

**WISCONSIN DEPARTMENT OF REVENUE
DIVISION OF INCOME, SALES, AND EXCISE TAX**

NOTICE OF PROPOSED GUIDANCE DOCUMENTS

Pursuant to sec. 227.112, Wis. Stats., the Wisconsin Department of Revenue, Division of Income, Sales, and Excise Taxes hereby seeks comment on the proposed guidance documents listed in the table below.

SUBMITTING PUBLIC COMMENTS

Public comments on proposed or adopted guidance documents may be submitted online at: <https://www.revenue.wi.gov/Pages/contactUs/proposed-Guidance.aspx>.

DEADLINE FOR SUBMISSION

The period for public comment for proposed guidance documents ends 21 days after publication in the Administrative Register, unless the Governor approves a shorter commenting period.

Document Number	Document Title
P124	Publication 124, Petition for Compromise of Taxes - Inability to Pay



This is a proposed guidance document. The document has been submitted to the Legislative Reference Bureau for publication in the Administrative Register for public comment as provided by sec. 227.112(1), Wis. Stats.

Petition for Compromise of Taxes— Inability to Pay

Includes information on:

- Who may qualify
- How to apply
- Documentation required
- What happens after a petition is submitted

Publication 124 (2/20)

INTRODUCTION

Certain taxpayers may find that, based on their current and projected future financial situation, they may never be able to pay their total tax obligation. If you are in this situation, it may be appropriate for you to petition the Wisconsin Department of Revenue to settle the tax obligation for a lesser amount.

This publication explains (1) who may submit a petition, (2) under what conditions a petition may or may not be accepted, and (3) what occurs after the department receives a petition.

WHO MAY PETITION FOR COMPROMISE OF TAX OBLIGATION DUE TO INABILITY TO PAY?

Anyone with a tax obligation who believes their tax obligation can never be paid in full may petition the department to consider settling their account for an amount less than the total liability.

The petitioner may be an individual, corporation, partnership, limited liability company, or any other legal entity with a tax obligation.

SUBMITTING PETITION FOR COMPROMISE DUE TO INABILITY TO PAY

To submit a petition, complete either:

- Form A-212 Offer in Compromise for Wage Earners and Self-Employed Individuals, or
- Form A-213 Offer in Compromise for Business

Send the petition, along with required supporting documentation, to:

Wisconsin Department of Revenue
PO Box 8901
Madison, WI 53708-8901

These forms are available at any department office or can be downloaded from the department's website at revenue.wi.gov.

Question: Do I need an accountant or an attorney to complete Form A-212?

Answer: No. The form is designed to be self-explanatory. Any compliance agent can answer your questions about completing this form.

Question: Is any other paperwork required other than Form A-212 or A-213?

Answer: Yes, in most situations, other information is required. A list of required attachments is on the last page of the form.

The department reserves the right to independently verify any information you provide through its own records or third-party contacts and/or require additional items.

CONDITIONS FOR COMPROMISE CONSIDERATION

All tax returns for prior years must be filed and you must demonstrate:

- A. You cannot dispose of assets or borrow against them to pay your liability.
- B. Your monthly income is insufficient to fully pay your liability through installment payments.

HOW IS ABILITY TO PAY IN FULL DETERMINED?

The department reviews a number of variables when considering your request. Some examples include equity in any real or personal property; past, present, and future earning potential; the priority of other creditors; whether your current financial condition is likely to be temporary or permanent; your present life style; your ability to borrow; and any other factors the department considers relevant in making a decision.

WHAT HAPPENS AFTER YOU SUBMIT PETITION FOR COMPROMISE DUE TO INABILITY TO PAY?

- A. The department sends a letter indicating that they received your completed petition or that they are requesting additional information. Once the department receives a complete request, they attempt to act on it within 90 days.
- B. Any collection actions in progress at the time your petition was received, such as wage attachments, levies, or property seizures, continue unless the department believes it is in the best interest of the State to discontinue such action(s).
- C. No new collection actions will be initiated while the department reviews your petition. They will, however, continue to intercept state and/or federal refunds (if any) and may file new tax lien(s).
- D. Interest continues to accrue on any unpaid balance until it's paid.

DEPARTMENT RESPONSE

After review, the department sends you a written response. They may:

- A. Accept your offer
- B. Reject your offer but propose a counter offer
- C. Reject your offer and refer you to a compliance agent to determine the best method to pay your debt.

WHAT HAPPENS IF YOUR PETITION IS ACCEPTED?

- A. If the department accepts a compromise offer, the amount must be paid in full with guaranteed funds within 10 days.
- B. A payment schedule may be permitted to pay the amount of the compromise if the department believes that it is in the best

interest of the State to accept such scheduled payments.

- C. Upon receipt of the compromise payment, or the final installment of a compromise payment schedule, the department issues satisfactions of all outstanding delinquent tax warrants covered by the compromise, unless the compromise order is contingent on future activities, such as incurring no new delinquencies for a stated period of time. Satisfactions are delayed 45 days if payment is not in the form of guaranteed funds.

AFTER PAYMENT OF THE COMPROMISE, IS THE MATTER CLOSED?

Generally, yes, however, the department has the right to review your account within three years to determine if there has been a change in your financial condition which would enable you to pay the amount previously forgiven in the compromise settlement. The three-year period begins on the latter of the date of the compromise order or the final payment. If the department finds that your financial situation has changed, they conduct a hearing with you to review whether the compromise should be reopened.

IF YOUR PETITION IS REJECTED, CAN YOU ASK FOR REVIEW OF DECISION?

Yes. A request for a second review of a rejected compromise is directed to:

MS 4-CMP-W
Compliance Bureau Director
Wisconsin Department of Revenue
PO Box 8901
Madison WI 53708-8901

The request for a second review **must** be in writing and should provide any information you believe would cause the department to reconsider the acceptance of your compromise offer.

CAN YOU PETITION FOR COMPROMISE MORE THAN ONCE?

Yes. If you have previously petitioned for a compromise and that offer was not accepted, you may petition the department at a later date. The department is unlikely to review a second compromise differently than the first unless your financial condition has changed.

Applicable Laws and Rules

This document provides statements or interpretations of the following laws and regulations enacted as of February 3, 2020: Sections 71.92(3), 73.13, and 77.62(5), Wis. Stats.

Laws enacted and in effect after February 3, 2020, new administrative rules, and court decisions may change the interpretations in this document. Guidance issued prior to February 3, 2020, that is contrary to the information in this document is superseded by this document, pursuant to sec. 73.16(2)(a), Wis. Stats.

QUESTIONS

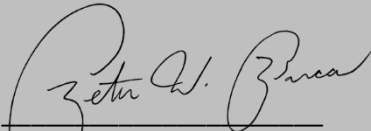
If you have questions, write to the department, call, or visit any department office listed below:

Email	DORCompliance@wisconsin.gov
Phone	608-266-7879
Location	Address
Appleton	265 W. Northland, Ave., Appleton, WI 54911-2016
Eau Claire	718 W. Clairemont Ave., Eau Claire, WI 54701-4558
Green Bay	200 N. Jefferson St., Green Bay, WI 54301-5189
Madison	2135 Rimrock Rd., Madison, WI 53713
Milwaukee	819 N. Sixth St., Milwaukee, WI 53203-1606

Certification Statement

As the Secretary of the Wisconsin Department of Revenue (DOR), I have reviewed this guidance document or proposed guidance document and I certify that it complies with secs. 227.10 and 227.11, Wis. Stats. I further certify that the guidance document or proposed guidance document contains no standard, requirement, or threshold that is not explicitly required or explicitly permitted by a statute or rule that has been lawfully promulgated. I further certify that the guidance document or proposed guidance document contains no standard, requirement, or threshold that is more restrictive than a standard, requirement, or threshold contained in the Wisconsin Statutes.

DEPARTMENT OF REVENUE



Peter Barca

Secretary of Revenue