



Offer-in-Compromise Checklist

You can submit an offer-in-compromise request to the New York City Department of Finance to settle your tax liability for less than the total amount owed.

This checklist can help you determine your eligibility for an offer-in-compromise. You are not required to complete this checklist, though you may find it helpful to do so. Keep this checklist for your records; do not submit it to the Department of Finance.

Before submitting an offer-in-compromise request, please take the following steps:

Step 1: Answer the following question to avoid submitting an application that will not be considered.

- a. Are you in compliance with all New York City tax filing and payment requirements for periods not covered in the offer-in-compromise, up to and including the year in which you are filing this offer-in-compromise?

Yes No

If you answered “Yes,” please proceed to Step 2

If you answered “No,” your offer will not be considered.

Step 2: Answer the following questions to avoid submitting an application that will be rejected.

- a. If you are submitting a compromise request because you do not have sufficient funds to pay what you owe, can you prove that you have been discharged in bankruptcy or that you are insolvent? (You are considered insolvent if all of your liabilities, including your tax debt, exceed the fair market value of your assets.)

Yes No

If you answered “No,” your offer will be rejected.

- b. Is the amount that you are offering to pay less than what the Department of Finance could collect through legal proceedings?*

Yes No

If you answered “Yes,” your offer will be rejected.

*For example, if you have a tax liability of \$20,000, you have \$15,000 in assets, and you make an offer in-compromise of \$5,000, your offer will be rejected. You can use the calculator in the frequently asked questions section of the Offer-in-Compromise webpage to estimate and acceptable offer. Visit www.nyc.gov/finance and enter “Offer in Compromise” in the search bar.

Please note that the Department of Finance cannot consider financial hardship in reviewing your offer-in-compromise application.

Step 3: Make sure you are completing the correct offer-in-compromise (OIC) form(s):

Form DOF OIC-4, Offer-in-Compromise: For Liabilities Not Fixed and Final, and Subject to Administrative Review

You may submit Form DOF OIC-4 if there is doubt as to liability and/or doubt as to collectibility of the full amount that you owe. You must also submit **DOF Form OIC-5** if your offer is based in whole or in part on collectibility.

Form DOF OIC-4.1, Offer-in-Compromise: For Fixed and Final Liabilities

“Fixed and final” means the tax liability or administrative action taken by DOF has been finally fixed and you no longer have any right to administrative or judicial review; there is a docketed tax warrant. You must also submit **Form DOF OIC-5** and supporting documents.

You must also submit DOF Form OIC 5 Statement of Financial Condition and Other Information if you are submitting OIC-4 and your offer is in any part based on collectibility; or if you are submitting DOF OIC 4.1.

To access the forms or learn more about the offer-in-compromise process, visit www.nyc.gov/finance and enter “Offer in Compromise” in the search bar.

Please note: Submitting an offer-in-compromise request does not guarantee approval.