
26 CFR 601.203: *Offers in compromise.*
(Also Part I, Section 7122; 301.7122-1)

Rev. Proc. 96-38

SECTION 1. PURPOSE

This revenue procedure provides guidance to taxpayers who wish to submit offers in compromise on photocopies or computer generated copies of Form 656, Offer in Compromise, published by the Service at the time the taxpayer makes the offer. This revenue procedure also establishes the conditions under which the Service will process offers submitted on such forms. Specifically, this revenue procedure sets forth the required content of a photocopied or a computer generated Form 656 and states that taxpayers who submit offers on such copies authorize the Service to treat them as verbatim duplicates of the Form 656 published by the Service.

SEC. 2. CHANGES

.01 This revenue procedure provides guidance to taxpayers who wish to submit offers in compromise on photocopies or computer generated copies of Form 656, Offer in Compromise, which the Service publishes and processes when the taxpayer makes the offer.

.02 This revenue procedure declares Rev. Proc. 57-41, 1957-2 C.B. 1119 and Rev. Proc. 80-6, 1980-1 C.B. 586 obsolete.

SEC. 3. PROCEDURE

.01 The Service administers an offer in compromise program whereby a taxpayer may submit an offer to compromise a tax liability based on doubt as to liability or doubt as to collectibility. These offers are submitted on Form 656, Offer in Compromise, which is revised by the Service when necessary.

.02 The Service will receive for processing legible photocopies or computer generated copies that are verbatim duplicates of the most current, revised version of Form 656, Offer in Compromise, published by the Service when the taxpayer makes the offer. However, this procedure only applies to revised versions of Form 656 showing a revision date after September 1993. (See Sec. 6 for a description of the revised versions of Form 656 to which this revenue procedure applies.) An offer submitted on a photocopy or computer generated copy of Form 656 must be printed on the same size paper the Service uses to publish Forms 656 at the time the offer is made. (The Service currently publishes Form 656 on paper measuring eight and one-half by eleven inches).

.03 When a taxpayer makes an offer on a form that appears to be a photocopy or computer generated copy of Form 656, then pursuant to the terms of that form, the taxpayer authorizes the Service to treat the copy as a verbatim duplicate of the Service's most currently revised version of Form 656 that has a revision date after September 1993.

.04 An offer submitted on a photocopy or computer generated copy of Form 656 must bear the taxpayer's original signature and initials, if required. The Service will not process an offer in compromise bearing a signature or initials that were duplicated by electronic or photographic means, *i.e.*, a facsimile transmission or photocopy.

.05 If a taxpayer submits an offer in compromise on a photocopy or computer generated copy of Form 656 and the terms and conditions of the offer appear on any page other than the front and reverse sides of the signature page, then the taxpayer must initial and date all pages containing terms and conditions of the offer.

.06 The decision whether to process photocopies or computer generated copies of Form 656 remains within the Service's discretion.

SEC. 4. INQUIRIES

Inquiries regarding this revenue procedure should be directed to Internal Revenue Service, Office of Special Procedures CP:CO:C:SP, 1111 Constitution Avenue, N.W., Washington, D.C. 20224.

SEC. 5. EFFECT ON OTHER REVENUE PROCEDURES

This revenue procedure declares Rev. Proc. 57-41, 1957-2 C.B. 1119 and Rev. Proc. 80-6, 1980-1 C.B. 586 obsolete. Rev. Proc. 57-41 is obsolete because it required taxpayers to use a revision of Form 656 that is not currently published or processed by the Service. Rev. Proc. 80-6 is obsolete because the delegations and procedural matters described therein have been superseded, *i.e.*, delegations of authority are now set forth in Delegation Order No. 11 (Rev. 24) and IRM Handbook 1229; all other procedural matters described therein are now set forth in Delegation Order No. 11 (Rev. 24), IRM Handbook 1229, IRM 57(10)0 through 57(10)(23).4, IRM 8(13)20 through 8(13)70, and CCDM (34)510 through (34)560.

SEC. 6. EFFECTIVE DATE

This revenue procedure is effective when published. It applies to all revisions of Form 656, Offer in Compromise, showing a revision date after September 1993. The Service is currently revising Form 656. The version of Form 656 currently published by the Service bears the revision date of September 1993. This revenue procedure shall not apply to the September 1993 version of Form 656, and the Service will not process substitute forms based on that version, but will process substitute forms based on the next revised version.

DRAFTING INFORMATION

The principal author of this revenue procedure is Elizabeth Rawlins of the Office of Assistant Chief Counsel (General Litigation). For further information regarding this revenue procedure, contact Elizabeth Rawlins on (202) 622-3630 (not a toll-free call).