



OAG

Office of the Auditor General

Report Summary

Performance Audit

Offer in Compromise (OIC) Program

Department of Treasury (Treasury)

Report Number:
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The OIC Program was established by Public Act 240 of 2014. An OIC is a request by a taxpayer to reduce an assessed tax liability, including penalty and interest. In fiscal year 2019, Treasury accepted 349 offers totaling \$1.6 million. The Technical Services Unit within Treasury administered the OIC Program, and as of June 30, 2020, it had 10 employees that processed OICs.

Audit Objective			Conclusion
Objective: To assess the effectiveness of Treasury's efforts to administer the OIC Program.			Moderately effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
Treasury did not fully implement a process to evaluate whether the cost to administer the OIC Program exceeded its benefits (Finding 1).		X	Agrees
Treasury could maximize the collection of delinquent taxes with more detailed application questions, similar to the Internal Revenue Service (IRS) and other states' programs, and increased communication within its own operations (Finding 2).		X	Agrees

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