

## Offer in Compromise of Tax Liability Terms and Conditions

Effective March 1, 2024

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**Note:** It is **important** to follow the exact format and instructions in the following document for an Offer in Compromise.

By placing my initials beside the following statements, I/we agree to the following terms and conditions.

Initials

I/we have filed all tax returns through the current period.

Initials

I/we agree that the offer covers the liability for tax, penalty, and interest for the entire account. If accepted and paid only the existing tax liability for the period(s) covered by the offer are settled.

Initials

I/we have not agreed to a previous offer in compromise for another tax liability with the State.

Initials

I/we agree that an acceptance of an offer in compromise is a one-time opportunity to pay outstanding tax liabilities. Any subsequent request will be denied.

Initials

I/we have not received relief previously from taxes such as tax liability discharged during a bankruptcy, written off past statute, an innocent spouse relief, or a prior settlement.

Initials

By submitting this offer, I/we agree that the Department will apply any payment according to the best interests of the state.

Initials

I/we agree the State has the right to verify independently financial information and Internal Revenue Service information, and to request a credit report.

Initials

I/we acknowledge that any collection actions that are underway will continue while a submitted offer in compromise is considered.

Initials

I/we acknowledge that this offer reflects my/our maximum capacity to pay.

Initials

I/we are aware that if the financial information is inaccurate, or the Department discovers any undisclosed assets, the request for settlement may be denied.

Initials

I/we understand that if an offer of settlement is extended, the State will notify me/us in writing. The payment will be remitted in full within 15 days from the date of notice, unless specifically stated otherwise by the Department.

Initials

I/we understand that no payment plans are allowed for less than the full taxes, penalty, and interest due.

Initials

I/we understand that if a payment is made and the bank does not honor the check, the Department will rescind the offer in settlement and the full tax liability including penalty and interest will be due.

Initials

I/we agree that any overpayment of taxes for the following one year will be retained by the Colorado Department of Revenue and applied to the tax debt.

Initials

I/we agree not to reduce quarterly estimated payments or the amount of withholding during this time.

Initials

I/we agree that this offer will be denied if the State finds I/we have the ability to pay the full amount owed or the offer is determined to be frivolous.

Initials

I/we agree that if an offer in compromise is extended and previously undisclosed financial information becomes known to the State, the offer will be rescinded and the full amount of tax, penalty, and interest will be reinstated.

Initials

I/we agree to file and pay tax liabilities timely for three years after entering into this agreement.

Initials

I/we agree that if the subsequent filing and payment requirements are not met, the offer in compromise agreement will be rescinded.

Initials

I/we agree that if tax liabilities and payments are not met for three years following this agreement that I/we waive the statute of limitations and the full tax liability including penalty and interest will be reinstated.

**The individuals below have examined this offer, including the financial statement, and hereby declare that to the best of their knowledge and belief it is true, correct and complete under penalty of perjury.**

Applicant's Signature

Date (MM/DD/YY)

Applicant's Signature

Date (MM/DD/YY)

Power of Attorney Signature

Date (MM/DD/YY)