



STATE OF SOUTH CAROLINA  
DEPARTMENT OF REVENUE  
**APPLICATION FOR OFFER  
IN COMPROMISE**

In the following agreement, the pronoun "we" may be assumed in place of "I" when there are joint liabilities and both parties are signing this agreement.

**SCDOR  
Received Date**

I submit this offer to compromise the tax liabilities plus any interest, penalties, additions to tax, and additional amounts required by law for the tax type and periods marked in Section 2 or Section 3 below.

**Section 1 Taxpayer Information (Form 1040 filers)**

If you are an SC1040 filer, an individual with a personal liability for a self-employed individual, an individual personally responsible for partnership liabilities, or an individual who operates as a single member LLC or a disregarded entity taxed as a sole proprietorship, you should fill out Section 1. You must also include all required documentation and a 10% initial payment.

Your first name, middle initial, and last name OR your business name Social Security Number (SSN)

\_\_\_\_\_ - \_\_\_\_ - \_\_\_\_\_

If a joint offer, spouse's first name, middle initial, and last name Social Security Number (SSN)

\_\_\_\_\_ - \_\_\_\_ - \_\_\_\_\_

Your physical home address OR business address (*street, city, state, ZIP*)

\_\_\_\_\_

Your home address OR business address (*if different from above or PO Box*)

\_\_\_\_\_

FEIN, if applicable

\_\_\_\_\_ - \_\_\_\_\_

**Section 2 Outstanding Liability**

You must provide a copy of the qualifying assessment. Fill in the corresponding tax periods and amounts due.

	<u>Tax Periods</u>	<u>Amount of Liability</u>
<input type="checkbox"/> Individual Income	_____	_____
<input type="checkbox"/> Sales and Use	_____	_____
<input type="checkbox"/> Withholding	_____	_____
<input type="checkbox"/> Other (specify)	_____	_____

**Include tax, penalty, and interest.**

Note: If you need more space, use attachment and title it "Attachment to Form SC656". Sign and date the attachment.

**Section 3****Reason for Offer**

Please indicate the reasons for your offer. You are **required** to include a written explanation.

- Doubt as to Collectibility** - I do not have enough in assets and income to pay the full amount.
- Exceptional Circumstances** - Due to my exceptional circumstances, requiring full payment would cause an economic hardship or would be unfair and inequitable.

**Explanation of Circumstances (Add additional pages, if needed)** -The SCDOR understands that there are unplanned events or special circumstances, such as serious illness, where paying the full amount might impair your ability to provide for yourself and your family. If this is the case, and you can provide documentation to prove your situation, then your offer may be accepted despite your financial profile. Describe your situation below, and attach documentation to support this offer.

**Section 4****Offer Amount**

Indicate your offer amount. The offer must be more than \$0 and in whole dollars only. The remaining balance must be paid with 30 days of acceptance in one payment after the acceptance date.

Enclose a check for 10% of the offer amount (payable to the SCDOR).

Total Offer Amount	10% Initial Payment	Remaining Balance
\$ _____	- \$ _____	= \$ _____

**Section 5****Source of Funds**

Tell us where you will obtain the funds to pay your offer. You may consider borrowing from friends or family, taking out a loan, or selling assets.


**Making Payment**

Include separate checks for the initial payment and remaining balance payment. Make checks payable to the SCDOR and attach to the front of this form. All payments must be in U.S. dollars. **Do not send cash.**

Do not combine Offer in Compromise payments with any other tax payments, which might delay processing of your offer. Your offer will be returned if you don't include an initial payment or if your check is returned for insufficient funds.

**Filing Requirements**

- I have filed all required tax returns.
- I was not required to file a tax return for the following years: \_\_\_\_\_

**Note: Do not include original tax returns with your offer. You must either electronically file your tax return or mail it to the appropriate SCDOR processing office before sending in your offer.**

**Tax Payment Requirements (check all that apply)**

- I have made all required estimated payments for the current tax year.
- I am not required to make any estimated tax payments for the current tax year.
- I have made all required state tax deposits for the current quarter.
- I am not required to make any state tax deposits for the current quarter.

**Section 6****Offer Terms**

**By submitting this offer, I have read, understand, and agree to the following terms and conditions:**

- a) I voluntarily submit all payments made on this offer.
- b) The SCDOR will apply tax payments to the outstanding liability in the following order: tax, penalty, interests, then costs.
- c) I will comply with all tax provisions of the South Carolina code relating to filing my/our returns and paying my/our required taxes. I further represent that I have filed all state returns.
- d) The offer is pending starting with the date the Offer in Compromise is stamped in the SCDOR's Taxpayer Advocate's office.
- e) I waive and agree to the suspension of any statutory periods of limitation (time limits determined by law) for the SCDOR assessment and collection of the tax liability.
- f) The waiver and suspension of any statutory periods of limitation for assessment and collection of the amount of the tax liability continues to apply: while the offer is pending (see (d) above), during the time I have not paid all of the amount offered, during the time I have not completed all terms and conditions of the offer, and for one additional year beyond each of the time periods identified in this paragraph.
- g) The SCDOR will keep all payments and credits made, received or applied to the amount being compromised before this offer was submitted. The SCDOR may keep any proceeds from a levy served prior to submission of the offer. If I have entered into an installment agreement prior to submitting the offer, I must continue to make the payments as agreed while this offer is pending. Installment agreement payments will not be applied against the amount offered.
- h) The SCDOR will keep any refund, including interest, due to me because of overpayment of any tax or other liability for tax periods extending through the calendar year that the SCDOR accepts the offer. I may not designate a refund to which the SCDOR is entitled to be applied to estimated tax payments for the following year.
- i) I will return to the SCDOR any refund identified in (h) received after submission of this offer.
- j) I understand that I remain responsible for the full amount of the tax liability unless and until the SCDOR accepts the offer in writing and I have met all the terms and conditions of the offer. The SCDOR will not remove the original amount of the tax liability from its records until I have met all the terms of the offer.
- k) I understand that the tax I offer to compromise is and will remain a tax liability until I meet all the terms and conditions of this offer. If I file bankruptcy before the terms and conditions of this offer are completed, the SCDOR will file a claim for the original amount of the tax due, plus all accrued interest and penalty, less any payment made pursuant to this agreement.
- l) Once the SCDOR accepts the offer in writing, I have no right to contest, in court or otherwise, the amount of the tax liability.
- m) If I fail to meet any of the terms and conditions of the offer, the offer is in default, then the SCDOR will disregard the amount of the offer and apply all amounts already paid under the offer against the original amount of tax liability, and issue a levy to collect the original amount of the tax liability, less any payments without further notice of any kind.
- n) The SCDOR will continue to add interest as provided in SC Code Section 12-54-25 on the amount the SCDOR determines is due after default. The SCDOR will add interest from the date the offer is defaulted until I completely satisfy the amount owed.

**Section 7****Signatures**

**Under penalties of perjury, I declare that I have examined this offer, including accompanying statements, and to the best of my knowledge and belief, it is true, correct, and complete.**

**Signature of Taxpayer/Corporation Name**

Phone Number

Today's Date (mm/dd/yyyy)

By checking this box you are authorizing the SCDOR to contact you at the telephone number listed above and leave detailed messages concerning this offer on your voice mail or answering machine.

**Signature of Spouse/Authorized Corporate Officer**

Phone Number

Today's Date (mm/dd/yyyy)

By checking this box you are authorizing the SCDOR to contact you at the telephone number listed above and leave detailed messages concerning this offer on your voice mail or answering machine.