

Instructions for Form 5183

Schedule 2A — Collection Information Statement for an Offer in Compromise Based on Doubt as to Collectability

Who May Submit an Offer in Compromise Based on Doubt as to Collectability

You may submit an offer in compromise based on a doubt as to collectability if you meet the eligibility requirements (outlined in the Offer in Compromise instructions) and both of the following exist:

- (1) the amount of the offer of payment is the most that can be expected to be paid or collected from your present assets or income; and
- (2) you do not have reasonable prospects of acquiring increased income or assets within a reasonable period of time that would enable you to satisfy a greater amount of the tax liability than the amount offered.

Which Form to File

You must submit a completed **Form 5181** – *Offer in Compromise* along with **Form 5183 Schedule 2A (Individuals)** – *Collection Information Statement for an Offer in Compromise Based on Doubt as to Collectability* with your offer in compromise.

NOTE: Your offer cannot be considered without submitting the collection information statement and the requested documents.

Submitting an Offer in Compromise Based on Doubt as to Collectability

In order to evaluate your offer in compromise, Treasury must have a complete and accurate picture of your financial situation. Therefore, you must include with the submission all the documentation and information requested by this Schedule and other information you wish for Treasury to consider in reviewing the offer in compromise.

Gather your information. To calculate an offer amount, gather information about your financial situation, including: cash, investments, available credit, assets, and debt.

Also gather information about your average gross monthly household resources and expenses. The entire household includes anyone in addition to you, including a non-liaible spouse and adult children who contribute to income and expenses relating to the household.

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Instructions for Parts 1, 2, 6, 7, and 9 are contained within the form. All income and expense information must have the accompanying proof attached to the form.

Part 3: Individual Assessments Supporting Doubt as to Collectability. List each outstanding tax assessment to be considered in the Offer in Compromise as they apply to doubt as to collectability.

Part 5: Monthly Household Resources and Expense Information.

Monthly Household Resources:

Lines 1-4d. Enter all compensation received as an employee. Include strike pay, supplemental unemployment benefits (SUB pay), sick pay, or long-term disability benefits, including income protection insurance, and any other amounts reported to you on Form W-2; Supplemental Security Income (SSI), and/or Railroad Retirement benefits; retirement, pension, and individual retirement account (IRA) benefits; unemployment compensation; cash and/or food assistance from the Department of Human Services; vendor payments from the State of Michigan; and any other miscellaneous income that you receive.

Lines 5-8d. Enter your spouse and/or adult children's compensation received as an employee. Include strike pay, supplemental unemployment benefits (SUB pay), sick pay, or long-term disability benefits, including income protection insurance, and any other amounts reported to you on Form W-2; Supplemental Security Income (SSI), and/or Railroad Retirement benefits (Include death benefits and amounts received for minor children or other dependent adults who live with you); retirement, pension, and individual retirement account (IRA) benefits; unemployment compensation; cash and/or food assistance from the Department of Human Services; vendor payments from the State of Michigan; and any other miscellaneous income that they receive.

Line 9. Enter any business dividend and interest income that is received by any adult member of the household.

Line 10. Enter the total amount of any lump sum distribution(s) that is received by any adult member of the household.

Line 11. Enter the total net income received from the rental of real estate and/or any net farm rental income that is received by any adult member of the household.

Lines 12, 13. Enter the total alimony and child support payments and payments received as a foster parent that are received by any adult member of the household.

Line 14. Enter the total amount of any income received by any adult in the household that is not described in lines 1-13 (e.g., annuity payments, inheritance payments, awards, prizes, lottery, bingo, gambling winnings, etc.) This does not include income from self-employment.

Lines 15a, 15b. Self-employed taxpayers and/or your spouse, enter your gross income and total expenses from your most recent income statement and attach the statement to the form.

Line 15c. Self-employed taxpayers enter your net income from your most recent income statement and attach the statement to the form.

Line 16. Compute and enter the total monthly household income. Most taxpayers will add lines 1 through 14. Self-employed taxpayers will add lines 1 through 14 and line 15c.

Monthly Household Expenses:

Housing and Utilities

Line 1a. Mortgage. Enter the total amount that you pay for the all mortgages and land contracts on any properties that you own. You must attach proof of each mortgage or land contract.

Line 1b. Rent. Enter the total monthly amount of rent that you pay. You must attach proof of your lease or rental obligation.

Line 1c. Property taxes. If your property taxes are not included with your mortgage payment, enter the amount you pay in property taxes. You must attach proof of payment.

Line 1d. Homeowner's/renter's insurance. If your homeowner's insurance is not included with your mortgage payment, enter the amount you pay in homeowner's insurance. If you pay renter's insurance, enter it here. You must attach proof of payment.

Line 1e. Utilities. Enter the amount that you pay for utilities each month (e.g. electric, heat, water, sewer, etc.) You must attach current billing statements for all utilities.

Line 1f. Enter the amount you pay for your telephone, cellphone, internet, and cable/satellite tv each month. You must attach current billing statements.

Line 1g. If you pay homeowner's association dues, enter that amount here.

Line 1h. Enter the total of lines 1a through 1g.

Transportation

Line 2a. If you own or lease a vehicle, enter the total monthly vehicle loan/lease payment. You must attach proof of your monthly payment amount.

Line 2b. Enter the amount that you spend monthly for gas, maintenance, repairs, insurance, registration, parking, inspections and tolls for any vehicles that you claimed in 2a.

Line 2c. If you do not own a vehicle, enter the total amount that you spend monthly on public transportation.

Line 2d. Enter the total of lines 2a through 2c.

Insurance/Medical Costs

Line 3a. Health Insurance. If you pay out-of-pocket for your health insurance, enter the amount that you pay monthly for your health plan.

Line 3b. Life Insurance. Enter the amount that you pay for life insurance.

Line 3c. Medical Expenses. Enter the amount that you pay for any out-of-pocket medical expenses, such as doctor or prescription co-pays. You must attach proof of the amount you pay each month.

Line 3d. Enter the total of lines 3a through 3c.

Food and Clothing

Line 4a. Groceries. Enter the amount that you spend for groceries each month.

Line 4b. School Lunches. If you have school-aged dependents, enter the amount that you pay for their school-provided lunch each month. You must attach proof.

Line 4c. Enter the amount that you spend on apparel, personal care and household necessities each month.

Line 4d. Enter the total of lines 4a through 4c.

Installment Payments

Line 5a. Child Support. If you pay child support, enter the amount that you pay each month. If the amount is not listed as a line item on your pay stub, you must attach proof of the amount you pay each month.

Line 5b. Alimony. If you pay alimony, enter the amount that you pay each month. If the amount is not listed as a line item on your pay stub, you must attach proof of the amount you pay each month.

Line 5c. Garnishment. If your wages are being garnished, enter the amount being garnished each month. If the amount is not listed as a line item on your pay stub, you must attach proof of the amount that being garnished month.

Line 5d. Other delinquent taxes. If you are making payments on delinquent taxes to the IRS or any other taxing authority and those delinquent taxes are not the subject of this offer in compromise application, enter the amount that you pay monthly. You must attach proof of the amount that you pay monthly and how long the payments will continue.

Line 5e. 401(k) loan repayment. If you are repaying a loan that was taken on your 401(k), enter that amount here. If the amount is not listed as a line item on your pay stub, you must attach proof of the amount you pay each month.

Line 5f. Credit cards. Enter the total amount that you pay monthly on any credit card debt that you may have. You must attach proof of the debt.

Line 5g. Union dues/employment cost. Enter the amount that you pay in union dues or other employment cost(s) each month. . If the amount is not listed as a line item on your pay stub, you must attach proof of the amount you pay each month.

Line 5i. Loan Balance. Enter the total combined amount of loan balances from Part 4.

Line 5j. Enter the total of lines 5a through 5i.

Childcare and Education

Line 6a. Childcare. Enter the total monthly amount you pay in childcare for any dependents. You must attach proof of payments.

Line 6b. Tuition/Education. Enter the amount that you pay for the education expense of yourself or your dependents. You must attach proof of payments.

Line 6c. Enter the total of lines 6a and 6b.

Total monthly household expenses. Line 7. Add lines 1h, 2d, 3d, 4d, 5j and 6c.

NOTE: Total Household Resources. Total household resources include all income (taxable and nontaxable) received by all adult household members during the year, including income that might be exempt from federal adjusted gross income. Net losses from business activity may not be used to reduce total household resources.

Part 8: Business Income and Expense Information (for Self-Employed). If you or your spouse are self-

employed or have self-employment income, provide the most recent balance sheet and income statement (profit and loss) for the business(es).

Completing Michigan Forms

Michigan Offer in Compromise Forms are available in a format that allows you to fill them out on your computer, print them out, and mail them to the Department of Treasury. In some cases, the forms cannot be saved.

- **Print or type the information in the spaces provided.**
- **Stay within the lines** when entering information in boxes.
- **Answer all questions fully and accurately.** State that an item is not applicable with "N/A." If the answer is none, write "none."
- **Enclose any additional explanations on a separate sheet.** Write your collections account number at the top of each sheet of paper.
- **Use black or blue ink.** Do not use pencil, red ink, or felt tip pens. Do not highlight information.
- **If a form is multiple pages,** all pages must be filed.

NOTE: Remember to make additional copies of the completed forms for your records.

When You Have Finished

Assemble your forms and attachments and staple in the upper-left corner. Do not staple your check for the initial offer payment to your forms.

Important Reminder: If you do not include all the required attachments with your offer, your offer may be rejected or consideration of it delayed. Do not send the originals of your documents as attachments.

Where to Mail Your Offer

Mail your offer, initial offer payment and all applicable schedules and attachments to:

Michigan Department of Treasury
Offer in Compromise
P O Box 30190
Lansing MI 48909

Make your check payable to "**State of Michigan-Offer In Compromise**" and write your collections account number and assessment number(s) on the front of your check.