



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 checked="" type="checkbox"/> | <input type="checkbox"/> | Verification of Household Income
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"/> | Verification of Expenses
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"/> | Bank Accounts <ul style="list-style-type: none">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.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.Provide copies of the last six months of mobile payment service history (Venmo, Paypal, Zelle, etc.).If self-employed, provide bank statements for the last twelve months. Include accounts that have been closed during that period. |
| <input type="checkbox"/> | <input type="checkbox"/> | Securities
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"/> | Current Leases or Rental Agreements, Either as Landlord or Tenant |
| <input type="checkbox"/> | <input type="checkbox"/> | Real Estate Information <ul style="list-style-type: none">Mortgage statements (including current balance owed and amount of monthly payment) for each property you own.Most recent property tax bill for each property you own.Escrow statements for each property you currently own, sold, or gifted in the last five years. |
| <input type="checkbox"/> | <input type="checkbox"/> | Internal Revenue Service (IRS) Information <ul style="list-style-type: none">If applicable, copy of IRS OIC application and determination letter or other IRS arrangements.Copies of any notices of IRS adjustments or assessments that you have not reported to FTB.Copies of any notices regarding an IRS audit for any tax years if the audit is still open. |
| <input type="checkbox"/> | <input type="checkbox"/> | Legal Documents
Marital settlement agreements, divorce decrees, marital property settlements, trust documents, and bankruptcy documents. |
| <input type="checkbox"/> | <input type="checkbox"/> | Medical Information
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"/> | Power of Attorney
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"/> | Vehicle Information
Copies of loan/lease statements for any vehicles. |

FTB account number: [Test Data for 100](#)

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 Test Data for 2001	M.I. Test	Taxpayer's Last Name Test Data for 2003	Taxpayer's SSN or ITIN Test Data for 2004
Other names and aliases ever used Test Data for 2005			Taxpayer's Date of Birth Test Data for 2006
Taxpayer's Driver License Number Test Data for 2007	State Test	Taxpayer's Email Test Data for 2009	Taxpayer's Phone Number Test Data for 2010

Spouse/RDP

Spouse's/RDP's First Name Test Data for 2011	M.I. Test	Spouse's/RDP's Last Name Test Data for 2013	Spouse's/RDP's SSN or ITIN Test Data for 2014
Other Names and Aliases Ever Used Test Data for 2015			Spouse's/RDP's Date of Birth Test Data for 2016
Spouse's/RDP's Driver License Number Test Data for 2017	State Test	Spouse's/RDP's Email Test Data for 2019	Spouse's/RDP's Phone Number Test Data for 2020

Dependents (Please attach additional pages if needed)

Dependent 1 (First and Last Name) Test Data for 2021	Date of Birth Test Data for 2022	SSN/ITIN Test Data for 2023	Relationship Test Data for 2024
Dependent 2 (First and Last Name) Test Data for 2025	Date of Birth Test Data for 2026	SSN/ITIN Test Data for 2027	Relationship Test Data for 2028
Dependent 3 (First and Last Name) Test Data for 2029	Date of Birth Test Data for 2030	SSN/ITIN Test Data for 2031	Relationship Test Data for 2032

Current Mailing Address

Street Address (Number and Street) or PO Box Test Data for 2033	Apt./Suite Test Data for 2034
City Test Data for 2035	State Test ZIP Code Test Data for 2037

Physical Address

Street Address (Number and Street) Test Data for 2038	Apt./Suite Test Data for 2039
City Test Data for 2040	State Test ZIP Code Test Data for 2042

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

Street Address (Number and Street) Test Data for 2043	Apt./Suite Test Data for 2044
City Test Data for 2045	State Test ZIP Code Test Data for 2047

FTB account number: [Test Data for 100](#)

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) Test Data for 3001		Title Test Data for 3002	Phone Number Test Data for 3003	
Street Address (Number and Street) or PO Box Test Data for 3004			Fax Number Test Data for 3005	
City Test Data for 3006	Email Address Test Data for 3007		State Test	ZIP Code Test Data for 3009

Section 2 Employment, Business Income, and Education Information

Taxpayer's Information

A. Current Employer or Business

Taxpayer's Employer or Business Name Test Data for 3010		Business Phone Number Test Data for 3011	
Do you have any ownership in the business? <input type="checkbox"/> Yes <input type="checkbox"/> No	Occupation Test Data for 3013	How Long Employed (Years/Months) Test Data for 3014	
Street Address (Number And Street) or PO Box Test Data for 3015	City Test Data for 3016	State Test	ZIP Code Test Data for 3018

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 Test Data for 3028	Do you have any ownership in the business? <input type="checkbox"/> Yes <input type="checkbox"/> No	How Long Employed (Years/Months) Test Data for 3030	
Occupation Test Data for 3031	City Test Data for 3032	State Test	ZIP Code Test Data for 3034
Taxpayer's Employer or Business Name 2 Test Data for 3035	How Long Employed (Years/Months) Test Data for 3036		
Occupation Test Data for 3037	City Test Data for 3038	State Test	ZIP Code Test Data for 3040
Taxpayer's Employer or Business Name 3 Test Data for 3041	How Long Employed (Years/Months) Test Data for 3042		
Occupation Test Data for 3043	City Test Data for 3044	State Test	ZIP Code Test Data for 3046

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

<input checked="" type="checkbox"/> Less than high school	<input checked="" type="checkbox"/> Associate's degree in Test Data for 3051
<input checked="" type="checkbox"/> High school graduate or equivalent	<input checked="" type="checkbox"/> Bachelor's degree in Test Data for 3053
<input checked="" type="checkbox"/> Some college, no degree	<input checked="" type="checkbox"/> Master's degree in Test Data for 3055
	<input checked="" type="checkbox"/> Doctorate degree in Test Data for 3057

Year highest level of education was completed [Test Data for 3](#)

Spouse's/RDP's Information

D. Current Employer or Business

Spouse's/RDP's Employer or Business Name Test Data for 4001		Business Phone Number Test Data for 4002	
Do you have any ownership in the business? <input type="checkbox"/> Yes <input type="checkbox"/> No	Occupation Test Data for 4004	How Long Employed (Years/Months) Test Data for 4005	
Street Address (Number And Street) or PO Box Test Data for 4006	City Test Data for 4007	State Test Data for 4008	ZIP Code Test Data for 4009

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 Test Data for 4019	Do you have any ownership in the business? <input type="checkbox"/> Yes <input type="checkbox"/> No	How Long Employed (Years/Months) Test Data for 4021	
Occupation Test Data for 4022	City Test Data for 4023	State Test Data for 4024	ZIP Code Test Data for 4025
Spouse's/RDP's Employer or Business Name 2 Test Data for 4026	How Long Employed (Years/Months) Test Data for 4027		
Occupation Test Data for 4028	City Test Data for 4029	State Test Data for 4030	ZIP Code Test Data for 4031
Spouse's/RDP's Employer or Business Name 3 Test Data for 4032	How Long Employed (Years/Months) Test Data for 4033		
Occupation Test Data for 4034	City Test Data for 4035	State Test Data for 4036	ZIP Code Test Data for 4037

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

<input checked="" type="checkbox"/> Less than high school	<input checked="" type="checkbox"/> Associate's degree in Test Data for 4042
<input checked="" type="checkbox"/> High school graduate or equivalent	<input checked="" type="checkbox"/> Bachelor's degree in Test Data for 4044
<input checked="" type="checkbox"/> Some college, no degree	<input checked="" type="checkbox"/> Master's degree in Test Data for 4046
	<input checked="" type="checkbox"/> Doctorate degree in Test Data for 4048

Year highest level of education was completed [Test Data for 4050](#)

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
Test Data for 5001	Test Data for 5002	Test Data for 5003	\$ Test Data for 500
Test Data for 5005	Test Data for 5006	Test Data for 5007	\$ Test Data for 500
Test Data for 5009	Test Data for 5010	Test Data for 5011	\$ Test Data for 501
Test Data for 5013	Test Data for 5014	Test Data for 5015	\$ Test Data for 501
Test Data for 5017	Test Data for 5018	Test Data for 5019	\$ Test Data for 502
Total. Enter this amount on Section 4, line 2, (Asset and Liability Analysis) of this application. ▶			\$ Test Data for 502

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
Test Data for 5022	Test Data for 5023	Test Data for 5024	\$ Test Data for 502	\$ Test Data for 502	\$ Test Data for 502
		<input checked="" type="checkbox"/> Lease <input checked="" type="checkbox"/> Own			
Test Data for 5030	Test Data for 5031	Test Data for 5032	\$ Test Data for 503	\$ Test Data for 503	\$ Test Data for 503
		<input checked="" type="checkbox"/> Lease <input checked="" type="checkbox"/> Own			
Test Data for 5038	Test Data for 5039	Test Data for 5040	\$ Test Data for 504	\$ Test Data for 504	\$ Test Data for 504
		<input checked="" type="checkbox"/> Lease <input checked="" type="checkbox"/> Own			
Test Data for 5046	Test Data for 5047	Test Data for 5048	\$ Test Data for 505	\$ Test Data for 505	\$ Test Data for 505
		<input checked="" type="checkbox"/> Lease <input checked="" type="checkbox"/> Own			
Total. Enter this amount on Section 4, line 3, (Asset and Liability Analysis) of this application. ►					\$ Test Data for 505

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
Test Data for 5055	Test Data for 5056	Test Data for 5057	\$ Test Data for 505	\$ Test Data for 505
Test Data for 5060	Test Data for 5061	Test Data for 5062	\$ Test Data for 506	\$ Test Data for 506
Test Data for 5065	Test Data for 5066	Test Data for 5067	\$ Test Data for 506	\$ Test Data for 506
Total. Enter this amount on Section 4, line 4, (Asset and Liability Analysis) of this application. ▶				\$ Test Data for 507

FTB account number: Test Data for 100

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
Test Data for 6001	Test Data for 6002	Test Data for 6004	\$ Test Data for 6003
Test Data for 6006	Test Data for 6007	Test Data for 6009	\$ Test Data for 6010
Test Data for 6011	Test Data for 6012	Test Data for 6014	\$ Test Data for 6015
Test Data for 6016	Test Data for 6017	Test Data for 6019	\$ Test Data for 6020
Total. Enter this amount on Section 4, line 5, (Asset and Liability Analysis) of this application. ▶			\$ Test Data for 6021

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
Test Data for 6022	Test Data for 6023	\$ Test Data for 6024
Test Data for 6025	Test Data for 6026	\$ Test Data for 6027
Total. Enter this amount on Section 4, line 6, (Asset and Liability Analysis) of this application. ▶		\$ Test Data for 6028

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
Test Data for 6029	\$ Test Data for 6031	\$ Test Data for 6032	\$ Test Data for 6033	\$ Test Data for 6034
Test Data for 6034	\$ Test Data for 6035	\$ Test Data for 6036	\$ Test Data for 6037	\$ Test Data for 6038
Test Data for 6039	\$ Test Data for 6041	\$ Test Data for 6042	\$ Test Data for 6043	\$ Test Data for 6044
Total. ▶	\$ Test Data for 6045	\$ Test Data for 6046	\$ Test Data for 6047	\$ Test Data for 6048

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
Test Data for 6048	Test Data for 6049	Test Data for 6050
Test Data for 6051	Test Data for 6052	Test Data for 6053
Test Data for 6054	Test Data for 6055	Test Data for 6056

Outstanding loans from business or trust Test Data for 6057

Loan Amount Test Data for 6058 Loan Date Test Data for 6059

How were the loans used? Test Data for 6060

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
Test Data for 7	Test Data for 7002	\$ Test Data for 7003	\$ Test Data for 700	\$ Test Data for 70	\$ Test Data for 70
Test Data for 7	Test Data for 7008	\$ Test Data for 7009	\$ Test Data for 701	\$ Test Data for 70	\$ Test Data for 70
Test Data for 7	Test Data for 7014	\$ Test Data for 7015	\$ Test Data for 701	\$ Test Data for 70	\$ Test Data for 70
Test Data for 7	Test Data for 7020	\$ Test Data for 7021	\$ Test Data for 702	\$ Test Data for 70	\$ Test Data for 70
Test Data for 7	Test Data for 7026	\$ Test Data for 7027	\$ Test Data for 702	\$ Test Data for 70	\$ Test Data for 70
Test Data for 7	Test Data for 7032	\$ Test Data for 7033	\$ Test Data for 703	\$ Test Data for 70	\$ Test Data for 70
Total Payments. Enter total of payments on Section 5, Line 32 of this application. ►		\$ Test Data for 7037	Total Owed. Enter total owed on Section 4, Line 22 of this application. ►		\$ Test Data for 70

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	<u>Test Data for 7040</u>
Repossessions	<input type="checkbox"/> Yes <input type="checkbox"/> No	<u>Test Data for 7042</u>
Anticipated increase in income	<input type="checkbox"/> Yes <input type="checkbox"/> No	<u>Test Data for 7044</u>
Bankruptcies/receiverships	<input type="checkbox"/> Yes <input type="checkbox"/> No	<u>Test Data for 7046</u>
Recent transfer of assets	<input type="checkbox"/> Yes <input type="checkbox"/> No	<u>Test Data for 7048</u>
Beneficiary to trust, estate, profit sharing, etc. .	<input type="checkbox"/> Yes <input type="checkbox"/> No	<u>Test Data for 7050</u>
Last California income tax return filed	Year <u>Test Data fo</u>	<u>Test Data for 7052</u>
Total exemptions you claim from return	<u>Test Data for 705</u>	<u>Test Data for 7054</u>
Adjusted gross income from return	<u>Test Data for 705</u>	<u>Test Data for 7056</u>

Section 4 Asset and Liability Analysis

Assets

1	Cash	1	Test Data for 8001
2	Bank accounts/balance (from Section 3, Part A)	2	Test Data for 8002
3	Vehicles/available equity (from Section 3, Part B)	3	Test Data for 8003
4	Loan/cash surrender value of life insurance (from Section 3, Part C)	4	Test Data for 8004
5	Securities (from Section 3, Part D)	5	Test Data for 8005
6	Safe deposit box value of contents (from Section 3, Part E)	6	Test Data for 8006
7	Total Assets	7	Test Data for 8007

Real Estate

Enter from Section 3, Part F.

8	Total Equity of Real Estate	8	Test Data for 8008
---	-----------------------------	---	------------------------------------

Other Assets

9	Notes (promissory notes, Treasury notes, etc.)	9	Test Data for 8009
10	Accounts receivable	10	Test Data for 8010
11	Judgements/settlements receivable	11	Test Data for 8011
12	Aircraft, watercraft	12	Test Data for 8012
13	Interest in trusts (e.g., trustee, trustor, beneficiary, etc., regardless of value)	13	Test Data for 8013
14	Interest in estates	14	Test Data for 8014
15	Interest in business entities	15	Test Data for 8015
16	Other assets Test Data for 8016	16	Test Data for 8017
17	Other assets Test Data for 8018	17	Test Data for 8019
18	Other assets Test Data for 8020	18	Test Data for 8021
19	Other assets Test Data for 8022	19	Test Data for 8023
20	Total Other Assets	20	Test Data for 8024
21	Sum total of assets (equity and other)	21	Test Data for 8025

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	Test Data for 8026
23	Taxes owed to IRS (provide a copy of recent notices)	23	Test Data for 8027
24	Other liabilities Test Data for 8028	24	Test Data for 8029
25	Other liabilities Test Data for 8030	25	Test Data for 8031
26	Other liabilities Test Data for 8032	26	Test Data for 8033
27	Other liabilities Test Data for 8034	27	Test Data for 8035
28	Total Liabilities	28	Test Data for 8036

Section 5 Monthly Household Net Income and Expense Analysis

		Monthly Net (NOT Gross) Income	FTB use only
1	Wages/salaries, tips, etc. (Taxpayer)	1	Test Data for 9001
2	Pension (Taxpayer)	2	Test Data for 9002
3	Overtime/bonuses/commissions (Taxpayer)	3	Test Data for 9003
4	Wages/salaries, tips, etc. (Spouse/RDP)	4	Test Data for 9004
5	Pension (Spouse/RDP)	5	Test Data for 9005
6	Overtime/bonuses/commissions (Spouse/RDP)	6	Test Data for 9006
7	Business income	7	Test Data for 9007
8	Rental income	8	Test Data for 9008
9	Interest/dividends/royalties	9	Test Data for 9009
10	Payments from trust/partnerships/entities	10	Test Data for 9010
11	Child support	11	Test Data for 9011
12	Alimony	12	Test Data for 9012
13	Unemployment	13	Test Data for 9013
14	Disability	14	Test Data for 9014
15	Social Security	15	Test Data for 9015
16	Other household income Test Data for 9016	16	Test Data for 9017
17	Total Income ▶	17	Test Data for 9018
		Expenses Amount	
18	Rent/mortgage	18	Test Data for 9019
19	Real estate taxes	19	Test Data for 9020
20	Home insurance Test Data for 9021 & Association fees Test Data for 9022	20	Test Data for 9023
21	Groceries, number of people Test Data for 9024	21	Test Data for 9025
22	Utilities a. Cable Test Data for 9026 & Internet Test Data for 9027	22a	Test Data for 9028
	b. Electric Test Data for 9029 & Phone Test Data for 9030	22b	Test Data for 9031
	c. Gas Test Data for 9032 & Water Test Data for 9033	22c	Test Data for 9034
	d. Trash Test Data for 9035 & Sewer Test Data for 9036	22d	Test Data for 9037
23	Auto payments	23	Test Data for 9038
24	Auto insurance	24	Test Data for 9039
25	Gasoline, number of miles to work Test Data for 9040	25	Test Data for 9041
26	Life/health insurance (if not deducted from paycheck)	26	Test Data for 9042
27	Medical payments (not covered by insurance)	27	Test Data for 9043
28	Estimated tax payments (if not deducted from paycheck)	28	Test Data for 9044
29	Court-ordered payments (alimony, child support, restitution)	29	Test Data for 9045
30	Garnishments (if not deducted from your paycheck)	30	Test Data for 9046
31	Delinquent tax (taxes not owed to FTB)	31	Test Data for 9047
32	Credit card payments	32	Test Data for 9048
33	Other expenses. Test Data for 9049	33	Test Data for 9050
34	Other expenses. Test Data for 9051	34	Test Data for 9052
35	Total Monthly Expenses ▶	35	Test Data for 9053
36	Difference Between Total Monthly Net Income and Total Monthly Expenses	36	Test Data for 9054

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 Test Data for	Income Year Test Data for	Current Year Test Data for
1	Wages/salaries, tips, etc. (Taxpayer)	1	Test Data for 1000	Test Data for 1000
2	Pension (Taxpayer)	2	Test Data for 1000	Test Data for 1000
3	Overtime/bonuses/commissions (Taxpayer)	3	Test Data for 1001	Test Data for 1001
4	Wages/salaries (Spouse/RDP)	4	Test Data for 1001	Test Data for 1001
5	Pension (Spouse/RDP)	5	Test Data for 1001	Test Data for 1001
6	Overtime/bonuses/commissions (Spouse/RDP)	6	Test Data for 1001	Test Data for 1002
7	Business income	7	Test Data for 1002	Test Data for 1002
8	Rental income	8	Test Data for 1002	Test Data for 1002
9	Interest/dividends/royalties	9	Test Data for 1002	Test Data for 1003
10	Payments from trust/partnerships/entities	10	Test Data for 1003	Test Data for 1003
11	Child support	11	Test Data for 1003	Test Data for 1003
12	Alimony	12	Test Data for 1003	Test Data for 1003
13	Unemployment	13	Test Data for 1004	Test Data for 1004
14	Disability	14	Test Data for 1004	Test Data for 1004
15	Social Security	15	Test Data for 1004	Test Data for 1004
16	Ecommerce Sales	16	Test Data for 1004	Test Data for 1005
17	Other income Test Data for 10052	17	Test Data for 1005	Test Data for 1005
18	Other income Test Data for 10056	18	Test Data for 1005	Test Data for 1005
19	Other income Test Data for 10060	19	Test Data for 1006	Test Data for 1006
20	Total Gross Household Income ▶	20	Test Data for 1006	Test Data for 1006

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.

[Test Data for 10067](#)

FTB account number: [Test Data for 100](#)

Section 8 Offer in Compromise Payment Information

AMOUNT OWED

Total Amount owed to FTB \$ [Test Data for 1100](#) Tax Year(s): [Test Data for 11002](#)

OFFER AMOUNT

The lump-sum of \$ [Test Data for 11003](#) 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

[Test Data for 11007](#)

Amount Borrowed

[Test Data for 11009](#)

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

[Test Data for 11015](#)

Amount of Gift

[Test Data for 11017](#)

Donor's Relationship to You

[Test Data for 11018](#)

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

[Test Data for 11019](#)

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 Test Data for 12001	Date Test Data for 12002
Spouse's/RDP's Signature X Test Data for 12003	Date Test Data for 12004

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 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.