

Check-the-Box Disclosure Authority

Announcement 2005–6

In July 2004, the Internal Revenue Service issued a revision to Form 656, *Offer in Compromise*. Form 656 is used by taxpayers to request that the Service enter into an agreement between the taxpayer and the government that settles a tax liability for payment of less than the full amount owed. The purpose of this announcement is to highlight the addition of a “check-the-box” disclosure authorization on Form 656.

The check-the-box authorization, which is provided in Item 14 on Form 656, allows a taxpayer to designate the person identified in the taxpayer’s Form 2848, *Power of Attorney and Declaration of Representative*, or another third party to assist the taxpayer by discussing the offer in compromise and related return information with the Service. The check-the-box authorization facilitates the processing of the offer in compromise by enabling the Service to discuss the offer with the third party so that the Service is able to obtain information needed to complete the processing of the offer.

The authorization of a third party to discuss the offer with the Service is limited to assisting the taxpayer in providing information to the Service for the initial processing of the taxpayer’s offer in compromise. The authorization does not permit the designated third party to practice before the Service, including the Service’s

collection function, under Circular 230, 31 C.F.R. pt. 10, § 10.2(d), unless the designated person is an attorney, a CPA, or an enrolled agent. If the designated person is an attorney, a CPA, or an enrolled agent, and the taxpayer has attached a properly completed Form 2848 to the Form 656, the designated person may represent the taxpayer before the Service with respect to the offer in compromise.

DRAFTING INFORMATION

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