

Instructions for Form 5185

Schedule 3 — Offer in Compromise Based on Doubt as to Liability Instructions

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

You may submit an offer in compromise where you doubt your liability for the tax debt such that there is a genuine issue of dispute as to the existence or an amount of tax liability under law.

Doubt as to liability exists for the tax debt where, based on a review of evidence provided by you and available to Treasury, Treasury determines that you would have prevailed in a contested case if you had appealed the assessment.

Which Form to File

You must submit a completed **Form 5181** – *Offer in Compromise* along with **Form 5185** Schedule 3 *Offer in Compromise Based on Doubt as to Liability* with your offer in compromise.

Submitting an Offer in Compromise Based on Doubt as to Liability

You must include with the submission all documentation and information that you wish for Treasury to consider in reviewing the offer in compromise.

Part 2: Explanation of Circumstances. In this section you must explain fully why you believe you are not liable for the tax assessments identified in Part 4 of the this Schedule. Your explanation and supporting documents must demonstrate by clear and convincing evidence that you would have prevailed in a contested case. In other words, you must demonstrate that it is substantially more likely than not that you are not liable for all or a portion of the tax liability.

NOTE: Doubt as to liability does not exist where the liability for the tax has been established by a final decision or judgment of the Michigan Tax Tribunal or a court concerning the existence or amount of the tax liability.

Part 3: Michigan Assessments Where the Taxpayer Claims there is Doubt as to the Liability. List each outstanding tax assessment to be considered in the Offer in Compromise where you claim doubt as to liability.

Assessments for other tax periods for which tax liability is not in doubt should not be included in the offer in compromise.

NOTE: You must provide all evidence of your claim as to doubt as to liability with your original submission. You may not have the opportunity to supplement this submission with additional supporting evidence.

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 the offer 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 or assessment number(s) on the front of your check.