

The Offer in Compromise Program

An Offer in Compromise (OIC) agreement lets you offer the Vermont Department of Taxes (VDT) a smaller amount of money to settle your tax liability than what you owe.

If VDT accepts your offer, your tax debt will be considered fully paid once you pay the new, smaller amount.

You Can Only Make an OIC After Your Tax Debt is “Final.”

The Department will your offer if:

- VDT decides it will take you an unreasonable amount of time to pay your entire tax debt.
- You do not believe you owe the amount due, or
- Full repayment will create economic hardship for you

Making the Offer

There are minimums. Your offer must be at or above the minimum offer amount calculated on the [Offer in Compromise forms](#).

Speed helps. If you can repay faster, you can make a lower offer.

Be honest. If VDT finds you can pay more than your offer or you can pay in full, your offer will be rejected. [Read more](#) about the process and requirements, and possible reasons for rejection.

If accepted, you'll agree to new payment terms for the new amount.

If rejected, you'll get a letter to explain why. Contact us to setup a payment plan.

We're Here to Help

VDT staff can help you understand the forms and materials needed for an OIC Agreement. Email tax.collections@vermont.gov with questions or call 802-828-2518.

This page is an overview only. See the [OIC webpage](#) for complete instructions and the OIC program in Vermont law, [32 V.S.A. § 5887\(c\)](#).