
DON'T GUESS. THE IRS DOESN'T.

Before you use the anonymous [IRS Pre-Qualifier Tool](#), gather these "Big Five" categories to ensure your results are grounded in reality, not wishful thinking.

1. THE INCOME SNAPSHOT (LAST 3 MONTHS)

The IRS looks at your current ability to pay, not your "glory days."

- **Pay Stubs:** Every stub for the last 90 days for you and your spouse.
 - **Self-Employed Records:** A Year-to-Date (YTD) Profit & Loss Statement.
 - **Non-Wage Income:** Proof of Social Security, pensions, rental income, or alimony.
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2. LIQUID ASSET & INVESTMENT BALANCES

The "Cash on Hand" rule—if you can spend it today, the IRS wants it.

- **Bank Statements:** The most recent month for every checking/savings account.
 - **Retirement Accounts:** Current balances for 401(k), 403(b), IRAs, and Thrifty Savings Plans.
 - **Brokerage Accounts:** Current statements for stocks, bonds, or mutual funds.
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3. THE "EQUITY TRAP" ASSETS

This is where the IRS calculates your **Reasonable Collection Potential (RCP)**.

- **Real Estate:** Your home's estimated value (Zillow/Redfin) minus your current mortgage balance.
- **Vehicles:** Blue Book value for all cars, boats, or RVs minus any outstanding loans.
- **Business Assets:** Value of equipment, tools, or inventory if you are a business owner.



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4. MONTHLY LIVING EXPENSES (ACTUALS)

The IRS uses "National Standards" for food/clothing, but they need **your** specific numbers for:

- **Housing/Utilities:** Average monthly rent/mortgage plus electric, water, gas, and trash.
- **Transportation:** Monthly car payments, insurance premiums, and average fuel/toll costs.
- **Healthcare:** Monthly health insurance premiums and recurring out-of-pocket medical costs.

5. YOUR TOTAL FEDERAL DEBT

- **IRS Notices:** Gather your most recent "Notice of Intent to Levy" or "Final Notice." You need the **Total Balance Due**, which includes the back-dated interest and penalties.

Pro-Tip from the WeDoBooks Team: > Pay close attention to the **Tax Year** on your oldest notice. The IRS generally only has **10 years** from the date of assessment to collect a debt (the CSED). If you are close to that 10-year mark, an Offer in Compromise might actually *extend* your trouble by "tolling" (pausing) that 10-year clock. **Always consult a pro before you pause your own finish line.**