

**Attach your check or money order payable to the "Hawaii State Tax Collector" here.**

**Section 1 Your Contact Information**

Your first name, middle initial, last name	Your social security number
If this is a joint offer, spouse's first name, middle initial, last name	Your spouse's social security number
Your mailing address (number and street)	
City or town, state, and postal/ZIP code	Your telephone number
Business name	Federal employer identification number
Your business mailing address (number and street)	
City or town, state, and postal/ZIP code	Business telephone number
Name of your representative (attach Form N-848)	Your representative's telephone number

**Section 2 Proposed or Assessed Tax Amounts**

**To: Director of Taxation**  
**In the following agreement, the pronoun "we" may be assumed in place of "I" when there are joint liabilities and both parties have signed this agreement.**  
**I submit this offer to compromise the tax liabilities including interest, penalties, additions to tax, and additional amounts required by law for the tax type(s) and period(s) listed below:**

Type of Tax	Period	Amount of Tax	Amount of Penalty	Amount of Interest	Total Amount

If you need more space, attach another sheet of paper titled "Attachment to Form CM-1 dated \_\_\_\_."

**Section 3 Reason for Offer (Select one reason)**

- Doubt as to Collectibility - I have insufficient assets and income to pay the full amount.
- Doubt as to Liability - I have a legitimate reason that I do not owe part or all of the tax debt. I am submitting a written narrative with this offer to explain my circumstances.
- Exceptional Circumstances (Effective Tax Administration) - I owe this amount and have sufficient assets to pay the full amount, but due to my exceptional circumstances, requiring full payment would cause an economic hardship or would be unfair and inequitable. I am submitting a written narrative with this offer to explain my circumstances.

**Section 3 (Continued)**

**Reason for Offer**

**Explanation of Circumstances (Attach additional pages, if needed)**

The Department of Taxation understands that there are unplanned events or special circumstances, such as serious illness, where paying the full amount or the minimum offer amount might impair your ability to provide for yourself and your family. If this is the case and you can provide documentation to prove your situation, then your offer may be accepted despite your financial profile. Describe your situation below and attach your supporting documentation to this form.

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**Section 4**

**Low-Income Certification (Individuals Only)**

Do you qualify for low-income certification? You qualify if your gross monthly household income is less than or equal to the low-income certification guidelines published by the Internal Revenue Service (IRS) at the time your offer is submitted to the Department of Taxation.

Check here if you qualify for low-income certification based on the monthly income guidelines printed on federal Form 656. Then enter your information in the spaces below.

Size of your family unit	State you live in	Your monthly income	IRS monthly income guideline
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**Section 5**

**Offer Amount and Payment Terms**

Select option A (lump-sum offer in compromise) or option B (periodic payment offer in compromise) and complete the section for your offer type. Your offer must be accompanied with a minimum initial payment as indicated below. If you do not submit the minimum initial payment with your offer, then your offer will be rejected. The minimum initial payment will be waived for individuals who apply for and meet the low-income certification requirements in section 4.

**Option A. Lump-Sum Offer in Compromise** - I am offering to pay in five or fewer monthly installments. Your offer must include a minimum initial payment of at least 20% of your total offer amount unless you meet the low-income certification requirements. Installment #1 must be made no later than 30 days after the date of acceptance.

Total Offer Amount		-	Initial Payment Submitted with Offer		=	Remaining Balance	
Installment #1	Installment #2	Installment #3	Installment #4	Installment #5			
Installment Amount	Installment Amount	Installment Amount	Installment Amount	Installment Amount			
\$	\$	\$	\$	\$			

**Option B. Periodic Payment Offer in Compromise** - I am offering to pay in six or more monthly installments. Your offer must include a minimum initial payment of one monthly installment unless you meet the low-income certification requirements. Your offer must be fully paid within 24 months from the date your offer is accepted.

Total Offer Amount		-	Initial Payment Submitted with Offer		=	Remaining Balance	
Monthly Installment Amount	x	Number of Payments		=	Total		
\$							

I agree to pay monthly installments by the \_\_\_\_\_ day of each month beginning on \_\_\_\_\_ (mm/dd/yy) until the total amount of the offer is paid in full.

**Section 6 Offer Terms**

By submitting this offer, I/we have read, understand and agree to the following terms and conditions:

1. I request that the Department of Taxation (Department) accept the offer amount listed in this offer application as payment of my outstanding tax debt (including interest, penalties, and additions to tax) as of the date listed on this form. I authorize the Department to amend Section 2 on page 1 in the event that I failed to list or incorrectly listed any of my assessed tax debt.
2. I voluntarily submit the payments made on this offer and understand that they are not refundable even if I withdraw the offer or the Department rejects or returns the offer. The Department will keep all payments and other credits it has collected prior to this offer and any payments that I make relating to this offer.
3. I understand that the Department will keep all payments, credits, refunds, including interest, that I might be due for tax periods extending through the calendar year in which the Department accepts my offer. I cannot designate that these amounts be applied to estimated tax payments for the following year or the accepted offer amount. If I receive a refund after I submit this offer for any tax period extending through the calendar year in which the Department accepts my offer, I will return the refund immediately to the Director of Taxation (Director).
4. The payments and all other amounts kept by the Department shall be applied to my tax debt in the best interest of the State and in a manner consistent with section 231-27, Hawaii Revised Statutes.
5. If I fail to meet any of the terms of this offer, the Department may take collection actions against me without further notice. These actions may include, but are not limited to levying my property, filing a civil suit against me, garnishing my wages, and referral to a private collection agency. The Department will attempt to collect any amount ranging from the unpaid balance of the offer to the original amount of the tax debt, interest on the unpaid balance at the rate of 8 percent per year, and cost recovery fees. If I fail to meet any terms of this offer, I waive the right to contest, in court or otherwise, the amount of the tax debt.
6. I understand that my offer does not relieve me of the tax liabilities (including interest, penalties, and additions to tax) listed in this offer unless and until it is actually accepted in writing by the Director or his authorized representative, approved by the Governor (where applicable), and the terms of the offer have been satisfied. Once the Department accepts my offer in writing, I waive all rights to contest, in court or otherwise, the amount of the tax debt.

**Section 7 Signature of Taxpayer(s)**

If this is a joint offer, then both spouses must sign the form. If signed by a corporate officer, partner, limited liability company member, guardian, tax matters partner/person, executor, receiver, administrator, or trustee on behalf of the taxpayer, I certify that I have the authority to execute this form on behalf of the taxpayer. I declare that this offer (including any accompanying schedules or statements) has been examined by me and, to the best of my knowledge and belief, it is true, correct, and complete.

<p>➤ _____ Signature</p> <p>_____</p>	<p>_____</p> <p>Title</p>	<p>_____</p> <p>Date</p>
<p>_____</p> <p>Print name</p>	<p>_____</p> <p>Print taxpayer's name if the taxpayer is not an individual</p>	
<p>➤ _____ Signature</p> <p>_____</p>	<p>_____</p> <p>Title</p>	<p>_____</p> <p>Date</p>
<p>_____</p> <p>Print name</p>		

**Section 8 Paid Preparer Use Only**

<p>Preparer's signature ➤</p>	<p>Date</p>	<p>Check if self-employed <input type="checkbox"/></p>
<p>Print preparer's name ➤</p>	<p>Preparer's identification no.</p>	<p>Federal employer identification number</p>
<p>Firm's name (or yours if self-employed), address and ZIP Code</p>		