

Delegation Order No. 5-1 (Rev. 2)

Effective Date: May 19, 2006

To Accept, Reject, Return, Terminate or Acknowledge Withdrawals of Offers in Compromise

Acceptance Authority

(1) **Authority:** To accept offers in compromise based on:

- Doubt as to liability.

(2) **Delegated to:** SB/SE Director, Examination Policy; SB/SE Chiefs reporting directly to Director, Specialty Programs; SB/SE Examination Territory Managers; SB/SE Specialty Programs, including International, Territory Managers (2nd Level); SB/SE Technical Services Territory Managers; SB/SE Compliance Services Department Managers; and Appeals Team Case Managers and Team Case Leaders

(3) **Authority:** To accept offers in compromise based on:

- Effective Tax Administration based on public policy or equity considerations.

(4) **Delegated to:** SB/SE Director, Collection Policy; SB/SE National Program Manager (OIC); SB/SE Collection Area Directors; Appeals Director, Field Operations

(5) **Authority:** To accept offers in compromise based on:

- Effective Tax Administration based on economic hardship,
- Doubt as to collectibility, and
- Offers involving employees of the Internal Revenue Service

(6) **Delegated to:** SB/SE Director, Collection Policy; SB/SE National Program Manager (OIC); SB/SE Collection Territory Managers (2nd Level); SB/SE Compliance Services Department Managers (COIC); Appeals Area Directors.

(7) **Authority:** To accept offers in compromise, excluding offers from employees of the Internal Revenue Service based on:

- Doubt as to collectibility, excluding special circumstances

(8) **Delegated to:** Appeals Team Managers and Team Case Leaders.

(9) **Authority:** To accept offers in compromise, excluding offers from employees of the Internal Revenue Service, based on:

- Doubt as to collectibility when the assessed liability is less than \$250,000
- Effective Tax Administration OICs based on economic hardship, and doubt as to collectibility with special circumstances, when the assessed liability is less than \$100,000

- Doubt as to liability of trust fund recovery penalty and personal liability for excise tax when the liability (including interest, penalty, additional amount, or additional tax) is less than \$100,000

(10) **Delegated to:** SB/SE Collection, Examination, and Specialty Program Group Managers, for their respective cases; SB/SE Compliance Services Offer Examiner Unit Managers (COIC).

Rejection Authority

(1) **Authority:** To reject offers in compromise for public policy reasons, or on the basis that the offer is not in the best interests of the government

(2) **Delegated to:** SB/SE Director, Collection Policy; SB/SE National Program Manager (OIC); SB/SE Compliance Services Operations Managers (COIC); SB/SE Collection, Territory Managers (2nd Level); Appeals Director, Field Operations.

(3) **Authority:** To reject offers in compromise based on:

- Doubt as to liability

(4) **Delegated to:** SB/SE Director, Collection Policy; SB/SE National Program Manager (OIC); SB/SE Director, Examination Policy; SB/SE Chiefs reporting directly to SB/SE Director, Specialty Programs; SB/SE Compliance Territory Managers (2nd Level); SB/SE Compliance Services Department Managers; SB/SE Technical Services Territory Managers; Appeals Team Managers and Appeals Team Case Leaders.

(5) **Authority:** To reject offers in compromise, excluding public policy or on the basis that the offer is not in the best interests of the government, based on:

- Effective tax administration
- Doubt as to collectibility
- Doubt as to liability of trust fund recovery penalty and personal liability for excise tax

(6) **Delegated to:** SB/SE Director, Collection Policy; SB/SE National Program Manager (OIC); SB/SE Director, Examination Policy; SB/SE Chiefs reporting directly to SB/SE Director, Specialty Programs; SB/SE Compliance Group Managers; SB/SE Compliance Services Offer Examiner Unit Managers (COIC); Appeals Team Managers and Appeals Team Case Leaders.

Withdrawal Authority

(1) **Authority:** To acknowledge withdrawal of all offers in compromise.

(2) **Delegated to:** SB/SE Collection, Examination, and Specialty Programs Group Managers, for their respective cases; SB/SE Compliance Services Unit Managers responsible for offer in compromise processing; Appeals Team Managers and Appeals Team Case Leaders.

Return Authority

(1) **Authority:** To return all offers in compromise.

(2) **Delegated to:** SB/SE Collection, Examination, and Specialty Program Group Managers, for their respective cases; SB/SE Compliance Services Unit Managers responsible for offer in compromise processing; Appeals Team Managers and Appeals Team Case Leaders.

(3) **Authority:** To return offers in compromise excluding those based on failure to provide financial information, failure to make required estimated tax payments, or “solely to delay” collection considerations.

(4) **Delegated to:** Offer in Compromise Specialists; GS-11 Revenue Agent Reviewers; Offer in Compromise Examiners, Offer in Compromise Process Examiners and Journey level SB/SE Compliance Services Tax Examiners

Termination Authority

(1) **Authority:** To terminate consideration of any offer in compromise upon the death of a taxpayer.

(2) **Delegated to:** GS-11 Revenue Agent Reviewers; Offer in Compromise Specialists, Offer in Compromise Examiners, Offer in Compromise Process Examiners and Journey level SB/SE Compliance Services Tax Examiners; Appeals Team Managers and Appeals Team Case Leaders.

(3) **Authority:** To terminate a compromise agreement upon a taxpayer’s default of the terms of a compromise or the terms of any collateral agreement.

(4) **Delegated to:** The official who accepted the offer in compromise or his/her successor; W&I and SB/SE Compliance Services Unit Managers.

(5) **Redelegation:** The above authorities may not be redelegated.

(6) **Sources of Authority:** 26 CFR 301.7122-1; and 26 CFR 301.7701-9; Treasury Order 150-10.

(7) This order supersedes Delegation Order No. 5-1. To the extent that the authority previously exercised consistent with this order may require ratification; it is hereby affirmed and ratified.

(8) Signed: Mark E. Matthews, Deputy Commissioner for Services and Enforcement