

What is an Abatement Application?

Abatement is a process that can be used to reduce all, or a portion of the tax, penalty, and interest.

An abatement is not an appeal. If you are within 60 days of your notice of assessment or refund denial letter, you should file an appeal if you disagree with the Department's decision. For more information on appeals, go to revenue.iowa.gov/TBOR. Decisions to grant or deny an abatement are discretionary. The Department's decision on the abatement is final and cannot be appealed.

Do not use this application if you are applying for relief based on inability to pay or financial hardship. If you have a liability that you want to offer to settle for an amount less than what is owed due to inability to pay the full amount, contact the Central Collections Unit at 515-281-3114.

Use This Application for Billings or Refund Denials if You Meet One or Both of the Following Criteria.

- **Doubtful Liability:** A doubtful liability occurs when there is a significant doubt as to the existence of a tax liability or the correct amount of tax liability under the law. If the tax liability has been established by a final court judgment or administrative ruling concerning the existence of the tax liability, the Department will not find the tax to be a doubtful liability. Doubtful liability is not based on your ability to pay.
- **Promote effective tax administration:** Promoting effective tax administration occurs where compelling administrative or equity considerations identified by the taxpayer provide a sufficient basis for settling the liability that is equitable under the particular facts and circumstances of the situation. Abatements under this category will be justified only where, due to exceptional circumstances, collection of the full liability may undermine public confidence that the tax laws are being administered in a fair and equitable manner. The taxpayer will be expected to demonstrate circumstances that justify settlement even though a similarly situated taxpayer may have paid their liability in full.

Who Can Submit the Application?

The taxpayer(s) and any third party registered as a Power of Attorney. A Representative Certification form will also be required in certain circumstances.

How to Submit an Abatement Application

- Respond online at govconnect.iowa.gov by selecting Respond to a Letter
- Complete and mail the form to Iowa Department of Revenue, PO Box 10456, Des Moines, IA 50306

What happens after the Abatement Application is filed?

If the application is incomplete, an information request will be sent giving you 30 days to respond. Penalties and interest will continue to accrue while an application is being reviewed. Collections actions will continue, in most cases, as the review is in process. Setoffs, vendor payments, and refunds will continue to be taken to pay the liability. Failure to meet your filing and payment responsibilities while your abatement application is under review may result in your application being rejected. The Department will send you a letter to inform you of the decision to accept, partially accept, or deny the abatement request. Partially approved abatements will include the terms of the agreement and require you to sign and return a signed copy of the letter prior to the changes being made. The Department generally will not issue refunds through abatement (see Iowa Administrative Code rule 701—19.4 for more details.)

For more information on Abatements, see Iowa Code section 421.5 and Iowa Administrative Code chapter 701—19.

**Taxpayer Information:**

Name: _____ Spouse name (if applicable): _____

Address: _____

City: _____ State: _____ ZIP: _____

Phone: _____ Email: _____

Social Security Number (SSN): _____

or Individual Taxpayer Identification Number (ITIN): _____

Federal Employer Identification Number (FEIN): _____

Power of Attorney name: _____

Identification Number (PTIN, IAN, SSN): _____

Assessed Liability Included in Request for Abatement:

Tax Types: _____

Tax Periods: _____

Amount of assessed liability: _____

Reason(s) for Abatement (check all that apply to your billing or refund denial):

- ☐ Doubtful Liability
- ☐ Promote Effective Tax Administration
- ☐ Penalty Waiver (include the Penalty Waiver Request Form (78-629) if you are seeking abatement of penalty and believe you qualify for relief based on one of the reasons listed on the form)

Explanation. Describe how the reason(s) you selected applies to your situation. If you need more space, include additional pages.

Identify all the amounts of tax, penalty, or interest (full or partial) that you are requesting to be abated.

Include and describe any supporting documents you want the Department to consider.

Contact information: If you have questions regarding qualifications for an abatement, please call 515-281-3114.

Your rights as a taxpayer: For more information on your rights as a taxpayer, go to revenue.iowa.gov/TBOR.

TERMS

I (We) voluntarily submit any payments included with this application.

I (We) am/are not the subject of a criminal investigation related to any tax liability nor have I (we) been charged with or convicted of a crime in relation to a tax liability.

I (We) agree that I (we) will remain liable for the full amount of the tax, penalty, or interest liability until I (we) have met all of the terms and conditions of this application and this application is approved by the Department.

I (We) understand that, in accordance with Iowa Code section 421.5, I (we) have no right to settlement or abatement. Any determination by the Department regarding this application is discretionary and shall be final and conclusive except in the case of fraud or mutual mistake of material fact.

I (We) agree that any settlement or abatement is void if the Department determines that I (we) have not provided a full, complete, and accurate application or that I (we) have made material false representations or any fraudulent representations.

I (We) understand that this abatement application, if accepted, is a settlement agreement and settlement agreements are public records pursuant to Iowa Code section 22.13.

I (We) agree that all administrative and judicial appeals and actions, in which the amount of the tax liability that is the subject of this abatement request is being contested, shall be dismissed with prejudice if the application is approved by the Department. The abatement application and any approval by the Department will not dismiss or stay any collection actions by the Department for any unpaid tax liability that remains after a decision on the abatement application.

I (We) agree to waive and release all future appeals and refund claim rights for the tax and tax period(s) that is/are subject to this abatement application if the Department approves the abatement application.

I (We) agree that if the Department approves my abatement application, in whole or in part, I (We) will pay the adjusted tax liability for the tax and tax periods that are the subject of this abatement request within 30 days of the date of an approval letter from the Department or I (We) will establish a payment plan with the Central Collections Unit at 515-281-3114 within 30 days of the date of an approval letter from the Department. I (We) understand that interest will continue to accrue at the statutory rate.

I (We) agree to release all claims, including but not limited to claims for damages or attorney fees, against IDR arising from or related to the examination, audit, assessment, or collection of the tax liability that is the subject of this abatement request.

Signature(s)

I (We) agree to be bound by all the terms and conditions set forth in this application. Under penalties of perjury, I (we) declare that I (we) have examined this application, including any attachments, and to the best of my (our) knowledge and belief, it is true, correct, and complete.

Signature: _____ Date: _____

Signature: _____ Date: _____