



**Revenue Information Bulletin
No.07-007
January 29, 2007
Administrative**

Offer in Compromise Program Revised

The Department of Revenue has revised the offer in compromise application, Form R-20212, to implement major changes made to the offer in compromise (OIC) program. The revised form will replace forms R-20211 (8/04) and R-20212 (11/99). These changes become effective for all offers received by the department on or after February 1, 2007. The postmark date will determine when an offer is received.

An offer in compromise is an agreement between a taxpayer and the department that resolves the taxpayer's state tax debt. Under the authority of R.S. 47:1578(4) and 47:295, the secretary may compromise, waive, or reduce tax liabilities, including penalties and interest, by accepting less than full payment in certain circumstances.

Under the new OIC program, taxpayers must include a *non-refundable* payment of at least 10 percent of the amount offered with their OIC application. Additionally, the new program limits taxpayers to only one approved offer in a 10-year period.

Revised Form R-20212 reflects all changes made to the OIC program, provides detailed instructions for requesting an OIC, and includes all required financial forms. The form will be posted at [http://www.revenue.louisiana.gov/forms/taxforms/20212\(1_07\).pdf](http://www.revenue.louisiana.gov/forms/taxforms/20212(1_07).pdf) on February 1, 2007. In the meantime, taxpayers may continue to use the current version of the OIC forms until January 31, 2007.

Cynthia Bridges
Secretary

A Revenue Information Bulletin (RIB) is issued under the authority of LAC 61:III.101.D. A RIB is an informal statement of information issued for the public and employees that is general in nature. A RIB does not have the force and effect of law and is not binding on the public or the Department.