
16	Ecommerce Sales . . . . .	16		
17	Other income _____ . . . . .	17		
18	Other income _____ . . . . .	18		
19	Other income _____ . . . . .	19		
20	<b>Total Gross Household Income . . . . . ▶ 20</b>			

## Section 7 Basis for the Offer

The following facts and reasons are submitted as grounds for acceptance of this offer. Attach additional pages if needed.

FTB account number: \_\_\_\_\_

## Section 8 Offer in Compromise Payment Information

### AMOUNT OWED

Total Amount owed to FTB \$ \_\_\_\_\_ Tax Year(s): \_\_\_\_\_

### OFFER AMOUNT

The lump-sum of \$ \_\_\_\_\_ is offered in compromise. An FTB representative will instruct you when to mail the offer amount. **Do not send any funds now.**

Select which of the following you would like FTB to do if this OIC is denied.

☐ Retain any amounts deposited and credit those amounts to the undersigned's liabilities.

☐ Return the amount deposited.

### SOURCE OF FUNDS

Please provide the source of funds, loan, gift, or other.

a. Please attach the loan agreement and provide the following information if either box has been checked.

☐ Is all of the offer a loan?

OR ☐ Is part of the offer a loan?

Name of Lender

Amount Borrowed

b. Please provide the following information if either box has been checked.

☐ Is all of the offer a gift?

OR ☐ Is part of the offer a gift?

Name of Donor

Amount of Gift

Donor's Relationship to You

c. Describe sources of offered funds other than those listed in a or b.

FTB account number: \_\_\_\_\_

## Section 9 Statement of Agreement

It is understood this offer will be considered and acted upon in due course, and that it does not relieve you from the liability sought to be compromised, unless and until the offer is accepted by the Franchise Tax Board and there has been full compliance with the terms of the agreement, including any collateral agreement.

It is agreed, except for any amounts deposited in connection with this offer, the Franchise Tax Board will keep all payments and other credits made to your account for the periods covered by this offer, and that the Franchise Tax Board will keep any and all amounts to which you may be entitled under the Revenue and Taxation Code, due through overpayments of any tax, penalty or interest, for any periods ending before the end of the calendar year in which this offer is accepted.

It is further agreed, upon the mailing of notice to you of the acceptance of the offer, you shall have no right to contest in court or otherwise the amount of the liability sought to be compromised. No compromise of any liability in this offer is final, until all the obligations you have under the compromise agreement and collateral agreement are completely performed. In the event of a default by you on the compromised agreement, including any collateral agreement, it is agreed that the Franchise Tax Board may:

- Rescind the compromise.
- Re-establish all compromised liabilities.
- Retain all amounts previously deposited under the offer.
- Proceed to collect the remaining balance of the re-established liabilities.

The compromise agreement may also be rescinded for one or more of the following reasons:

- Failure to disclose any property information.
- Failure to file future required tax returns.
- Failure to pay final tax liabilities timely.
- Providing false records or statements relating to your assets or financial condition, by or on behalf of you or any other person liable for the tax.

**Additionally, I authorize FTB to obtain my consumer credit report and to investigate and verify the information I provided on this application.**

### Signature

**I hereby certify under penalty of perjury under the laws of California, that all information supplied on this form including any attachment is true, correct, and complete to the best of my knowledge and ability.**

Taxpayer's Signature

**X**

Date

Spouse's/RDP's Signature

**X**

Date

## **Frequent Topics**

### **Fair Offer**

Generally, an offer will be accepted when the amount offered is the most we can expect to collect within a reasonable period of time.

### **OIC Decision Time Frame**

Generally, we will have a decision within 120 days of your account being assigned to a specialist. If your account is more complex, it may take longer than 120 days.

### **Payments**

You cannot make payments toward the offered amount, we require a lump-sum payment of the offered amount. We cannot apply prior payments toward the offered amount. However, we consider prior payments and the offered amount compared to the total liability when evaluating your offer.

### **IRS OIC Accepted**

We will make a separate determination about whether to accept your offer, independent of the IRS.

### **We Will Contact You about Your OIC**

We contact you to discuss your account and to determine the most appropriate resolution. For example, if we determine that you will have the ability to make monthly payments that exceed the amount you offer, we will work with you to establish an installment agreement.

### **State Tax Liens**

We release FTB state tax liens upon final approval of your OIC.

### **Power of Attorney or Representative**

We do not require that you have representation, but you do have the right to representation. The OIC Program is available to all taxpayers, whether or not they have representation.

### **Bankruptcy**

If this is a consideration, you may want to seek your own legal advice. However, your application will not be accepted if you are in a current, open bankruptcy.

### **No Funds for OIC**

We will not accept a zero dollar offer. Your offer must represent the most we can expect to collect over a reasonable period of time and be in the state's best interest to accept.

### **Collateral Agreement**

A collateral agreement is a contractual agreement between you and FTB. By signing the agreement, you agree to pledge to us a percentage of your income that exceeds an agreed-upon threshold. Generally, the collateral agreement period is five years. We will make that determination in reviewing your application and financial information provided to us.

Generally, we do not require a collateral agreement if you are on a fixed income or have limited potential for an increase in income.

### **OIC for Multiple State Agencies**

To relieve some of the paperwork burden for taxpayers or their representatives, the state's three taxing agencies developed a single offer in compromise application. Individual taxpayers can use Multi-Agency Form for Offer in Compromise (DE 999CA) to apply with any or all of the three agencies. Go to [edd.ca.gov](http://edd.ca.gov) to locate DE 999CA.



## Franchise Tax Board Privacy Notice on Collection

The privacy and security of your personal information is of the utmost importance to us. We want you to have the highest confidence in the integrity, efficiency, and fairness of our state tax system.

### Your Rights and Responsibilities

You have a right to know what types of information we gather, how we use it, and to whom we may provide it. Information collected is subject to the California Information Practices Act, Civil Code Sections 1798-1798.78, except as provided in Revenue and Taxation Code (R&TC) Section 19570.

If you meet certain requirements, you must file a valid tax return and related documents. You must provide your social security number or other identifying number on your tax return and related documents for identification. (R&TC Sections 18501, 18621, and 18624)

### Reasons for Information Requests

We may request additional information to verify and collect the correct amount of tax. (R&TC Section 19504)

You must provide all requested information, unless indicated as "optional."

### Consequences of Noncompliance

We charge penalties and interest if you:

- Meet income requirements but do not file a valid tax return.
- Do not provide the information we request.
- Provide false information.

We may also disallow your claimed exemptions, exclusions, credits, deductions, or adjustments. If you provide false information, you may be subject to civil penalties and criminal prosecution. Noncompliance can increase your tax liability or delay or reduce any tax refund.

### Disclosure of Information

We will not disclose your personal information unless authorized by law. We may disclose your tax information to:

- The Internal Revenue Service.
- Other states' income tax officials.
- California government agencies and officials.
- Third parties to determine or collect your tax liabilities.
- Your authorized representative(s).

If you owe taxes, we may disclose your balance due as part of our collection process to employers, financial institutions, county recorders, process agents, or other asset holders.

### Responsibility for the Records

The director of the Processing Services Bureau maintains Franchise Tax Board's records. You may review your records and bring any inaccuracies to our attention.

You can obtain information about your records by:

Phone: 800.852.5711 from 8 a.m. to 5 p.m. weekdays, except state holidays  
916.845.6500 from outside of the United States

California Relay Service: 711 or 800.735.2929 for persons with hearing or speaking limitations

Mail: DISCLOSURE OFFICER MS A181  
FRANCHISE TAX BOARD  
PO BOX 1468  
SACRAMENTO CA 95812-1468

To learn more about our Privacy Policy Statement, go to [ftb.ca.gov/privacy](https://ftb.ca.gov/privacy).