



COMMISSIONER
SMALL BUSINESS/SELF-EMPLOYED DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

March 17, 2020

Control Number: SBSE-05-0320-0018
Expiration Date: March 17, 2022
Affected IRM: IRM 5.8.2, 5.8.3, and 5.8.4

MEMORANDUM FOR DIRECTOR, SPECIALTY COLLECTION OFFER IN
COMPROMISE (SCOIC), SB/SE

FROM: DIRECTOR, COLLECTION POLICY, SB/SE Nikki C. Johnson

SUBJECT: Interim Guidance Memorandum on Increase in Application
Fee for Offer in Compromise

Digitally signed by Nikki
C. Johnson
Date: 2020.03.17
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In November 2003, the Service began charging an application fee for submission of an offer in compromise (OIC). Following a review of the OIC program costs, the Department of Treasury issued final regulations to increase the amount of the application fee imposed under section 300.3 of the Treasury Regulations for processing an OIC. Effective April 27, 2020 the application fee for OICs will be \$205.

Although the increased application fee amount of \$205 is required for offers submitted on or after April 27, 2020, the IRS will deem any OIC submitted April 27, 2020 through May 27, 2020 processable as long as the offer includes an application fee of at least \$186. During this grace period if the taxpayer submits a processable OIC with less than the \$205 application fee, the IRS will require any shortfall be paid prior to continuing the offer investigation.

An OIC received on or after May 28, 2020 with less than the \$205 fee will be processed in accordance with IRM 5.8.2.4.1, Determining Processability and IRM 5.8.2.8.1, Processable Offers - Payment Processing.

Note: The IRS will continue to waive the fee for low income taxpayers and taxpayers making offers based solely on a doubt as to liability basis.

An update to all impacted letters and forms on AOIC will reflect the change effective April 27, 2020.

If you have any questions regarding this memorandum, please contact Diana Estey, OIC Collection Policy Program Manager, or a member of your staff may contact C. Nicole Highsmith, OIC Collection Policy Senior Program Analyst. SCOIC personnel should direct any questions through the appropriate management chain.

CC: Director, Appeals, Case and Operations Support

Director, Appeals, Collection

Director, Field Collection

Director, Collection, Campus

Assistant Division Counsel, SBSE

National Taxpayer Advocate

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