

# **State of Rhode Island - Division of Taxation**

## **Offers in Compromise**

### **Regulation OC 98-01**

The Tax Administrator may, pursuant to RIGL 44-1-10, with the approval of the Director of Administration, compromise any tax, excise, fee, penalty, interest or other charge if he/she determines that said charge is uncollectible, illegal or excessive in whole or in part.

A taxpayer may propose an offer in compromise by filing Form RI 656 with the Tax Administrator. The offer, in addition to taxpayer identification, shall set forth:

1. type of tax,
2. amount of abatement requested,
3. reasons for the requested abatement,
4. any information relating to offers in compromise submitted to the Internal Revenue Service.

When making such offer, or within ten (10) days therefrom, the taxpayer shall submit a completed Rhode Island Form 433.

The offer may be withdrawn by the taxpayer at any time prior to its acceptance. If the offer is rejected, the taxpayer will be notified by the Tax Administrator in writing and if payment of the compromise offer was made at the time of application the payment remitted with the proposed compromise will be returned to the taxpayer without interest. An offer is considered accepted only when the taxpayer is notified in writing of its acceptance. Full payment must be made within thirty (30) days from date of notification that the offer is accepted.

The Tax Administrator may request additional financial or other information as he/she deems necessary in considering the offer.

If the taxpayer fails to comply with all provisions of state law relating to the filing of returns and paying required taxes for five (5) years from the date the offer was accepted, the Tax Administrator may treat the offer as defaulted and reinstate the unpaid balance. Interest shall accrue from the date of default.

R. GARY CLARK  
TAX ADMINISTRATOR  
EFFECTIVE: JANUARY 1, 1998

