LOUISIANA DEPARTMENT of REVENUE

Offer in Compromise Application

Louisiana Department of Revenue
Offer in Compromise Program
Individual Tax Submission: SpecialCollections@LA.gov
Business Tax Submission: Business.Tax@LA.gov

Basic Information Concerning Offers in Compromise

- LDR may compromise any judgments for taxes of $500,000 or less, exclusive of interest and penalty, including assessments for such amounts that are equivalent to judgments upon a determination that any of the following apply:

  a. There is serious doubt as to the collectibility of the outstanding judgment.
  b. There is serious doubt as to the taxpayer's liability for the outstanding judgment.
  c. The administration and collection costs involved would exceed the amount of the outstanding liability.

- Approved Offers in Compromise are not confidential. Once signed by all parties, the agreement and the reason for the settlement become public record and may be inspected upon request. LDR is also required to publish a list of approved Offers in Compromise in its annual report.
- Interest and penalties will continue to be added to any unpaid tax debt while your Offer in Compromise is being reviewed.
- Any payment made with the application will be applied to your tax debt, even if the offer is later denied, withdrawn, or otherwise not approved.
- Additional documentation may be requested to verify your financial information or other details related to the offer. If it is determined that a higher offer amount is needed, you may be given the opportunity to revise your offer. Any changes to the offer must be submitted in writing by you or your authorized representative under a valid Power of Attorney.
- The Offer in Compromise application must be submitted on Form R-20212A and must include the required financial disclosure information. Separate applications are required for individual taxes and business taxes. All business tax liabilities may be included on a single business application.
- If you submitted a Federal Offer in Compromise application within the last three months, LDR may accept that application instead of requiring separate financial disclosure forms.
- Any tax liens filed against you will be released only after the offer has been accepted and the amount offered is paid in full.
- LDR will not consider an Offer in Compromise if you are currently under criminal investigation or prosecution, or if you are involved in an active bankruptcy case and remain under the jurisdiction of the bankruptcy court.
- All required tax returns and payments due within the three past years must be filed and paid before the date the offer is submitted.
- You must submit all documents listed on the last page with your application. Incomplete applications may not be considered until all required documents are provided.

If the Offer Is Accepted

- LDR will notify you if your Offer in Compromise is approved.
- Paying the approved offer amount electronically may help speed up the release of any tax liens and the completion of the offer process.
- If you pay by personal check and the check is returned for insufficient funds (NSF) or is otherwise not honored, the approved offer will be canceled. The full original tax debt will immediately become due and payable.
- You may have only one Offer in Compromise approved during any 10-year period.

If the Offer Is Declined

- LDR will notify you if the Offer in Compromise is declined (not approved).
- The applicant should visit *https://latap.revenue.louisiana.gov* to make arrangements to pay the amount owed.

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Tax Type to be included in this offer
☒ Individual ☒ Business

1a. Applicant's Name *(Individual)*		Social Security Number	Date of Birth *(mm/dd/yyyy)*
Street Address		City	State / ZIP
Unit Type	Unit Number	Foreign Nation if not United State (Do not abbreviate)	
Telephone Number		Email Address	
Marital Status ☐ Single ☐ Married ☐ Separated ☒ Divorced		Employer Name	
Employer Address		City	State / ZIP
1b.Name of Applicant's Spouse *(Individual)*		Social Security Number	Date of Birth *(mm/dd/yyyy)*
Street Address		City	State / ZIP
Unit Type	Unit Number	Foreign Nation if not United State (Do not abbreviate)	
Telephone Number		Email Address	
Marital Status ☐ Married ☐ Separated		Employer Name	
Employer Address		City	State / ZIP
2. Applicant's Name *(Business)*		LA Account Number	FEIN
Street Address		City	State / ZIP
Unit Type	Unit Number	Foreign Nation if not United State (Do not abbreviate)	
Telephone Number		Email Address	
3 Applicant's Mailing Address *(If different from above)*		City	State / ZIP
Unit Type	Unit Number	Foreign Nation if not United State (Do not abbreviate)	

4. Offer Amount

I/We offer to pay the amount of $_____ to compromise and settle the tax liabilities listed in Section 6 below and will pay this amount in the following manner: **(Place an "X" in the appropriate box.)**

☐ Paid in full with this offer. Please make payment online at *https://latap.revenue.louisiana.gov*. If unable to do so, make payment payable to "Louisiana Department of Revenue."

☒ A payment of $ _____ , which is at least the required 20% of the offer. The balance will be paid within 30 days of acceptance.

5. Please provide an explanation of (1) why you are unable to pay the tax, or (2) why you believe you do not owe the tax or the amount of the tax is not correct.

6. If you are represented by an attorney, accountant or agent, please provide the following information and attach Form R-7006, *Power of Attorney and Declaration of Representative.*

Name	Firm
Mailing Address	
City, State, ZIP	
Telephone Number	Email Address

7. Disclosure Agreement (Complete this section if an Offer in Compromise is currently pending or has been completed with the IRS.)

☒ Completed Date _____	☐ Accepted (Amount $ _____) or ☒ Declined
☐ Pending Date filed _____	IRS Agent Assigned
☐ To be filed Date _____	Telephone Number
Tax Period(s) Covered / Amount Owed $	Federal Taxpayer Identification Number

By my/our signature(s) below, I/we authorize the Louisiana Department of Revenue and the Internal Revenue Service to exchange information from their respective files regarding my/our pending or completed Offer in Compromise.

Applicant's Signature	Title *(if signing on behalf of a business)*	Date
Applicant's Signature	Title *(if signing on behalf of a business)*	Date

Individual applicants please fill out Lines 8 through 16. Business applicants skip to Line 17.

Assets as of _____-_____-_____ (MM-DD-YY)

8. Cash	**Total**	**$**

9. Bank or Credit Union Accounts *(Checking, Savings, Certificate of Deposit, etc.)**

Name of Institution	Account Number	Type of Account	Balance
			$
		Total	**$**

10. Real Property *(Personal Residence, Vacation or Second Home, Investment Property, Unimproved Land, etc.)**

Description	Address	Current Market Value	Amount Owed	Equity in Property
		$	$	$
			Total	**$**

11. Vehicles – Excluding Leased Vehicles *(Including Motor Homes, Campers, Motorcycles, Boats, Trailers, etc.)**

Description	Make	Purchase Date	Year	Tag Number	Current Market Value	Amount Owed	Equity in Vehicle
					$	$	$
						Total	**$**

12. Total Assets *(Add Line 23 Total, Line 24 Total, and Line 25 Total)*	

Monthly Income and Expense Analysis

13. GROSS MONTHLY INCOME*			14. MONTHLY LIVING EXPENSES*	
Source	**Taxpayer**	**Spouse**	**Source**	**Amount**
Salary, Wages, Commissions, Tips	$	$	☐ Mortgage Payment or ☐ Rent Payment	$
Self-Employment Income			Income Taxes *(Federal, State, FICA)*	
Pensions, Disability, and Social Security			Groceries	
Rental Income			Medical Expenses and Prescriptions	
Estate, Trust, and Royalty Income			Utilities Electric $_____ + Gas $_____ + Water $_____ + Phone $_____ =	
Workers' Compensation and Unemployment				
Alimony and Child Support			Insurance: Life $_____ + Health $_____ + Auto $_____ + Home $_____ =	
Other *(Specify.)*				
			Clothing and Personal Grooming	
			Entertainment and Recreation	
			Transportation Expense	
			Vehicle ☐ Loan Payment or ☐ Lease Payment	
			Child Care	
			Installment & Credit Card Payments	
Subtotal	$	$	Other *(Specify.)*	
Combined Monthly Income *(Add Taxpayer and Spouse Monthly Income.)*	$		**Total Monthly Living Expenses**	$
15. Net Monthly Household Disposable Income *(Subtract Total Monthly Living Expenses from Combined Monthly Income.)*				$

Dependent Information

16. Dependent Name	Date of Birth	Relationship	Monthly Income
			$
			$
			$
			$

☐ *If additional lines are needed, check this box and attach additional pages, noting line number and description.

Business applicants please fill out Lines 17 through 32. Individual applicants please skip to Line 33.

17. Beginning Date of Business	18. Ending Date of Business *(If Closed)*

19. Information About Owner, Partners, Officers, Major Shareholder, etc.

Name	Social Security Number	Title	Effective Date	Monthly Salary or Wages	Total Shares or Interest
				$	

20. Cash On Hand	Total	$

Assets as of ____-____-____
MM DD YY

21. Bank Accounts *(General Operating, Payroll, Savings, Certificate of Deposit, etc.)**

Name of Institution	Account Number	Type of Account	Balance
			$
		Total	**$**

22. Bank Credit Available *(Line of Credit, Credit Cards, etc.)**

Name of Issuer	Account Number	Credit Limit	Amount Owed	Credit Available
		$	$	$
			Total	**$**

23. Real Property *(Including Investment Property, Unimproved Land, etc.)**

Description	Address	Current Market Value	Amount Owed	Equity in Property
		$	$	$
			Total	**$**

24. Vehicles *(Excluding Leased Vehicles)**

Description	Make	Model	Year	Tag Number	Current Market Value	Amount Owed	Equity in Vehicle
					$	$	$
						Total	**$**

☐ *If additional lines are needed, check this box and attach additional pages, noting line number and description.

Assets as of ____-____-____ (*continued*)
(MM-DD-YY)

25. Accounts Receivable*

Name	Date Due	Status	Amount Due
			$
		Total	**$**

26. Loans from Business to Proprietor, Partners, Officers, Shareholders, or Others*

Name	Relationship	Payoff Date	Status	Amount Due
				$
			Total	**$**

27. Machinery and Equipment *(Including Furniture, Fixtures, Business Machines, etc.)**

Description	Current Market Value	Amount Owed	Equity in Machinery and Equipment
	$	$	$
		Total	**$**

28. Merchandise Inventory *(Goods Held for Sale and/or Raw Materials Used in Manufacture, Fabrication, or Production)**

Description	Current Market Value	Amount Owed	Equity in Merchandise
		Total	**$**

Liabilities as of ____ - ____ - ____
(MM - DD - YY)

29. Liabilities* (Do not include any mortgages or vehicle loans.)

	Total Amount Owed		Total Amount Owed
Accounts Payable	$	Past Due Federal Taxes	$
Notes Payable		Past Due State Taxes	
Vehicle Lease: Make_____ Year_____		Past Due Other Taxes	
Vehicle Lease: Make_____ Year_____		Equipment Leases	
Bank Revolving Credit		Other Liabilities:	
Judgments Payable			
		Total *(Enter also on Line 24.)*	**$**
30. Net Worth (*Add totals for Lines 13 through 21, then subtract the total for Line 22.)*			

☐ *If additional lines are needed, check this box and attach additional pages, noting line number and description.

Income and Expense Analysis*

31. Business Income and Expenses for: *(Mark One.)* ☐ Fiscal Year Ending _____ **OR** ☐ Period _____ to _____.

Accounting Method: (Mark One.) ☐ Cash ☐ Accrual ☐ Other _____

Income	Amount	Expenses	Amount
Gross Receipts from Sales, Services, etc.	$	Materials Purchased	$
Gross Rental Income		Net Wages and Salaries	
Interest Income		Rent or Mortgage Expenses	
Dividends and Capital Gain Distribution		Installment and Lease Payments	
Royalty Income		Supplies and Office Expenses	
Commissions		Utilities	
Other Income *(Specify.)*		Transportation Expenses	
		Repairs and Maintenance	
		Insurance	
		Current Taxes	
		Bad Debts	
		Travel and Entertainment	
		Advertising	
		Other Expenses *(Specify.)*	
Total Income	**$**	**Total Expenses**	**$**
32. Net Income *(Subtract Total Expenses from Total Income.)*			$

☐ *If additional lines are needed, check this box and attach additional pages, noting line number and description.

33. Terms and Conditions

By submitting this offer and signing below, I/we understand and agree to the following LDR's Offer in Compromise Terms and Conditions:

(a) A non refundable application fee of $186 and a payment of at least 20 percent of the offer must be included. This payment will be applied to the tax debt whether the offer is accepted or rejected.

(b) I will continue to file all required Louisiana tax returns and pay my taxes while this offer is being reviewed.

(c) The offer remains pending until LDR issues written notification of acceptance or rejection, or until I withdraw the offer.

(d) Collection enforcement activity may continue while this offer is pending.

(e) LDR will keep and apply any payments or credits received before the tax debt is fully paid or the offer is accepted.

(f) The tax owed is, and will remain, a tax liability until I meet all of the terms and conditions of this offer. If bankruptcy is filed before the terms and conditions of this offer are completed, any claim LDR files in a bankruptcy proceeding will be a tax claim.

(g) LDR will only consider one Offer in Compromise application in a 10-year period which begins the date an offer is accepted by LDR.

(h) I authorize LDR to obtain bank, financial, and credit information from any consumer reporting agencies to verify the information I provided in this offer.

(i) If the terms and conditions of an accepted offer are not met, the offer will be considered null and void. Interest and penalties will continue to accrue on the unpaid balance and LDR may:

(1) File any tax lien necessary to protect the state's interest;

(2) Proceed with collection activity on the total outstanding liability;

(3) Apply payments already made under the offer to the total liability.

(j) If this offer is accepted, I give up the right to dispute the tax debt being settled. If full payment is not received within 30 days after the notice of acceptance of this offer, the Secretary of the Louisiana Department of Revenue or a designee may ignore the offer amount and collect the original debt through seizure or any other legal method without further notice.

(k) I waive prescription applicable to the assessment and collection of the liability sought to be compromised and agree to the suspension of prescription on assessment and collection for the period during which the offer is pending. The offer shall be deemed pending from the date of acceptance of the waiver of prescription until the date the offer is formally accepted, rejected, or withdrawn in writing.

I have examined this offer, including accompanying schedules, returns, and statements, and hereby affirm that to the best of my knowledge and belief it is true, correct, and complete.

Note: For individuals filing joint returns, both spouses must sign. If the business is a corporation, this must be signed by an officer or board member; if a partnership or LLC, this must be signed by one of the partners.

Applicant's Signature	Date *(mm/dd/yyyy)*	Title *(if signing on behalf of a business)*
Applicant's Signature	Date *(mm/dd/yyyy)*	Title *(if signing on behalf of a business)*
Power of Attorney Signature	Date *(mm/dd/yyyy)*	

You MUST include the following items with this application:

☐ A nonrefundble application fee of $186, payable to the Louisiana Department of Revenue, and

☐ A nonrefundable initial payment equal to 20% of the amount being offered.

☐ Copies of federal income tax returns for the two most current years.

☐ Copies of bank statements for all checking and savings accounts, personal and/or business, for the most current six months.

☐ A list of all real estate owned, wholly or in part, with appraisals, if available, and a statement of payoff on each mortgage.

☐ If personal liability applies, then proof of employment, income, commissions, fees, pensions, etc., must be provided for both **applicant** and **spouse.** Even though the spouse may not be liable, this is needed for equitable distribution of cost-of-living expenses.

☐ Denials of loan requests by two or more financial institutions.

☐ Copy of your Federal Offer in Compromise application, if applicable.