



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

Date of Issuance: 04/22/2024

Control Number: SBSE-05-0424-0020
Expiration Date: 04-22-2026
Affected IRM(s): 5.8.1, 5.8.2, 5.8.4, 5.8.8

MEMORANDUM FOR: Francine Stewart, Acting Director, Specialty Collection Offer in Compromise

FROM: Andra Kullman
Acting Director, Collection Policy

Andra C. Kullman

Digitally signed by Andra C. Kullman
Date: 2024.04.22 09:46:55 -0400

SUBJECT: Interim Guidance regarding IRS Received Date for Form 656

This memorandum issues guidance to clarify that the IRS received date for offers in compromise (OIC) referenced in IRC 7122(f) is the date the Form 656 or Form 656-L is received in one of the two Centralized Offer in Compromise (COIC) units located in Memphis and Brookhaven. Thus, the 24-month period for deemed acceptance starts the date the offer is received by COIC. Please ensure this information is distributed to all affected employees within your organization.

Purpose: This guidance clarifies a Form 656 is not considered submitted to IRS until the Form 656 is received in one of the two COIC locations. If an OIC is submitted to another IRS office (for example, Field Collection, the Independent Office of Appeals, or Taxpayer Advocate Service), the form may be date stamped by the IRS employee, but not in the IRS Received Date area in the upper right corner, which is being revised to show "COIC Use only."

This guidance clarifies that the Form 656 package must be sent directly to COIC, per the form instructions. If the taxpayer elects to submit the Form 656 and supporting documents to another IRS office, that office will follow current procedures and promptly forward the package to COIC.

Background/Source(s) of Authority: All OICs must be submitted to one of the two Centralized Offer in Compromise units, per the Form 656 and Form 656-L instructions.

Procedural Change: The IRS Received Date section of Form 656 is being revised to clarify it is for COIC usage only. IRM 5.8.2, Offer in Compromise, Centralized Offer in Compromise Initial Processing and Processability, is being updated accordingly. This guidance updates multiple sections of IRM 5.8, shown above. Other IRM 5.1 sections point to IRM 5.8.1.14.1, Initial Receipts of Offers Received Elsewhere in the IRS, which will be updated to advise employees not to date stamp in the COIC Use Only section.

This guidance does not impact SCOIC's ability to solicit related OICs that may be required for an OIC investigation, or impact the received date of the related, solicited Forms 656.

Effect on Other Documents: This guidance will be incorporated into IRM 5.8.1, 5.8.2, 5.8.4 and 5.8.8, within a period not to exceed two years from the date of this memo.

Effective Date: This interim guidance is effective 04/22/2024.

Contact: You may direct any questions to Diana Estey, National OIC Program Manager, Christine Matz, Senior Program Analyst, or Julia Wescott, Program Analyst, OIC Collection Policy.

Attachment:

Updated IRM procedures

Distribution:

Director, Headquarters Collection
Director, Collection
Director, Field Collection
Taxpayer Advocate Service (TAS)
Director, Quality and Technical Support (QTS)
Director, Independent Office of Appeals
Office of Chief Counsel
IRS.gov

Attachment to Interim Guidance Memo SBSE 05-0424-0020

The following revisions are hereby effective 04-22-2024:

5.8.1.14.1

Initial Receipts of Offers Received Elsewhere in the IRS

(1) An OIC that is received elsewhere by an IRS employee (including a field revenue officer) **must** be forwarded to the appropriate COIC site for processing within 24 hours of receipt. You may date stamp the form, but do not date stamp in the IRS Received Date section titled “COIC Use Only.” The Form 656, Offer in Compromise, the application fee and any applicable TIPRA payments (20% of offer amount for lump sum cash offers or first proposed payment for periodic payment offers), as well as any documents submitted with the offer, must be included. The information should be sent to the appropriate COIC site using Form 3210, Document Transmittal, and must be sent by traceable methods if an application fee and/or payment is attached. Please refer to SERP - OIC Centralized Service Center Locations - Who/Where (irs.gov) .

Note: Per IRM 1.2.2.15.2 and Delegation Order 25-2, process examiners in the COIC sites are the only IRS officials authorized to determine processability and sign the Form 656. COIC will date stamp the Form 656 in the IRS Received Date section. The IRS received date for TIPRA statute purposes begins on the date the offer is received in COIC.

IRM 5.8.2.3

Initial Processing of Offers in Centralized Offers In Compromise Sites

(1) When an offer is received in the Centralized Offer in Compromise (COIC) site, date stamp the Form 656, Offer in Compromise, in the IRS Received Date Stamp block. Enter the COIC received date in the IRS received date field on AOIC.

NOTE: If an offer was received in another IRS location other than COIC, document AOIC remarks with the location and date where the OIC was submitted. Although the 24-month TIPRA statute does not start until received in the COIC site, it is important to notate the original submission location and date in AOIC Remarks for awareness.

IRM 5.8.8.12

24-Month Mandatory Acceptance under IRC § 7122(f)

(1) An offer will be deemed accepted if the IRS does not make a decision on the offer and/or notify the taxpayer of its determination within two years of the IRS received date, which is stamped on the Form 656 upon receipt by COIC. Prior received date(s) from other IRS units are information only and are not relevant in determining the IRS received date.

Add to:

IRM 5.8.4.7.1.1, Electronic Processing of Related Offers Secured by the Field Offer Specialist (OS)

(x) Date stamp or otherwise record in the upper right corner of Form 656 the date received in SCOIC. See IRM 5.8.4.7.1, Securing Related Offer, (2) regarding required notation on the top of Form 656 regarding the original received date.