



CITY OF CHICAGO
DEPARTMENT OF FINANCE
APPLICATION FOR OFFER IN COMPROMISE OF A TAX DEBT
BASED ON FINANCIAL HARDSHIP

CITY OF CHICAGO

DEPARTMENT OF FINANCE

FINANCIAL HARDSHIP APPLICATION

- 1) **Who should apply?** - This Financial Hardship Application (AApplication@) is a request for an agreement between a business or an individual and the Chicago Department of Finance (the ADepartment@) that resolves the business=s or individual=s tax liability to the City of Chicago. Under section 3-4-153 of the Municipal Code of Chicago, the City Comptroller (the AComptroller@), with the approval of the Department of Law, has the authority to abate any tax liabilities that have been assessed when the Comptroller determines that there is an uncertainty as to the collectability of the assessment within a reasonable period of time. The Comptroller=s decision will be made after a review of the recommendations presented by the Financial Hardship Committee (the ACommittee@). It is expected that the Committee will make its recommendation to the Comptroller within 45 days of its receipt of a completed Application, and that the Comptroller=s decision will be made within 30 days of the Comptroller=s receipt of the Committee=s recommendation.
- 2) **Power of Attorney** - If this Application is completed by someone other than a) an owner or officer of the business that has been assessed a tax liability or b) an individual who has been assessed a tax liability, a completed Power of Attorney form must be on file with the Department or submitted with this Application.
- 3) **Completed Application** - This Application is complete when all schedules and line items have been completed or answered, and all supporting documents are attached or included. The applicant will be contacted for any missing required information. If no response is received from the applicant or the required information is not received **within 45 days of the letter requesting this information**, the Application will be rejected as being incomplete, and the Department will continue its efforts to collect the total amount of the tax liability.
- 4) **Post Assessment Periods** - The business must provide all City of Chicago tax returns for the periods subsequent to the close of the period for which the assessment or assessments has been made. If these returns have previously been filed, amended returns must be filed which conform to the methodology that the Department used in computing the tax liability on the notice of assessment.
- 5) **Federal Income Tax Returns** - Applicant must provide copies of applicant=s federal and state income tax returns that were signed by applicant, including all schedules, that encompass the periods of the assessment, as well as any recent returns that include periods subsequent to the assessment periods.
- 6) **Other Supporting Documents** - All documents that support the applicant=s claim of an inability to pay a tax liability owed to the City of Chicago because of financial hardship should be included. In addition to the documents requested in the Application, supporting documents which must also be submitted are a) bank statements for the last six months, b) debts secured by liens or mortgages, and c) for individuals, paycheck vouchers for the last two months.
- 7) **Responsible Owner/Officer/Partner/Employee's Personal Credit Information** - Any owner of a sole proprietorship, or any officer, employee, partner or other individual who controls, supervises, or is responsible for the filing of Chicago tax returns or the payment of Chicago taxes must complete an application for himself or herself and provide and include personal federal and state income tax returns for the same periods as the business.
- 8) **Related Entity** - For purposes of this application, a related entity is any company, partnership, or other legal entity, including but not limited to individuals, that owns the applicant, is owned by the applicant, or is owned by the owner of the applicant. Individuals are related if they are spouses, parents, siblings, children, grandparents, or grandchildren.

SEND YOUR COMPLETED APPLICATION TO:

FINANCIAL HARDSHIP COMMITTEE
Chicago Department of Finance
2 N. La Salle Street, Suite 1310
Chicago, Illinois 60602

SECTION I. GENERAL INFORMATION FOR BUSINESS

- 1) Name of Business: _____ FEIN: _____
Street Address: _____ Email: _____
City, State, ZIP: _____ Phone Number: (____) _____

- 2) Is business currently a going concern? ____ Yes ____ No. If no, attach a written statement and documentation explaining when and why the business ceased operations.

- 3) Is business currently in (check applicable status and attach supporting documents):
_____ Bankruptcy _____ Assignment For the Benefit Of Creditors
_____ Receivership _____ Financial Hardship with another taxing body

- 4) Business is a ____ sole proprietorship ____ partnership ____ corporation ____ other (specify) _____.

- 5) Complete for each owner, partner, major shareholder (25% or more), etc. (attach separate sheet if necessary):

<u>Name</u>	<u>Title</u>	Home	<u>Phone</u>	Ownership
		<u>Address</u>		<u> </u> %

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- 6) Describe business of taxpayer and all services and products it provides (attach separate sheet if necessary):

 - 7) Complete for each partner or officer and briefly describe their duties, identifying the person who controls, supervises, or is responsible for the filing of Chicago tax returns and payment of taxes (attach separate sheet if necessary):

<u>Name</u>	<u>Title</u>	Home	<u>Duties</u>
		<u>Address</u>	

SECTION II. GENERAL FINANCIAL INFORMATION FOR BUSINESSES

- 1) **Bank Accounts** - Provide below the name, address, and account number of all bank and credit union accounts. Include checking, payroll, savings, bank certificates of deposit, etc. (attach separate sheet if necessary):

<u>Name of Institution</u>	<u>Address</u>	<u>Account Type</u>	<u>Account Number</u>
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- 2) **Safe Deposit Box** - Provide the location, box number, and contents of all safe deposit boxes rented or accessed (attach separate sheet if necessary):

<u>Name of Institution</u>	<u>Address</u>	<u>Box Number</u>	<u>Contents</u>
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- 3) **Interest in Real Property** - Provide the type, address, purchase price, date of purchase, percentage of ownership and type of ownership in any real property (attach a separate sheet if necessary):

<u>Description</u>	<u>Address</u>	<u>Purchase Price</u>	<u>Date of Purchase</u>	<u>Ownership %</u>	<u>Type of Ownership</u>
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- 4) **Securities** - Provide the type and quantity of any securities owned (e.g., stocks, bonds, mutual funds, and money market funds, non-bank certificates of deposit), or identify the brokerage firm in which these securities are held (attach separate sheet if necessary):

<u>Description/Institution</u>	<u>Quantity/Account #</u>
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5) **Life Insurance** - Identify the life insurance policies owned, the beneficiary, and face amount (attach separate sheet if necessary):

<u>Name of Insured</u>	<u>Insurance Company</u>	<u>Policy Number</u>	<u>Beneficiary</u>	<u>Type</u>	<u>Face Amount</u>
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6) **Notes/Accounts Receivable** - Identify the notes and receivables, including loans to companies, partnerships, officers, partners, etc. (attach separate sheet if necessary):

<u>Name of Debtor</u>	<u>Address</u>	<u>Amount Due</u>	<u>Date Due</u>	<u>Status</u>	<u>Rate of Interest</u>
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7) **Motor Vehicles** - Identify the motor vehicles owned or leased (attach separate sheet if necessary):

<u>Model</u>	<u>Year</u>	<u>License Tag #</u>	<u>Creditor/Lessor</u>	<u>Owned or Leased?</u>
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8) **Lines of Credit** - Provide the credit available from a financial institution (attach separate sheet if necessary):

<u>Name of Institution</u>	<u>Address</u>	<u>Credit Limit</u>	<u>Amount Owed</u>	<u>Credit Available</u>	<u>Monthly Payments</u>
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Are payments current? ___ Yes ___ No. If no, how much in arrears? _____ (amount).

9) **Rentals** - Identify long term rentals (one year or more) and the lessors (attach separate sheet if necessary):

<u>Rental Property</u>	<u>Lessor</u>	<u>Lessor Address</u>	<u>Length of Lease</u>	<u>Lease Payment</u>
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10) Is any lessor, identified above, a related entity? ____ Yes ____ No. If yes, explain how the rental fee was determined:

11) **Future capital expenditures** - Identify the applicant's commitments for future capital expenditures, explain the purpose of such commitments, and identify the anticipated sources of funds needed to fulfill such commitments (attach separate sheets if necessary).

<u>Capital Expenditure</u>	<u>Year Required</u>	<u>Purpose</u>	<u>Source of Funds</u>
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SECTION III. BALANCE SHEET ANALYSIS FOR BUSINESS

Description	Market Value	Amount Owning	Equity	Monthly Payment	Name & Address of Creditor	Date of Debt	Last Paymt Date
Cash on hand							
Bank accounts							
Securities							
Accounts/notes receivable							
Life insurance loan value							
Real property:							
a							
b							
Vehicles:							
a							
b							
Machinery & Equipment							
Inventory							
Other assets:							
a							
b							
c							
Other liabilities:							
a							
b							
c							
Taxes owed							
Totals							
Net equity							

SECTION IV. INCOME AND EXPENSE ANALYSIS FOR BUSINESS

Income for period since last federal income tax return	Amount	Total Income
Gross receipts from sales and services		
Gross rental income		
Interest		
Dividends		
Other income (specify)		
TOTAL INCOME		

Expenses for period since last federal income tax return	Amount	Total Expenses
Purchases		
Wages, contract services		
Rents paid		
Utilities		
Transportation		
Repairs		
Insurance		
Other (specify on attachment)		
TOTAL EXPENSES		

NET INCOME for period since last federal income tax return	
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SECTION V. GENERAL FINANCIAL INFORMATION FOR INDIVIDUALS

NOTE: This section must be completed by a) any individual assessed for a tax liability as a responsible officer, partner, employee, or limited liability company manager or member who is requesting a compromise of the assessed liability; b) the owner of the sole proprietorship that is requesting a compromise of the business=s tax liability; and c) each individual identified in Section I, paragraph 7, above, who is responsible for filing, paying, or remitting Chicago tax returns for the company, partnership, or limited liability company that is requesting a compromise of the business=s tax liability (the Aresponsible individual@). The information for the spouse need only be provided where the spouse is jointly liable for the tax liabilities or has received property, including money, from the applicant or the responsible individual without adequate consideration.

1) Name:

2) Residence Address:

3) Are you married? ___ Yes ___ No. If yes, provide name:

4) Do you have any children? ___ Yes ___ No. If yes, provide name and age of each child living with you:

5) Is your spouse currently employed? ___ Yes ___ No. If yes, provide the name and address of employer:

6) Are you an employee of any other business or enterprise? ___ Yes ___ No. If yes, provide the name and address of your employer, and your job title:

7) Have you or your spouse filed for (check applicable status and attach supporting documents):
_____ Bankruptcy _____ Financial Hardship with another taxing body

8) **Bank Accounts** - Provide the name, address, and account number of all bank accounts over which the responsible individual has signature authority. Include checking, payroll, savings, certificates of deposit, etc. (attach separate sheet if necessary):

<u>Name of Institution</u>	<u>Address</u>	<u>Account Type</u>	<u>Account Number</u>
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- 9) **Safe Deposit Box** - Provide the location, box number, and contents of all safe deposit boxes rented or accessed (attach separate sheet if necessary):

<u>Name of Institution</u>	<u>Address</u>	<u>Box Number</u>	<u>Contents</u>
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- 10) **Interest in Real Property** - Provide the type, address, purchase price, date of purchase, percentage of ownership and type of ownership in any real property, including beneficial interests in trusts that own real property (attach a separate sheet if necessary):

<u>Description</u>	<u>Address</u>	<u>Purchase Price</u>	<u>Date of Purchase</u>	<u>Ownership %</u>	<u>Type of Ownership</u>
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- 11) **Securities** - Provide the type and quantity of any securities owned (e.g., stocks, bonds, mutual funds, money market funds, non-bank certificates of deposit), or identify the brokerage firm in which these securities are held (attach separate sheet if necessary). Include IRA=s and all retirement accounts:

<u>Description/Institution</u>	<u>Quantity/Account #</u>
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- 12) **Trusts** - Identify the trusts of which you are either the creator, the designated beneficiary, or the trustee (attach separate sheet if necessary):

<u>Name of Trust</u>	<u>Trustee</u>	<u>Creator</u>	<u>Beneficiary</u>	<u>Type</u>
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- 13) **Life Insurance** - Identify the life insurance policies owned, the beneficiary, and face amount:

<u>Name of Insured</u>	<u>Insurance Company</u>	<u>Policy Number</u>	<u>Beneficiary</u>	<u>Type</u>	<u>Face Amount</u>
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14) **Notes/loans** - Identify the notes and loans, including loans to companies, relatives, etc. (attach separate sheet if necessary):

<u>Name of Debtor</u>	<u>Address</u>	<u>Amount</u>	<u>Date</u>	<u>Status</u>	<u>Rate of</u>
		<u>Due</u>	<u>Due</u>		<u>Interest</u>

15) **Motor Vehicles** - Identify the motor vehicles owned or leased (attach separate sheet if necessary):

<u>Model</u>	<u>Year</u>	<u>License Tag #</u>	<u>Creditor/Lessor</u>
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16) **Interests in other businesses** - Provide the name, address, and percentage of ownership in all other enterprises (attach a copy of the balance sheet of each business):

<u>Name</u>	<u>Address</u>	<u>Ownership %</u>
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17) **Lines of Credit** - Provide the credit available from a financial institution (attach separate sheet if necessary):

<u>Name of Institution</u>	<u>Address</u>	<u>Credit</u>	<u>Amount</u>	<u>Credit</u>	<u>Monthly</u>
		<u>Limit</u>	<u>Owed</u>	<u>Available</u>	<u>Payments</u>

18) **Interest In Other Assets** - Identify below (attach a separate sheet if necessary) the type of all other assets, include items such as stamp or coin collections, artwork, personal property pawned, etc. and identify and explain any related legal claims or encumbrances.

19) **Credit Cards** - Provide the credit available from a credit cards (attach separate sheet if necessary):

<u>Name of Institution</u>	<u>Account</u>	<u>Credit</u>	<u>Amount</u>	<u>Credit</u>	<u>Monthly</u>
	<u>Number</u>	<u>Limit</u>	<u>Owed</u>	<u>Available</u>	<u>Payments</u>

SECTION VI. BALANCE SHEET ANALYSIS FOR INDIVIDUAL

Description	Market Value	Amount Owing	Equity	Monthly Payment	Name & Address of Creditor	Date of Debt	Last Paymt Date
Cash on hand							
Bank accounts							

Securities							
Accounts/notes receivable							
Life insurance loan value							
Real property:							
a							
b							
Vehicles:							
a							
b							
Other assets:							
a							
b							
c							
Other liabilities:							
a							
b							
c							
Taxes owed							
Totals							
Net equity							

SECTION VII. INCOME AND EXPENSE ANALYSIS FOR INDIVIDUAL

Income for most recent quarter	Amount	Total Income
Wages (taxpayer)		
Wages (spouse)		
Interest, dividends		
Retirement/pension (taxpayer)		
Retirement/pension (spouse)		
Rents received		
Alimony received		
Child support received		
Other		
TOTAL INCOME		

Living Expenses for quarter	Amount	Total Expenses
Food & clothing		
Personal & miscellaneous		
Housing		
Utilities		
Transportation		
Health care & insurance		
Taxes (income & FICA)		
Life insurance		
Child/dependent care		
Court ordered payments		
Secured debts (other than house or auto payments)		
Other (specify on attachment)		
TOTAL EXPENSES		

SURPLUS INCOME for quarter	
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SECTION VIII. OFFER IN COMPROMISE OF TAX LIABILITY

1) Identify the tax type, total amount assessed, and interest accrued to date (attach supporting documents):

	Tax #1	Tax #2	Tax #3	Totals
Tax Type				
Periods				
Principal Tax Due				
Assessed Interest				
Penalties				
Additional interest to date				
Totals				

2) Identify the tax type and total amounts owed for periods subsequent to the date of the assessment as of the date of this Application (attach supporting documents):

	Tax #1	Tax #2	Tax #3	Totals
Tax Type				
Periods				
Principal Tax Due				
Interest				
Penalties				
Totals				

3) The total amount offered in compromise of the tax liabilities due in paragraph 1 above is \$_____.

4) Will the amount offered be paid in full with this offer? ____ Yes ____ No. If no, explain why applicant is unable to pay the full amount due in paragraph 1 above.

5) If the amount offered will not be paid in full as a lump sum, describe how and when full payment will be made.

6) From what source(s) will the amount offered be paid? _____

7) Identify and explain any known commitments or events that affect the applicant's offer of compromise and the applicant's ability to pay the amount offered which have not otherwise been identified in this Application (attach additional sheets if necessary).

CERTIFICATION

I, _____, the undersigned, under penalty of perjury, certify that I have examined this Application, and that the statements set forth in this instrument and its accompanying attachments are true, correct and complete. I understand that falsification of this Application, or any part thereof will be grounds for rejection of this Application as well as the rescission of any subsequent settlement agreement based upon any material misrepresentations of fact found by the Chicago Department of Finance. Under penalty of perjury, I further certify that all required City of Chicago tax returns have been filed as of the date of this Application.

Signature

Date

Print Name

Print Title