



INDEPENDENT OFFICE  
OF APPEALS

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, DC 20224

April 22, 2026

Control No. AP-08-0426-0012  
Expiration Date: April 4, 2027  
Affected IRMs: See below

MEMORANDUM FOR DIRECTOR, CASE SUPPORT  
DIRECTOR, COLLECTION APPEALS

FROM: Steven M. Martin /s/ *Steven M. Martin*  
Director, Operations Support

SUBJECT: Reissuance of Obsoleting Form 14640, Addendum to Form 656,  
and Amending Offers in Compromise (OIC)

**Purpose:** This memorandum reissues interim guidance for amending OICs, obsoleting Form 14640, Addendum to Form 656, and closing amended offers on the Automated Offer in Compromise (AOIC) system. Please distribute this information to all impacted employees within your organization.

**Background/Source(s) of Authority:** Currently, the IRS solicits a Form 14640 when taxpayers agree to amend the terms of their previously processed Form 656, Offer in Compromise. To improve consistency and reduce errors, Small Business/Self-Employed (SB/SE) Collection, as the owner of Form 14640, obsoleted the form. Form 14640 is no longer used to amend offer terms or change the offer basis. Instead, if an amended offer is required, the IRS will solicit an amended Form 656.

The Independent Office of Appeals (Appeals) will follow suit and no longer use Form 14640 to amend offer terms or change offer basis. If amended offer terms, or a change to the offer basis, is required, Appeals will solicit an amended Form 656. Pen and ink changes to the original Form 656 may still be made if the situation meets the criteria in IRM 5.8.8.3, Pen and Ink Changes to Form 656.

**Procedural Change:** When amending the terms or changing the basis of an OIC, Appeals Technical Employees (ATEs) will secure an amended Form 656 in the most current revision and write "AMENDED" and the last four digits of the AOIC assignment number on the top margin of Page 1 of the Form 656.

References to Form 14640 will be deleted from IRM Part 8, Appeals, and replaced with "amended Form 656."

At closing, ATEs will document in the *Form 5402, Appeals Transmittal and Case Memo, "Remarks" to Account and Processing Support (APS) 1) to update the AOIC Summary screen by inputting "A" (Amended) to reflect receipt of an amended Form 656, 2) to update the Offer Amount on AOIC, if applicable, and 3) to update the Terms Type (Cash/Deferred) on AOIC, if applicable.*

### Examples

1. Taxpayers originally offered \$5,000 and paid \$1,000 (20%) with the original offer. They are agreeing to increase the terms to \$10,000. ATE will secure amended Form 656 with an additional payment of \$1,000. The terms will be \$10,000; \$2,000 with the offer and the remaining \$8,000 paid over the agreed number of months.
2. Taxpayers originally offered \$5,000 and paid \$1,000 (20%) with the original offer. They are agreeing to increase the terms to \$10,000. They qualified for the low-income waiver. ATE will secure an amended Form 656. The terms will be \$10,000, with \$1,000 paid with the offer and the remaining \$9,000 paid over the agreed number of months.
3. Taxpayers originally offered \$5,000 and paid \$1,000 (20%) with the original offer. They are agreeing to increase the terms to \$10,000. They qualified for the low-income waiver, but since the offer submission, made voluntary payments totaling \$500. The ATE will solicit the amended Form 656. The terms will be \$10,000 with \$1,500 paid with the offer and the remaining \$8,500 paid over the agreed number of months.
4. Taxpayers originally offered \$5,000 and paid \$1,000 (20%) with the original offer and paid periodic payments totaling \$2,000. They agree to increase the terms to \$10,000 and to make periodic payments for the increased amended offer. The terms must be completed in 24 payments, and the existing payments will be considered the first payment. The terms will be \$10,000; the first monthly payment of \$3,000 is included with this offer, then \$300 will be paid for 22 payments with a final payment of \$400 on the 24<sup>th</sup> month.

**Affected IRMs:** 8.20.6, 8.20.7, 8.22.4, 8.22.7, 8.22.9, 8.23.3, 8.23.4

**Effect on Other Documents:** This guidance will be incorporated into all affected IRMs prior to the expiration date of this memorandum.

**Effective Date:** This guidance is effective as of the date of this memorandum.

**Contact:** Appeals employees should follow existing procedures to elevate questions through their management chain and follow established procedures on How to Contact an Analyst.

cc: [www.irs.gov](http://www.irs.gov)