



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

8.23.2

MARCH 10, 2025

## EFFECTIVE DATE

(03-10-2025)

## PURPOSE

- (1) This transmittal revises IRM 8.23.2, Offer in Compromise, Receipt and Control of Non-Collection Due Process (CDP) Offers.

## MATERIAL CHANGES

- (1) Revised to include Interim Guidance Memoranda AP-08-1223-0013, New SharePoint site for ACDS Update request, and AP-08-0624-0010, Paperless Offer in Compromise (OIC) procedures for Collection Appeals Technical Employees (ATEs), and other substantive and editorial changes as noted in the table below:

IRM Section	Description of Change
8.23.2.1(1)	Added: Procedures for Doubt as to Liability OICs (DATLs) that are worked by ATEs are discussed in IRM 8.23.7, Offer in Compromise, Doubt as to Liability.
8.23.2.1.4	New section, Related Resources: Discussion of references to Taxpayer Bill of Rights (TBOR) and Service Level Agreement between Appeals and Taxpayer Advocate Service (TAS).
8.23.2.2	Renumbered from Assignment of OIC Cases, IRM 8.23.2.3.
8.23.2.2(3)	Added: Notifications to Appeals Team Manager (ATM) for paperless OIC process.
8.23.2.3(2)	Added: Discussion of ATMs identifying at assignment those offers with TAS involvement that require expedite consideration by ATEs and documenting the case activity record that expedited treatment is necessary.
8.23.2.3(3)	Revised: ACDS (Appeals Case Database System) Update requests are submitted to APS via Appeals Shared Programs Hub -Home (sharepoint.com) per IG AP-08-1223-0013.
8.23.2.3.1	New section, Open Tax Increase Prevention and Reconciliation Act of 2005 (TIPRA) Determinations: explains how to determine an open TIPRA and the 24-month period for deemed acceptance starts from the date one of the two Centralized Offer in Compromise (COIC) units located in Memphis and Brookhaven receives the Form 656 or Form 656-L.

<b>IRM Section</b>	<b>Description of Change</b>
8.23.2.3.2	New section, Requesting Documents from SCOIC, per AP-08-0624-0010, Paperless Offer in Compromise (OIC) procedures for Collection Appeals Technical Employees (ATEs): Explains when and how to request paperless documents from SCOIC.
8.23.2.3.4	Revised: AOIC and IDRS corrections are submitted to APS via Appeals Shared Programs Hub -Home (sharepoint.com) per IG AP-08-1223-0013.
8.23.2.4	New section, Scheduling the OIC Appeals Conference, from previous IRM 8.23.2.2, Receipt.
8.23.2.5	Renumbered from Transfer of OIC Cases, IRM 8.23.2.3.1.
8.23.2.6(2)	Added: ATMs will contact Collection Group managers via secure email and explain why case is being returned as a premature referral.
8.23.2.6.2(4)	Added: An OIC return is not a rejection for pursuing an appeal in a non-CDP case.
Exhibit 8.23.2-1	Added: Open Tax Increase Prevention and Reconciliation Act of 2005 (TIPRA) Review
Exhibit 8.23.2-2	Added: Premature Referral of a Periodic Payment OIC Appeal
In General	Revised for grammar, plain language and other editorial changes.
In General	Updated IRM cross-references.

## EFFECT ON OTHER DOCUMENTS

IRM 8.23.2 dated September 8, 2020 is superseded. This revision incorporates new and revised guidance pertaining to the Offer in Compromise (OIC) program in Appeals.

## AUDIENCE

Appeals Employees

Patrick E. McGuire  
Acting Director, Operations Support

8.23.2

Receipt and Control of Non-Collection Due Process (CDP) Offers

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## 8.23.2.1 (03-10-2025) **Program Scope and Objectives**

- (1) *Purpose.* This IRM section explains the receipt and control procedures for appeals of rejected non Collection Due Process (CDP) Doubt as to Collectibility (DATC) OICs worked by Appeals. Procedures for OICs that are worked by Appeals Technical Employees (ATEs) during CDP are discussed in IRM 8.22.7, Alternatives to Collection Action. Procedures for Doubt as to Liability OICs (DATLs) that are worked by ATEs are discussed in IRM 8.23.7 , Offer in Compromise, Doubt as to Liability.
- (2) *Audience.* ATEs working DATC offers.
- (3) *Policy Owner.* Policy, Planning, Quality & Analysis (PPQ&A) is under the Director of Operations Support.
- (4) *Program Owner.* Appeals Policy is the program office responsible for providing technical and procedural guidance to the Appeals Office and is under the Director of PPQ&A.
- (5) *Contact Information.* Appeals employees follow established procedures on *How to Contact an Analyst*. All other employees should contact the Product Content Owner provided on the Product Catalog Information page for this IRM.

## 8.23.2.1.1 (03-10-2025) **Background**

- (1) An OIC is an agreement between a taxpayer and the government that settles a tax liability in exchange for payment of less than the full amount owed. Under 26 CFR 301.7122-1(f)(5), a taxpayer may administratively appeal a rejection of an OIC to the IRS Independent Office of Appeals (Appeals) if, within the 30-day period commencing the day after the date on the letter of rejection, the taxpayer requests such an administrative review in the manner provided by the Secretary.

## 8.23.2.1.2 (03-10-2025) **Authority**

- (1) Authorities that are related to the offer program are:
  - IRC 7122 - Compromises
  - IRM 1.2.44.2 - Delegation Order 5-1 (Rev. 4 and successors)
  - IRM 5.8, Offer in Compromise
  - Notice 2006-68
  - Policy Statement P-5-97, Stay of Collection - Offer in Compromise Cases
  - Policy Statement P-5-100, Offers Will be Accepted
  - Revenue Procedure 26 CFR 300.3 - Offer to Compromise Fee
  - Tax Increase Prevention and Reconciliation Act of 2005 (TIPRA)
  - 26 CFR 301.7122-1 - Compromises

## 8.23.2.1.3 (03-10-2025) **Responsibilities**

- (1) The Director, Operations Support is the executive responsible for designing, developing, delivering and monitoring short and long-range tax administration policies programs, strategies and objectives for the Appeals organization.
- (2) The Director, Policy, is responsible for providing technical and procedural guidance to Appeals employees, establishing and maintaining policies and standard procedures for Appeals workstreams.
- (3) Policy is comprised of two teams of analysts: 1) Collection Appeals & Processing Policy, and 2) Examination Appeals Policy. The analyst responsible for the OIC program reports to the manager for Collection Appeals Policy.

8.23.2.1.4  
(03-10-2025)

**Related Resources**

- (1) All Appeals employees are responsible to be aware of the taxpayer's rights as articulated in the Taxpayer Bill of Rights (TBOR). See IRC 7803(a)(3), Execution of Duties in Accord with Taxpayer Rights. For additional information, about the TBOR, see Publication 5170, Taxpayer Bill of Rights and TBOR link, <https://www.irs.gov/taxpayer-bill-of-rights>.
- (2) In accordance with IRM 25.30.2.3, Statement of Commitment, Appeals will work collaboratively with the Taxpayer Advocate Service (TAS) to enhance the taxpayer experience. For more information, see IRM 25.30.2, Service Level Agreement between the IRS Independent Office of Appeals and the Taxpayer Advocate Service.

8.23.2.2  
(03-10-2025)

**Assignment of Doubt as to Collectibility (DATC) OIC Appeals**

- (1) Field Collection Offer in Compromise (FOIC) and the Centralized Offer in Compromise (COIC) sites forward taxpayer's protests of rejected DATC offers to Appeals. Generally, lower graded ATEs work appeals from COIC and higher graded ATEs work appeals from FOIC.
- (2) Appeals of rejected DATC offers will be assigned to Collection ATEs.

**Note:** Also assigned to Collection ATEs are appeals of rejected Collection-sourced DATLs, which are those involving the Trust Fund Recovery Penalty (TFRP) and Personal Liability for Excise Tax (PLET) assessments. See IRM 8.23.7.

- (3) The ATM will check the Notifications page on ACDS 2.0 for new OIC case receipts and assign the paperless OIC to an ATE to work the case. The ATE will verify that ACDS feature code "PL" (for paperless) is present on WUNO in ACDS. If not, the ATE adds this feature code. Since all relevant OIC case documents will be attached to ACDS, the ATE will no longer receive a paper file.
- (4) Assignments should be based upon case complexity and the experience level of the ATE. If the complexity of a certain case extends beyond the technical skills available in a particular location, the case should be reassigned.
- (5) Appeals management will occasionally assign or re-assign cases to other areas to manage inventory levels effectively.
- (6) Appeals of OICs may be resolved through written correspondence, telephone contact, or in-person conferences. See IRM 8.6.1, Conference and Issue Resolution. In working these cases, you must be knowledgeable with this IRM text as well as with IRM 5.8, Offer in Compromise, IRM 5.14, Installment Agreements, IRM 5.15, Financial Analysis, and IRM 5.16, Currently Not Collectible.
- (7) Higher graded OICs are generally more complex and require more detailed financial analysis skills, familiarity with asset valuation techniques, and sound negotiation and communication skills. In working these more complex cases, you must have an in-depth understanding of the following:
  - the impact and priority of the federal tax lien,
  - the impact of state and local statutes, such as community property laws, on asset ownership, valuation and equities,
  - enforced collection actions such as levy and administrative seizure and sale, and
  - judicial actions such as a suit to foreclose a federal tax lien or reduce a tax claim to a judgment

## 8.23.2.3 (03-10-2025) Receipt, Initial Case Review and Statute Controls

- (8) Appeals of OICs filed on the basis of Effective Tax Administration (ETA) or Doubt as to Collectibility with Special Circumstances (DCSC) require a level of experience sufficient to consider the facts of the case as described above.
- (9) The OIC case grading matrix is found in IRM 1.4.28, Resource Guide for Managers - Appeals Managers Procedures.

- (1) This section provides procedures for preliminary case review to make sure the appeal is ready for Appeals' consideration.
- (2) ATMs will identify at assignment those offers with Taxpayer Advocate Service (TAS) involvement that require expedite consideration by ATEs and document the case activity record that expedited treatment is necessary. Based on the facts and circumstances of the case, TAS identifies a case requiring expedite treatment due to

- Economic or systemic burden to the taxpayer,
- Best interest of the taxpayer, or
- Public policy

or marks the Operations Assistance Request (OAR) with EXPEDITE printed in red on top of the request. Examples of cases offers with TAS involvement requiring expedited consideration include, but are not limited to:

- The offer at hand is to correct procedural defects of an immediate prior offer
- The taxpayer must meet certain contractual or business obligations by a specific date
- Taxpayer has a terminal illness that impacts offer terms
- Availability of offer funds is limited to a certain time

Refer to IRM 13.1.7.3, TAS Case Criteria, for description of types of TAS criteria. See IRM 13.1, Taxpayer Advocate Case Procedures, for more information about TAS.

- (3) ATEs must screen the appeals to verify:
  - **The appeal was timely.** The taxpayer may administratively appeal a rejection of an offer to compromise to the IRS Office of Appeals (Appeals) if, within the 30-day period commencing the day after the date on the letter of rejection, the taxpayer requests such an administrative review in the manner provided by the Secretary. 26 CFR 301.7122-1(f)(5)(i) .

a. To determine if the appeal is timely, see IRM 5.8.7.7.5(1), Rejection Appealed.

b. If the appeal was not timely, it must be returned as a premature referral because Appeals does not have the jurisdiction to consider the appeal. See IRM 8.23.2.6.1, Premature Referral - Jurisdictional Issues, for specific instructions on determining the timeliness of the appeal.

**Note:** There is no statutory basis for the taxpayer and IRS to enter into any sort of agreement to extend the 30-days to appeal a rejected OIC.

- **TC 480 for all periods is posted to Integrated Data Retrieval System (IDRS) and has the same date as the date the delegated official signed Form 656, Offer in Compromise.** See also the table at IRM 5.8.4.7.1(4), Securing Related Offer, for instances where the TC 480 might not match the waiver dates of related offers.

a. If the TC 480 date does not match the date of the delegated official's signature, ATE should submit a request to APS via *Appeals Shared Programs Hub -Home (sharepoint.com)* to make the necessary corrections.

b. If the correction is to post a manual TC 480, the Remarks in Form 5402 at closing should inform APS to indicate on AOIC that a manual TC 480 was posted.

- **Offer periods are in Master File (MF) status 71, unless in status 53, 12, 60, 23 or 61.** See IRM 5.8.3, Centralized Offer in Compromise Transfers, Perfection, and Case Building. If a tax period needs to be in ST 71, ATE should submit a request to APS via *Appeals Shared Programs Hub -Home (sharepoint.com)* to make the necessary corrections.
- **There are no open TIPRA statutes.** See Exhibit 8.23.2-1, Open Tax Increase Prevention and Reconciliation Act of 2005 (TIPRA) Review.
- **The "OfNum" field in ACDS shows the correct offer number.** If the "OfNum" field is blank or shows the wrong offer number, ATE should prepare and submit an ACDS Update request for APS via *Appeals Shared Programs Hub -Home (sharepoint.com)* to complete the field with the correct offer number.
- **Review AOIC history for any remarks that pending liabilities need to be added to AOIC and TCs 480 need to be input.**

(4) Document the following in the case activity record:

- Verification of timely appeal
- Statute and statute control verification
- TC 480 verification (see (2) above)
- All ACDS correction requests

(5) Taxpayers occasionally submit a written appeal before the offer is rejected. IRC 7122(e) states there must be an independent administrative review of any rejection of an OIC before such rejection is communicated to the taxpayer, and 26 CFR §301.7122-1(f)(1) provides that an OIC has not been rejected until IRS issues a written notice to the taxpayer or his representative advising of:

- The rejection,
- The reason(s) for rejection, and
- The right to an appeal.

See IRM 8.23.2.6.1, Premature Referral - Jurisdictional Issues, for information on what to do if the taxpayer's appeal pre-dates the actual rejection of the offer.

(6) If a joint DATC offer is rejected and only one taxpayer appealed timely, then the appeal is not valid for the party who did not sign the appeal request and Collection should have attempted to perfect the appeal. If the request for appeal was not perfected, then it is valid only for the taxpayer who appealed. See IRM 5.8.7.7.5(5), Rejection Appealed.

**Note:** Collection will not attempt to amend the Form 656 in this situation.



- a. If the Appeals work unit reflects a joint offer for the situation above, ATEs should change the name on the WUNO to the individual who requested the appeal. Do not create a new WUNO.
  - b. ATEs will amend the Form 656 for the individual taxpayer **only if an acceptance recommendation is made**. The taxpayer who appealed receives credit for the TIPRA payment and application fee that were paid with the initial offer. An additional TIPRA payment may be required if the amended offer includes an increase in the offer amount, or change in terms. **No separate processability determination on this amended offer will need to be made by Collection.**
  - c. At closing, notate in Form 5402 Remarks for APS to check "Yes" in AOIC for "MFT 30 to 31 Required" and "MFT 35 to 65 Required"
- (7) Various types of offers or offers with specific issues are assigned unique ACDS feature codes. If the following case types or issues are present, check the OIC WUNO to make sure it reflects the appropriate ACDS feature code:
- **DO** = Potential default case on previously accepted offer
  - **DP** = OIC that is part of a related CDP or EH case (same 'DP' feature code should also be on the CDP/EH WUNO - see IRM 8.22.5.2.2.3, Collection Due Process - Feature Codes)
  - **ETA** = Effective Tax Administration offer
  - **LI** = OIC based upon doubt as to liability
  - **SP** = OIC based upon doubt as to collectibility with "special circumstances"
- (8) If it is determined that the case is ready for Appeals' consideration, send the Letter 5576, if one was not previously sent and document such in the case activity record.
- (9) If the offer was sent to Appeals prematurely, it must be returned to the referring office.

**Note:** Most premature referrals should, generally, be returned to the originating Compliance office within 45 days of Appeals' receipt of the case. See IRM 8.23.2.6, Premature Referral Issues, for details on premature referral issues including those that must be sent back even after 45 days, due to jurisdictional issues.

## 8.23.2.3.1 (03-10-2025) Open Tax Increase Prevention and Reconciliation Act of 2005 (TIPRA) Determinations

- (1) Per IRC 7122(f) and *Notice 2006-68*, an OIC shall be deemed accepted if it is not rejected, returned, withdrawn or treated as withdrawn under section 7122(c)(1)(B)(ii) because the taxpayer failed to make the second or later installment due on a periodic payment OIC (see IRM 5.8.8.12, 24-Month Mandatory Acceptance under IRC § 7122(f)), before the date which is 24 months after the date of the submission of the offer. Any period during which any tax liability that is the subject of the OIC is in dispute in any judicial proceeding shall not be taken into account in determining the expiration of the 24-month period. The date of submission of an offer for purposes of section 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.

**Note:** Except for suspension of the 24-month period during which any tax liability that is the subject of the OIC is in dispute in any judicial proceeding, there are no means to extend or suspend the 24-month TIPRA period. The 24-month period includes whatever time a case may be pending in Counsel awaiting their opinion on an acceptance recommendation. There is no statutory basis for the taxpayer and the Service to enter into any sort of agreement to extend or suspend the 24-month period.

(2) There are two instances where Appeals may receive an OIC without a final decision first being made by Collection, and thus, have an open TIPRA statute (see also Exhibit 8.23.2-1, Open Tax Increase Prevention and Reconciliation Act of 2005 (TIPRA) Review):

- OIC submitted as an alternative to collection in a CDP or EH case.
- OIC processed as a single, processable OIC filing for two (or more) entities, and which is in need of perfection to create a second or third related offer. See IRM 5.8.3.5, Processing Forms 656 and Initial Offer Payments . In this case, when the second or third OIC is received, a new TC 480 date and TIPRA statute date will be present. If the related offer(s) is secured by Appeals, then since the new offer(s) was never rejected by Compliance, it will have an open TIPRA statute. New offers **must immediately** be sent to COIC for a processability determination.

**Note:** Only secure additional 656 forms after you have determined to recommend the offer for acceptance.

- (3) For optimal tracking of the TIPRA statute, whenever a new Form 656 is received, immediately advise APS with a request to create a new WUNO via *Appeals Shared Programs Hub -Home (sharepoint.com)*.
- (4) Refer to Exhibit 8.23.2-1, Open Tax Increase Prevention and Reconciliation Act of 2005 (TIPRA) Review, to check for open TIPRA statutes.
- (5) Cases identified with an open TIPRA statute must have the proper ACDS statute controls appear on **each tax period** on the OIC WUNO.
- (6) Cases with an open TIPRA statute are subject to the same back-end processing time frames as listed in IRM 8.21.3.2.7, Appeals Technical Employees Statute Responsibility - Closings, and IRM 8.21.4.3, Appeals Management Statute Responsibility - Appeals Team Manager (ATM), meaning:
- a. Written concurrence from the ATM is required to keep the OIC case open beyond 120 days remaining on the 24-month TIPRA statute period, and
  - b. You are responsible to ensure the OIC case is presented to APS for closing with at least 90 days remaining before expiration of the 24-month TIPRA statute period.

**Note:** The 24-month TIPRA statute period under IRC 7122(f) includes any amount of time a case may be pending in Counsel while awaiting its opinion on an acceptance recommendation. You are responsible to make sure the case is presented to Counsel for review with a sufficient amount of time remaining to meet the requirement of having the case presented to APS for closing with at least 90 days remaining before expiration of the 24-month TIPRA statute period.

- (7) IRM 5.8.7, Offer in Compromise, Return, Terminate, Withdraw, and Reject Processing, allows for certain OICs to be closed as a processable return. A return letter issued to the taxpayer closes the TIPRA statute under IRC 7122(f). In certain circumstances, Collection may agree to reconsider the offer return, reopen the case, and assign the offer a new offer number. Thus, any **reopened** case, whether due to IRS error or not, will not have a TIPRA statute. See IRM 5.8.7.3, Return Reconsideration. When this happens a new Form 656 is, generally, not secured.

8.23.2.3.2  
(03-10-2025)  
**Requesting Documents  
from Specialty  
Collection Offer in  
Compromise (SCOIC)**

- (1) There may be instances when ATEs need to request documents from the OE/OS that are in the original OIC file. Such situations may be, but are not limited to:
- a. The OIC documents uploaded to Appeals ECR are not legible.
  - b. The OIC documents uploaded to Appeals ECR have missing pages or sections.
  - c. The taxpayer raises a new issue or refers to certain documents during the Appeals conference and discussions that were provided to the OE/OS and the related OIC documents were not uploaded to Appeals ECR.
- (2) To request OIC file documents from the OE/OS, ATEs will send a secure email directly to the originating OE/OS with a copy to the COIC or FOIC manager.
- a. The email will be titled: "Request for documents in the OIC file."
  - b. The first sentence will indicate the offer number and explain that the request is administrative or ministerial in nature and is not a prohibited ex parte communication pursuant to *Rev. Proc. 2012-18*.
- Example:** "This request for documents from Offer 1234567890 case file is administrative or ministerial in nature and is not a prohibited ex parte communication pursuant to Rev. Proc. 2012-18."
- c. The email will briefly state the specific document(s) in the case file that the ATEs are requesting, and the period covered, if applicable.
- Example:** 1) "Please provide mortgage statements from (name of lending institution) for periods MM/DD/YYYY-MM/DD/YYYY."
- Example:** 2) "Please provide the appraisal report dated MM/DD/YYYY for real property located at (address)."
- Example:** 3) "Please provide Profit/Loss statement for period ended MM/DD/YYYY."
- d. To avoid an inadvertent prohibited ex parte communication, the email will state a disclaimer that the response from OE/OS should not include any comments, narratives, or analysis related to the requested case file documents.
- Example:** "In order to avoid a prohibited ex parte communication pursuant to Rev. Proc. 2012-18, please do not provide any comments, narratives, or analysis in the email when sending the requested case file documents. "

- e. The email should also request the accession number of the OIC file, in the event the OE/OS sent the OIC file to the Federal Records Center (FRC). ATEs will be responsible for requesting the OIC file from the FRC and returning the file to FRC.

**Example:** “In the event the OIC file is now in the FRC, please provide the file’s accession number so the Appeals Officer may request the file from FRC.”

- (3) ATEs will provide OE/OS with a 14-day response time to provide the requested case file documents by secure email.
  - a. If there is no response within 14 days of sending the secure email, ATEs will send a reminder secure email with a 7-day response time for the requested case file documents.
  - b. If there is no response within 7 days of the reminder email, ATEs will proceed with OIC consideration based on the documents available to them.

8.23.2.3.3  
(09-08-2020)  
**Assignment of Related Offers**

- (1) Sometimes taxpayers have liabilities for multiple entities. For various reasons, it is also sometimes the case that these related offers are submitted by taxpayers **after** an initial offer is submitted for a different entity. During the course of the consideration of an offer by you, if you become aware that there is an open, related offer under consideration elsewhere in Appeals, then coordinate with whomever the related case is assigned to accept transfer of the related case, so that the cases may share a consolidated assignment, review and disposition.
- (2) For purposes of this subsection, related cases will be those related to any joint or individual offer as follows:
  - a. Any additional offer involving the separate liabilities of one or both spouses (e.g. sole-proprietorship liabilities, trust fund recovery penalties, liabilities from a prior marriage).

**Note:** In a situation involving married taxpayers where two separate offers involving jointly owed liabilities are under consideration, the offers will be considered related **only** if the taxpayers are domiciled together.

- b. Any additional offer involving one or more closely-held corporations or LLCs owned by one or both spouses in the joint or individual offer.

**Note:** Appeals will not accept immediate assignment from Collection of any related offer that appears in example (2)(b). Such cases are considered related only for purposes of consolidating assignment once in Appeals. There is no authority for Appeals to accept assignment of these cases from Collection unless the taxpayer has first undergone the administrative review and rejection process under IRC 7122(e).

- (3) If an initial offer is already assigned to you, coordinate with Collection to immediately accept assignment of any related offer that fits example (2)(a) above. Any undeveloped information that is included with a related offer that is transferred to Appeals will be considered “new information” submitted to Appeals. If necessary, undeveloped information will be sent to Collection following the procedures in IRM 8.23.3.4.1.2, Request and Review of Supplemental Information - Collection Issue Offers.

- (4) Per IRM 5.8.1.9 , Liabilities to be Compromised, and IRM 5.8.1.9.1, Definition of a Compromised Liability, all assessed taxpayer liabilities should be included in any offer acceptance. If related liabilities exist (as in example 2(a) above), an offer cannot be accepted that does not also include offer(s) for related liabilities. Therefore, *if you are accepting an offer*, secure the necessary forms and payments needed for the related offer, and forward the package to COIC for the necessary processing. COIC will generally determine processability within 24 hours.
- (5) If an initial offer is already assigned in Appeals, Appeals will not accept immediate assignment from Compliance of any related offer that appears in example (2)(b) and its associated Note. Such cases are considered related **only** for purposes of consolidating assignment **once in Appeals**. There is no authority for Appeals to accept assignment of these cases from Compliance unless the taxpayer has first undergone the administrative review and rejection process under IRC 7122(e).

## 8.23.2.3.4 (09-08-2020) **Requesting Account Corrections**

- (1) When you encounter a situation where a correction needs to be made to IDRS, APS can input the correction. ATEs will submit an ACDS Update Request using the *Appeals Shared Programs Hub -Home (sharepoint.com)*.

## 8.23.2.4 (03-10-2025) **Scheduling the OIC Appeals Conference**

- (1) Within 30 days of the ATE's receipt of a taxpayer's rejected DATC offer appeal, the ATE will mail Letter 5576, Appeals Offer in Compromise Acknowledgement and Conference Letter, to the taxpayer. The purpose of this letter is to:
  - Advise the taxpayer of receipt of the case in Appeals
  - Provide the Appeals contact person's name and telephone number
  - Explain what the taxpayer can expect from Appeals during the appeal process
  - Explain what Appeals generally expects from the taxpayer during the Appeals process
  - Schedule the conference

**Note:** See IRM 8.23.3.4.1(5), Pre-Conference Considerations, for a complete list of information that is communicated through Letter 5576. Enclose Publication 4227, Overview of Appeals Process, and Publication 4167 , Appeals - Introduction to Alternative Dispute Resolution.

**Note:** Appeals campus sites should not enclose Publication 4167 with Letter 5576 because OICs considered at an Appeals campus site are not presently eligible for alternative dispute resolution processes.

- (2) If ATE's initial contact with the taxpayer is made by telephone, cover all of the items above, which are contained in the Letter 5576. Document the case activity record accordingly. See also IRM 8.23.3.4.1(7), Pre-Conference Considerations.
- (3) OIC conferences are usually held by telephone or correspondence, but if the taxpayer requests an in-person conference in response to Letter 5576, grant the request, in accordance with IRM 8.6.1.5.1, Conference Practice.

8.23.2.5  
(03-10-2025)  
**Transfer of OIC Cases**

- (4) See IRM 8.20.5.31, Offer in Compromise (OIC) Case Carding, for initial case receipt guidance for Account and Processing Support (APS) personnel.
- (1) Erroneous assignment of cases is a reason for transfer. If Collection ATEs have been assigned appeals of rejected Exam-sourced OIC in error, the Exam-sourced OIC appeals will be transferred to Exam ATEs. **It is not appropriate to create a new WUNO or close the case as a premature referral based on the erroneous assignment.**
  - (2) A taxpayer or representative might request to have a case transferred to the Appeals office closest to the taxpayer for an in-person conference. There is no separate Appeals policy for OIC cases and in-person hearings. Case transfer procedures are found in IRM 8.6.1.3, Transfer Procedures. Accommodate a taxpayer's or representative's request for an in-person conference by following procedures in IRM 8.6.1.5.1, Conference Practice and IRM 8.6.1.5.1.1, Circuit Riding and IRM 8.6.1.5.5, Virtual Service Delivery (VSD).
  - (3) *Revenue Procedure 2014-63* establishes a nationwide post-Appeals mediation (PAM) program for field OICs. IRM 8.26.9, Post Appeals Mediation Procedures for Collection Cases, supplements Revenue Procedure 2014-63. The alternative dispute resolution (ADR) programs are designed to supplement and not replace the standard appeals process. OIC appeals will not be transferred from a campus Appeals location for the purpose of participating in PAM.
  - (4) When determining whether to transfer a case, the taxpayer and business addresses must be physical, and not a post office box or similar non-physical address.
- Note:** A homeless individual will not have a physical address. For transfer purposes these taxpayers may use the address of a friend, relative, employer, authorized representative or Low-Income Tax Clinic (LITC).
- (5) A taxpayer or representative who believes an adverse decision is likely or imminent might request to have a case transferred to the Appeals office closest to the taxpayer after engaging in substantive negotiations with the assigned ATE **or** after the conference has been held with you. It is important to point out to the taxpayer during an initial telephone contact that any request for an in-person conference must be made before meaningful negotiations begin subject to the in-person conference provisions of IRM 8.6.1, Conference and Issue Resolution. Transfer will **not** be accommodated once a conference has been held.
  - (6) IRM 8.6.1.5.1.1, Circuit Riding, and related subsections contain Appeals' circuit riding procedures. In certain cases, where the taxpayer has requested and been granted an in-person conference, Appeals will accommodate taxpayers by circuit riding. Such conferences will be held at the nearest Appeals office or other location, following the procedures noted above.
  - (7) The appropriate CARATS Action/Sub-Action Code must be documented in ACDS when a transfer request is allowed or denied. The definitions for these codes are also available on the ACDS Utilities menu, under "CARATS Operational Definitions". One of the following three Sub-Action Codes must be used when the transfer request (Action Code "TF") is denied for a face-to-face conference.



Sub-Action Code	Definition
DC	Denied - Compliance Issues
DF	Transfer or reassignment was denied because taxpayer raised only frivolous issues.
DO	Transfer or reassignment was denied for other reasons.

## 8.23.2.6 (03-10-2025) Premature Referral Issues

- (1) This section discusses the Appeals hearing officer's responsibilities in identifying and processing premature referrals. Non-CDP OIC protests must be reviewed to determine if there are reasons why the case should be closed and returned as a premature referral. A case is closed as a premature referral for the jurisdictional and other reasons outlined below.

**Note:** A case will not be returned as a premature referral on the basis of your conclusion that Collection did not fully develop certain issues. Review Collection's development of the issue versus information and testimony provided by the taxpayer, and make the decision based on those factors.

- (2) When ATEs return an OIC appeal to Collection as a premature referral, ATMs will contact the Collection GMs via secure email and explain why the case is being returned as a premature referral.

## 8.23.2.6.1 (03-10-2025) Premature Referral - Jurisdictional Issues

- (1) Non-CDP OIC receipts must be reviewed to make sure the appeal is timely. The taxpayer may administratively appeal a rejection of an offer to compromise to the IRS Office of Appeals (Appeals) if, within the 30-day period commencing the day after the date on the letter of rejection, the taxpayer requests such an administrative review in the manner provided by the Secretary.<sup>26</sup> CFR 301.7122-1(f)(5)(i) .
- (2) Occasionally, an appeal is received and the postmark, meter or fax transmission date is illegible or the envelope is missing. To determine timeliness if the postmark, meter or fax transmission date is illegible, or the envelope is missing:
  - a. Mailing: Ask taxpayers when they mailed the request. If the taxpayer appears credible, use that date. If you can not reach the taxpayer or the taxpayer is not credible, subtract 3 days for regular mail and 7 days for overseas mail from the IRS received date.
  - b. Faxed: Use the date the Service received the request unless the taxpayer can show otherwise as in (a).
  - c. If there is no IRS received date, use the signature date.
  - d. If there is no IRS received date or signature date, consider timely if received in Appeals within 45 days of date required to be timely.

**Note:** IRC 7502 and IRC 7503 apply to OIC appeals. Per IRC 7502, if the appeal is mailed within 30 calendar days after the date of Compliance's rejection letter, it is a timely appeal. It must be postmarked so that the mailing date can be established. If the postmark is made by a non-U.S. Postal Service system such as a private postage meter stamp or a non-USPS carrier such

as UPS or Fedex, 26 CFR 301.7502-1(c)(iii)(B) provides that such postmark must be legible and dated on or before the due date **and** the appeal must be received not later than the time when a letter sent by the same class of mail would ordinarily have been received if it were sent from the same point of origin by the U.S. Post Office on the last day for timely mailing the appeal. Per IRC 7503, if the 30th day falls on a Saturday, Sunday, or legal holiday, a request for appeal is considered timely if mailed on the next business day.

**Note:** IRC 7508 postpones certain time-sensitive acts when a person is serving in the armed forces, in support of the armed forces, in an area designated by the President by Executive Order as a combat zone, or when deployed outside the United States while participating in an operation designated by the Secretary of Defense as a contingency operation. IRC 7508A postpones certain time-sensitive acts when a person is affected by a federally declared disaster or a terroristic or military action. *Revenue Procedure 2018-58* includes the 30-day period for appealing a rejection of an OIC as an act that may be postponed.

- (3) Taxpayers occasionally submit a written appeal before the offer is rejected. IRC 7122(e) states there must be an independent administrative review of any rejection of an OIC before such rejection is communicated to the taxpayer and 26 CFR 301.7122-1(f)(1) provides that an OIC has not been rejected until IRS issues a written notice to the taxpayer or his representative advising of:
- The rejection,
  - The reason(s) for rejection, and
  - The right to an appeal.

If the taxpayer's written appeal pre-dates the actual rejection of the offer, it is not a valid appeal under IRC 7122 and its regulations. Before returning such an offer to Collection as a premature referral, check the case file, the AOIC eCase data and ICS histories to see if the taxpayer submitted a separate and timely written appeal within the prescribed time period. If the only written appeal pre-dates the actual rejection of the offer, the appeal is not timely and it must be returned as a premature referral.

- (4) These less common instances identify cases that should be returned as a premature referral because Appeals lacks the jurisdictional authority to consider the protest:
- If a timely appeal is signed by an unauthorized representative or other third party, and not signed by the taxpayer.
  - If a timely protest is received, but the rejection letter was signed by a lower level authority than what is required by Delegation Order 5-1 (e.g. a Territory Manager's signature is required but the Group Manager signs the rejection Letter).
  - If the tax liability is paid in full before direct or written contact with Appeals.
  - If under IRC 7122(f) and *Notice 2006-68*, the 24 month period has lapsed before the taxpayer withdrew the offer, or the IRS returned/rejected the offer. A Form 3999, Statute Expiration Report, or other statute reporting method is **not** needed in this instance.



- e. If the taxpayer filed bankruptcy before the Collection offer examiner advised the taxpayer of the proposed rejection (documented either verbally or in writing), the offer should have been returned without appeal rights per IRM 5.8.10.2, Bankruptcy.

**Note:** See IRM 8.23.3.4.2.3, Bankruptcy Considerations, if the taxpayer filed bankruptcy after the offer was rejected.

- f. A new offer is received by COIC after a Notice of Determination or Decision Letter was issued in a CDP or EH case. Such an offer would not be associated with the CDP case as the CDP is now considered closed.
- g. A new offer is received by COIC after the issuance of a CDP closing letter with an executed Form 12257. Such an offer would not be associated with the CDP case as the CDP is now considered closed.
- h. A new offer is received by COIC after the issuance of a closing letter for a withdrawn CDP or EH case. Such an offer would not be associated with the CDP case as the CDP is now considered closed.
- i. A new offer is received by COIC after a related OIC was closed in any manner other than acceptance. See IRM 8.23.2.3.3, Assignment of Related Offers, for related offers. Such an offer would not be associated with the related offer as the related offer is now considered closed.

**Note:** If any of these jurisdictional issues are identified more than 45 days after Appeals received the case, the Appeals hearing officer or the ATM should contact the Collection manager and explain why the case will be returned as a premature referral.

## 8.23.2.6.2 (03-10-2025) **Premature Referral Issues - Other Issues**

- (1) A case will not be returned as a premature referral on the basis of your conclusion that Collection did not fully develop certain issues. In those situations you will make a decision after reviewing Collection's development of the issue against the information and testimony provided by the taxpayer. At closing, Form 5402 under Remarks should specify the reason and IRM section why the case is a premature referral and instruct APS to annotate in AOIC Remarks why the case is being returned to Collection as a premature referral.
- (2) In some DATL cases, the DATL Unit may not address the liability, erroneously concluding that Appeals previously determined the tax liability. For example, if an earlier case was listed on the Appeals Centralized Database System (ACDS) as docketed and closed using closing code 21, it could mean the case was dismissed without addressing the liability. If you conclude the liability was not previously determined by Appeals, send the case back to the Brookhaven DATL unit alerting them that the case has an open TIPRA statute by using the *Form 3210* entitled, "Appeals Returning DATL OIC (CC21)", which is available on the Appeals OIC Web Page. If the liability was established by the Tax Court, you should also alert the DATL unit to that fact.
- (3) If the case involves unpaid trust fund taxes, the assessment statute expiration date (ASED) is not suspended by the OIC. IRM 5.8.4.22.3(2), Offers from Operating Businesses, states:
  - a. either the trust fund portion of the taxes must be paid,
  - b. the TFRP must be assessed against all responsible persons,
  - c. the trust fund package was forwarded for assessment,

**Note:** Do **not** return a case as a premature referral if Collection has clearly documented either a non-assertion determination **or** that the trust fund balance is below assessment requirements, or if the ASED has expired and no TFRP was assessed.

(4) Other non-jurisdictional premature referral situations include:

- The taxpayer appealed Collection's return of a non-CDP OIC. An OIC return is not a rejection for pursuing an appeal in a non-CDP case.
- If there is an unreversed TC 914 or TC 916 that posted to the account *before* the offer was rejected, Collection should have followed the procedures in IRM 5.8.4.19.1, Open Criminal Investigations. Return such a case as a premature referral. If the TC 914 or TC 916 posted to the account *after* the offer was rejected, retain the case in Appeals and follow IRM 8.23.3.4.1.5, Coordination with Other Functions.
- The Collection Fraud Technical Advisor agreed there is potential fraud and Compliance's fraud development investigation remains open. If this occurred before the offer was rejected, the offer may have been returned **or** rejected. The instructions for fraud development are in IRM 5.8.4.18, Potential Fraud Referrals. Consider the procedures that instruct Collection to return or to reject the offer without appeal rights, to see if a premature referral may be appropriate.
- The taxpayer submitted a claim for relief from joint and several liability (innocent spouse claim) as the requesting spouse **and** the claim was filed **before** the offer was rejected **and** the claim is still open. IRM 5.8.4.23.1, Claims for Relief from Joint and Several Liability under Section 6015 (Commonly Referred to as Innocent Spouse Claim) states that if the taxpayer refused to withdraw the OIC, Collection should have suspended the offer pending disposition of the claim, or returned it if still pending 18 months after the received date. If the claim was filed before the offer was rejected and is still open, return the case to Collection as a premature referral.
- The Partnership Investor Control File (PICF) code on AMDIS is '5', indicating at least one open TEFRA key case linkage exists. Collection should have returned the DATC offer without appeal rights per IRM 5.8.4.17, Pending Assessments, because of the unresolved TEFRA partnership issue. Return the offer to Collection as a premature referral.

**Note:** The other premature referral issues listed above do not cause jurisdictional issues for Appeals, so the cases should not be sent back as premature referrals if more than 45 days has lapsed since the date Appeals received the case.

- (5) If a new Form 656 is received for a related offer and COIC determines that the offer is not processible, close the work unit as a premature referral. If it is determined that the case is ready for Appeals' consideration, see IRM 8.23.2.3, Receipt, Initial Case Review and Statute Control.
- (6) Collection will occasionally receive an appeal of a joint offer that is signed only by one individual. If Collection did not take appropriate action to perfect the appeal request, do **not** return the case as a premature referral. Initiate a request to APS via *Appeals Shared Programs Hub -Home (sharepoint.com)* to take corrective action. See IRM 8.23.2.3.4, Requesting Account Corrections.

8.23.2.7  
(04-12-2019)  
**Taxpayer Compliance  
Issues**

- (1) During consideration of an appealed offer rejection, taxpayers are required to make adequate withholdings, estimated tax payments, federal tax deposits, and to file tax returns in a timely manner. Appeals will consider ongoing compliance issues only as specified in this guidance and examples that follow in this section.

8.23.2.7.1  
(09-08-2020)  
**Taxpayer Compliance  
Issues - Delinquent or  
Insufficient Estimated  
Tax Payments and  
Withholdings**

- (1) When a DATC offer is considered and rejected by Collection, the disposition of the case as a rejection indicates that the taxpayer was in current compliance at the time of rejection. If not, Collection should have closed the case to the taxpayer as a “return” with no appeal right. Therefore, you will consider the taxpayer as being in verified tax compliance whenever a rejected case is received, and will not request estimated tax payments or withholdings, even if those appear to have been delinquent or miscalculated prior to the rejection of the case.
- (2) You will not return a case as a premature referral to Collection to address issues indicated in (1) above.
- (3) You will not monitor a taxpayer’s ongoing tax compliance while a rejected offer is under consideration, except as specified in IRM 8.23.2.7, Taxpayer Compliance Issues, and its related subsections.

**Note:** If the amount of estimated tax payments or withholdings is disputed in a taxpayer’s appeal, then you may verify them as expense items on the Income/Expense Table, but will not otherwise address these issues. The Form 656-B contains tax compliance provisions which the taxpayer must follow while an offer is under consideration.

8.23.2.7.2  
(09-08-2020)  
**Taxpayer Compliance  
Issues - In-Business  
Trust Fund (IBTF)  
Compliance**

- (1) Because of the risk of rapid and substantial losses to the government due to the failure to make Federal Tax Deposit (FTD) payments, you should follow IRM 5.8.7, Offer in Compromise, Return, Terminate, Withdraw, and Reject Processing, with respect to verification of FTD compliance, and In-Business Trust Fund (IBTF) return filing compliance, *but with some noted exceptions*.
- (2) Generally, you will consider the taxpayer as being in verified FTD compliance whenever a rejected case is received, and will not demand federal tax deposits to be made even if those appear to have been delinquent or miscalculated prior to the rejection. See IRM 8.23.2.7.1(1), Taxpayer Compliance Issues - Delinquent or Insufficient Estimated Tax Payments and Withholdings. For liabilities that accrue during appeals consideration, see (4) below.
- (3) You will not return a case to Collection as a premature referral to address issues indicated in (1) or (2) above.
- (4) You will not monitor the taxpayer’s regular FTD schedule. However, if you recognize a new IBTF assessment while you are considering the offer, you should give the taxpayer 14 days to pay the entire liability (including penalties and interest) so that the consideration of the offer may continue. If the taxpayer does not pay the new liability in full, you should either sustain rejection of the offer or, in unique circumstances (left to Appeals’ sole discretion), determine to include the liability in the offer and proceed with consideration of the case. See also IRM 8.23.2.8, When a Taxpayer Does Not Remain in Compliance.

- (5) If an IBTF tax return becomes delinquent while an OIC case is under your consideration, you should:
- Request that the taxpayer provide proof of the filing of the return (within 14 days)
  - Sustain the rejection of the case if the return is not filed
- (6) Tax returns secured by Appeals should be evaluated only for the taxpayer's filing and payment compliance.

8.23.2.7.3  
(09-08-2020)

**Taxpayer Compliance  
Issues - Delinquent  
Returns (non-IBTF)**

- (1) The taxpayer must timely file returns that become due while an offer is under consideration. You will treat these situations as follows:

If...	Then...
A return is due but unfiled (includes a return that was due when the case was assigned to Appeals).	Provide the taxpayer with a 14 day deadline to file the return or provide adequate proof of filing. Allow additional time if the taxpayer is contacted by mail.
After providing time to file the return, it either remains unfiled or adequate proof of filing was not provided.	You will sustain rejection of the offer.
The return is filed and there is no tax due.	You will proceed with the appeal.
The return is filed and there is tax due.	It will be at your discretion to determine if the liability should be included in the offer, or if payment is required. Weigh the unique circumstances of each case. See IRM 8.23.2.8, When a Taxpayer Does Not Remain in Compliance.
Full payment of the new liability is required.	You will allow the taxpayer 14 days to make the payment, or the offer rejection will be sustained.

- (2) You will **not** return a case as a premature referral to Collection to address issues indicated in (1) above.
- (3) Tax returns secured by Appeals should be evaluated only for the taxpayer's filing and payment compliance.

8.23.2.7.4  
(03-10-2025)

**Taxpayer Compliance  
Issues - Periodic  
Payment Offers**

- (1) A taxpayer submitting a Periodic Payment Offer is required to make the periodic installment payments proposed in such offer. If the taxpayer fails to make the periodic installment payments they proposed on Form 656 **before** the Collection offer examiner advised the taxpayer of the proposed rejection (either verbally or in writing), the case should be returned as a premature referral for Compliance to secure the necessary TIPRA payments.

**Note:** The TIPRA requirement for a taxpayer to make proposed periodic installment payments while a Periodic Payment offer is being considered ends when Collection issues the rejection letter. Taxpayers are not required to continue making proposed periodic installment payments while a rejected offer is being considered by Appeals unless Appeals secures an amended offer. See

IRM 8.23.1.5.1, Application Fees, Offer Terms, Payments and Deposits, and  
IRM 8.23.3.5.3, Amended Offers - TIPRA Related Issues.

- (2) Review the periodic payment proposal carefully before making a determination whether the taxpayer failed to make required proposed periodic installment payments before the Collection offer investigator advised the taxpayer of the proposed rejection (documented either verbally or in writing).

**Note:** Special circumstances in these situations should generally involve something out of the taxpayer's control that has caused their inability to make the payment, and not a mere oversight or financial inability to make the payment.

- (3) Refer to Exhibit 8.23.2-2 , Premature Referral of Periodic Payment OIC Appeal, to determine whether Collection neglected to follow significant IRM requirements resulting in the premature referral of a Periodic Payment OIC case.

## 8.23.2.8 (03-10-2025) **When a Taxpayer Does Not Remain in Compliance**

- (1) IRM 5.8.7 generally does not require a processible offer to be returned or rejected because a previously unfiled or delinquent return produces a new liability, or because another assessment is made for any other reason during the time an offer is being considered. The same standard is applied in Appeals. You may include new liabilities on the Form 656 using pen-and-ink additions, and continue consideration of the offer (see IRM 8.23.2.7.2, Taxpayer Compliance Issues - In-Business Trust Fund (IBTF) Compliance, for an exception for IBTF cases).
- (2) Carefully review the premature referral criteria to determine when a specific issue of non-compliance occurred in relation to when the Collection offer examiner advised the taxpayer of the proposed rejection (documented either verbally or in writing). As explained earlier in IRM 8.23.2.7, Taxpayer Compliance Issues, and related subsections, current tax compliance issues will not be reviewed by you unless a tax return is due. Compliance problems that may affect the acceptability of an offer will include instances in which the taxpayer failed to:
  - Timely file all required returns
  - Timely pay all tax, penalties and interest due on returns assessed after the offer was received by Appeals (see (5) below), or
  - Make payments required for a Periodic Payment OIC proposal.
- (3) In the instances above, it is important for you to provide the taxpayer with clear instructions as to exactly what is required of them, specific deadlines, and the consequence if the compliance issue is not promptly resolved.
- (4) As stated in (1) above, Appeals generally does not require a processible offer to be rejected because a previously unfiled or delinquent IMF return produces a new liability, or because any other new assessment is made while the offer is being considered. New liabilities may be included on the Form 656, and consideration of the appeal will continue. See IRM 8.23.2.7, Taxpayer Compliance Issues, and related subsections for exceptions. The following examples illustrate where a new liability will *generally* be included in an offer:

**Example:** In Appeals, a return is filed that was delinquent *before* the case came to Appeals, and the return produces a new liability. Since this issue should have been addressed before the case came to Appeals, the new liability will be included in the offer.

**Example:** A trust fund recovery penalty assessment is made against a taxpayer who has an otherwise viable offer proposal under consideration, and a good overall compliance record in recent years. In this case, it is prudent to continue negotiation of the offer and include the new assessment(s).

**Example:** An assessment is made against a taxpayer who has an otherwise viable offer proposal under consideration, and a good compliance record in recent years. The offer has been under consideration for some time and the Service has expended much time and resources considering the case. Past collection efforts against the taxpayer have yielded very little funds over the years. In this case, it is prudent to continue negotiation of the offer and include the new assessment.

**Example:** An assessment is made against taxpayers who have an otherwise viable offer proposal under consideration, and a good compliance record in recent years. The assessment resulted from the liquidation of a small retirement account that was used by the taxpayers for necessary living expenses. The taxpayers have insufficient liquid assets to immediately pay the new assessment. In this case, it is prudent to continue negotiation of the offer and include the new assessment.

**Example:** A taxpayer does not immediately have the funds to pay a new assessment that has been made since the offer was processed. However, the taxpayer offers to increase the offer by an amount equal to or exceeding the new liability. It is prudent to accept the offer and include the new assessment.

- (5) Non-compliance with a filing and/or payment requirement does not preclude you from giving the taxpayer an opportunity for a conference. Per IRM 8.23.1.4 , Conference and Settlement Practices, one of the four primary obligations you have in a non-CDP OIC appeal is to offer taxpayers an opportunity for the Appeals conference that they asked for under IRC 7122(e)(2). Even if the taxpayer does not remedy a compliance issue prior to or at the scheduled conference, the opportunity for a conference must be given. If the taxpayer does not take part in the conference when scheduled, it is not required to offer the non-CDP taxpayer a second opportunity for a conference. ATEs may issue a last chance letter at their discretion.

See also IRM 8.23.1.4, Conference and Settlement Practices, for more information about granting extensions of time in a non-CDP OIC case.



# Receipt and Control of Non-Collection Due Process (CDP) Offers 8.23.2

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Exhibit 8.23.2-1 (03-10-2025)

Open Tax Increase Prevention and Reconciliation Act of 2005 (TIPRA) Review

STEP	QUESTION	If YES	If NO
<b>One</b>	Was a formal rejection letter issued by either Collection or Examination?	The 24-month TIPRA period under IRC 7122(f) does not apply and no further action is needed. Any ACDS Statute Code 'TIPRA' input onto the WUNO should be removed and replaced by Statute Code 'SUSP'. <b>Steps 2 – 5 do not apply, unless the rejected OIC case is to be associated with a CDP case, in which case, proceed to step 5.</b>	Proceed to Step Two
<b>Two</b>	Was ACDS Statute Code 'TIPRA' input onto <b>each tax period</b> on the WUNO?	Proceed to Step Three	See IRM 8.23.2.3 and submit a request to APS via <i>Appeals Shared Programs Hub -Home (sharepoint.com)</i> to have Statute Code 'TIPRA' input on <b>each tax period</b> and be sure to use the proper date stamped on the original Form 656 plus two years as the statute date. Proceed to Step Three.
<b>Three</b>	If ACDS Statute Code 'TIPRA' was input onto each tax period on the WUNO, is the corresponding statute date the date stamped on the originally submitted Form 656 for the entity under consideration, <i>plus two years</i> ?	The Statute Code and date are accurate - proceed to Step Four	See IRM 8.23.2.3 and submit a request to APS via <i>Appeals Shared Programs Hub -Home (sharepoint.com)</i> to have the statute date (STATDATE) changed to the proper date on each tax period and proceed to Step Four

## Exhibit 8.23.2-1 (Cont. 1) (03-10-2025)

## Open Tax Increase Prevention and Reconciliation Act of 2005 (TIPRA) Review

STEP	QUESTION	If YES	If NO
<b>Four</b>	Was the offer submitted as part of a CDP or EH case?	Proceed to Step Five	If the case is a new offer resulting from the perfection of a previously rejected offer which required a new application fee and TIPRA payment, make sure steps two and three above are done and double check the WUNO to make sure the TIPRA Statute Code with the proper statute date is present on each tax period. Step Five does not apply. If the perfection issue did not result in an amended offer submission there is no TIPRA date.
<b>Five</b>	If the OIC is part of a CDP/EH case, was ACDS Feature Code 'DP' input onto both the CDP/EH and OIC WUNOs? If the case was originally a non-CDP offer that is being associated with a CDP case <b>after</b> issuance of a rejection letter, also input a DP feature code.	All necessary actions are done and the OIC WUNO will show up on a Statute Expiration Report and/or an Ad Hoc report	See IRM 8.23.2.3 and submit a request to APS via <i>Appeals Shared Programs Hub -Home (sharepoint.com)</i> to have Feature Code 'DP' added to both the CDP/EH and OIC WUNOs



# Receipt and Control of Non-Collection Due Process (CDP) Offers 8.23.2

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## Exhibit 8.23.2-2 (03-10-2025)

### Premature Referral of a Periodic Payment OIC Appeal

If...	And...	Then...
The taxpayer's failure to make a <b>proposed</b> periodic installment payment(s) occurred <b>before</b> the Collection offer investigator advised the taxpayer of the proposed rejection (documented either verbally or in writing).	Collection did not give the taxpayer an opportunity to make up the missed proposed periodic installment payment(s).	Collection overlooked procedures in IRM 5.8.4.25.1, Periodic Payments Required with Offer in Compromise Submissions, and did not monitor the proposed periodic installment payment requirements and/or address the missed proposed periodic installment payment issue with the taxpayer. Send the offer back to Collection as a premature referral to address the missed proposed periodic installment payment(s). If the taxpayer corrects the proposed periodic installment payment issue, Collection may send the case back to Appeals to consider the OIC appeal.
The taxpayer's failure to make a <b>proposed</b> periodic installment payment(s) occurred <b>before</b> the Collection offer investigator advised the taxpayer of the proposed rejection (documented either verbally or in writing).	Collection previously gave the taxpayer an opportunity to make up the missed proposed periodic installment payment(s) but the taxpayer did not do so <b>and</b> there is no indication in the case file that Collection determined special circumstances exist.	Collection overlooked IRM 5.8.4.25.1 and IRC 7122(c)(1)(B)(ii) and the offer should have been considered withdrawn by Compliance and not rejected. Send the offer back to Collection as a premature referral.
The taxpayer's failure to make a <b>proposed</b> periodic installment payment(s) occurred <b>after</b> the Collection offer investigator advised the taxpayer of the proposed rejection (documented either verbally or in writing).	The taxpayer did not make up the payment.	Collection is not required to have offered the taxpayer the opportunity to make up the payment. Appeals will follow IRM 5.8.4.25.1 and provide the taxpayer with the opportunity to make the delinquent payment. If the payment is not made, Appeals will close the case as a involuntary withdrawal.

**Exhibit 8.23.2-2 (Cont. 1) (03-10-2025)****Premature Referral of a Periodic Payment OIC Appeal**

<b>If...</b>	<b>And...</b>	<b>Then...</b>
The taxpayer's failure to make a <b>proposed</b> periodic installment payment(s) occurred <b>after</b> the Collection offer investigator advised the taxpayer of the proposed rejection (documented either verbally or in writing).	Collection previously gave the taxpayer an opportunity to make up a missed proposed periodic payment(s), the taxpayer made up the missed payment(s) and then missed a subsequent proposed periodic payment after submitting an amended offer to Appeals.	Appeals will follow IRM 5.8.4.25.1 and not give the taxpayer a second opportunity to make up the subsequently missed proposed periodic payment <b>unless</b> special circumstances exist. Contact must have been made with the taxpayer to properly determine whether special circumstances exist. If special circumstances do not apply, then Appeals will close the case as a involuntary withdrawal.
The taxpayer's failure to make a proposed periodic payment(s) occurred <b>after</b> an amended offer was secured by Appeals.	Collection previously gave the taxpayer an opportunity to make up a missed proposed periodic payment(s), the taxpayer made up the missed payment(s) and then missed a subsequent proposed periodic payment after submitting an amended offer to Appeals.	Appeals will follow IRM 5.8.4.25.1 and not give the taxpayer a second opportunity to make up the subsequently missed proposed periodic payment <b>unless</b> special circumstances exist. Contact must have been made with the taxpayer to properly determine whether special circumstances exist.
The taxpayer's first failure to make a proposed periodic payment(s) occurred <b>after</b> an amended offer was secured by Appeals	The taxpayer is still not in compliance with proposed periodic payment requirements	Review IRM 5.8.4.25.1 and IRM 8.23.3.5.4 for involuntary withdrawal case procedures for amended offers received by Appeals.