ETA-OIC Application Checklist

Use this checklist to complete the ETA-OIC application:

✓	Application Document	Practice Tips
☐	Application cover letter	☐ Outline terms of the OIC and explain the special circumstances (economic hardship, public policy/equity consideration). ☐ Identify the taxpayer's third-party authorized (Power-of-attorney or Tax Information Authorization) information. ☐ Identify any years/taxes owed that were proposed/filed within the past 60 days or not posted to an IRS account transcript. ☐ Identify any associated OIC applications.
☐	Index of documents	☐ Include an index of documents provided for easy reference when speaking with the OIC examiner. ☐ Organize the documents in sections for later reference when dealing with the offer examiner by phone. ☐ Number each section and page.
☐	Third-party authorization	☐ Include a copy of Form 2848, Power-of-attorney, or Form 8821, Tax Information Authorization, that provides for a third-party to receive information/deal directly with the IRS.
☐	Form 656 – OIC Application	All sections completed, including: ☐ Identify all taxes and years. ☐ Complete Part 3 with ETA selected and reasons for ETA-OIC acceptance. ☐ Complete low-income certification, if applicable. ☐ Include detailed reason(s) and calculation of offer amount and explanation of special circumstances. ☐ Indicate payment method and terms. ☐ Designate payments and deposit, if applicable. ☐ Provide source of payments. ☐ Complete filing compliance requirements checklist. ☐ Complete payment compliance requirements checklist. ☐ Sign and date. ☐ Paid preparer/representative sign/date. ☐ Complete separate OIC application if taxpayer and spouse have separate liabilities or if taxpayer has separate business tax debt.
☐	OIC Application User Fee	☐ Separate check for $205. ☐ Made out to US Treasury. ☐ No fee if low-income certification applies.
☐	OIC down payment/first periodic payment	☐ Separate check for OIC down payment/periodic payment (20% down payment for OIC lump-sum offer or 1st payment for periodic payment offer).

		☐ Made out to US Treasury. ☐ No down payment if low-income certification applies.
☐	Form(s) 433 A/B-OIC – Collection Information Statement(s)	☐ Form 433(A)-OIC: for individuals and self-employed. ☐ Form 433(B)-OIC: for corporations, partnerships, LLCs classified as a corporation, other LLCs. ☐ Sign/date Form(s) 433.
☐	Worksheet: offer qualification (ability to pay) and offer amount (reasonable collection potential) computation	☐ Summary of ability to pay (qualification). ☐ Summary of reasonable collection potential (offer amount) considering the special circumstances. ☐ Computation of MDI details and support for income/expense averaging methodology. ☐ Special circumstances explained and how the exclusions from offer amount were computed.
☐	Worksheet: net realizable equity in assets calculation	☐ List of assets at quick sale value, net of associated liabilities. ☐ Exemptions and exclusions applied.
☐	Worksheet: monthly disposable income calculation	☐ Summary of income and expenses over averaging period(s). ☐ Self-employed income/expenses for past 6-12 months, if applicable.
☐	Required documentation	☐ Copies ONLY – do not send originals. ☐ Third-party evidence to support special circumstances. ☐ Financial account statements, all accounts (ALL PAGES) for past 3 months (business accounts for past 6 months). ☐ Copies of the most recent pay stub, earnings statement, etc., from each employer. ☐ Copies of the most recent statement, etc., from all other sources of income such as pensions, Social Security, rental income, interest and dividends (including any received from a related partnership, corporation, LLC, LLP, etc.), court order for child support, alimony, and rent subsidies. ☐ Copies of the most recent statement from lender(s) on loans such as mortgages, second mortgages, vehicles, etc., showing monthly payments, loan payoffs, and balances. ☐ List of notes receivable, if applicable. ☐ Verification of delinquent State/Local Tax Liability showing total delinquent state/local taxes and amount of monthly payments, if applicable. ☐ Documentation to support any special circumstances described in the "Explanation of Circumstances" on Form 656, if applicable.
☐	Other supporting documentation	☐ Copies of all housing and utility expenses for averaging period. ☐ Copies of medical bills paid for averaging period.

		☐ Copies of any expenses paid and documentation to warrant expenses that exceed the IRS Collection Financial Standards. ☐ Court orders and/or agreements for any mandatory payments for child support, alimony, and other judgments. ☐ Student loan statements and monthly payments made, if applicable. ☐ Copies of any other necessary living expenses and expenses to produce income for averaging period. ☐ Copies of any tax returns or assessment notices filed/received in the past 60 days.
☐	Copy/mailing of entire application	☐ Index the entire application for later reference. ☐ Send to proper COIC Unit. ☐ Keep complete copy for records and reference.