

# SECRETS TO ENDING YOUR IRS PROBLEMS

## TAX SECRET #1

### FILE ALL IRS REQUIRED RETURNS ON TIME!

Many people do not realize that the IRS charges you a penalty of up to **25% FOR JUST FILING YOUR TAX RETURN LATE**. That's right, 25% of what you owe, whether it is an individual tax return, payroll tax return or Corporate tax return.

What people don't know is that you can file **ANY** tax return on time and **AVOID THE 25% PENALTY** even if you don't send in the money which is owed on the tax return.

Yes, of course you'll get some ugly mail from the IRS for not sending in the money owed, but so what, you will have avoided a 25% penalty.

I COULD HAVE SAVED so many people THOUSANDS OF DOLLARS on penalties if they just knew this one thing. So, in the future, no matter what is going on in your life, file all tax returns on time even if you don't send in the money owed with the return.

## TAX SECRET # 2

### DON'T PAY IRS PENALTIES!

The IRS has over 148 different types of penalties. And boy do they love to hand them out. The worst part is that the IRS also charges interest and additional penalties on the original penalty.

So you must try to have penalties reduced or completely abated to zero.

After you decide to make a request to the IRS to "Abate Your Penalties", you must consider where and when to make the request. In my experience, your chances are better when dealing with the IRS Service Center in Ogden, Utah. The timing of your request depends on the type of penalty assessed against you. It always makes sense to request penalty abatement before you pay the IRS. Although, if you have already paid the bill it can't hurt to ask for a penalty abatement and refund.

These penalties can often be reduced to ZERO if you have "**REASONABLE CAUSE**". What makes up **REASONABLE CAUSE** you ask? Well, in my experience, anything may qualify as reasonable cause with the IRS as long as it's reasonable.

I've known the IRS to abate penalties for medical reasons, bad accountants, ignorance of the tax laws, divorce, helping to provide care for a loved one, military call-ups, fires, floods, alcoholism, drug abuse, death and even for relying on IRS advice.

Penalties can be such a high percentage of the total amount owed to the IRS, it usually makes sense to request the IRS to reduce all penalties to ZERO.

**YOU MAY BE PLEASANTY SURPRISED. YOU HAVE NOTHING TO LOSE AND THE SAVINGS COULD BE HUGE!**

## TAX SECRET #3

### PAYROLL TAXES NOT BEING PAID ON TIME

#### All Check Signers On Company Bank Accounts Can be Held Responsible for Payroll Taxes!

If you are a check signer on the company checking account, it is your responsibility to make sure all Payroll taxes are being paid to the IRS at least monthly.

Sometimes businesses get behind on payroll taxes due to cash flow problems. The penalties and interest assessed by the IRS are excessive for this type of delinquency. This problem becomes worse with IRS penalties and interest, and the total amount owed can grow by 50% or 75% in a short period of time.

If the Company is now in cash trouble and approaching the **DANGER ZONE**, it may never be able to pay off the total amount owing. Each check signer may be held personally responsible for the payroll taxes. And I mean each of the check signers listed on the bank signature card. This often includes spouses, secretaries, employees, relatives, office managers or yourself.

Before the Company gets in the Danger Zone, you should get all non-essential check signers deleted from the bank signature card.

The IRS takes a very serious approach to collecting delinquent Payroll taxes and may levy or seize company assets in short order. The best advice I can give to you if you find yourself in this situation is **NOT** to meet with the IRS Revenue Officer who calls or comes to the door to collect these taxes. Often, how you answer their first 5-10 questions will determine whether you stay in business and if you or others will become personally responsible for the payroll taxes. One of the most important services I offer my client is to meet with the IRS myself. This allows my client to concentrate on running his business and improving cash flow.

I have never seen a good outcome where the Client has met with the IRS Revenue Officer himself.

## TAX SECRET # 4

### AVOID IRS AUDITS AND IF YOU GET AUDITED . . . END IT QUICKLY

You can avoid most **IRS AUDITS** by doing a few things. **THEY ARE:**

- **File on Time**
- **Report all Income for which you received 1099's or W-2's**
- **Avoid Schedule "C"**
- **Set Up Some Type of Record Keeping System**
- **Don't make your Return Look Absurd. If it does, attach an explanation.**

When I say "Don't make your tax return look absurd", I mean that your entire return must look reasonable. That goes for filing status, dependents, and expenses in relation to income. In most cases, it is obvious why a client is audited just by looking at the returns: Simple adding errors, deductions on the wrong lines, deductions on the wrong form, missing forms, and often messy looking hand written forms can trigger an IRS audit.

Also, most of the people who get audited are **SELF EMPLOYED** and they have income and expenses reported on a Schedule "C".

## **THE MOST AUDITED FORM EVER KNOWN TO THE IRS IS SCHEDULE "C"!**

Many people report losses from their business on a Schedule C, which causes all sorts of RED FLAGS at the IRS.

I suggest that those people who are being audited and are using SCHEDULE "C" go through the audit and then try not to file that form in the future. By not filing form SCHEDULE "C" their chances of being audited in the future drop dramatically.

People who receive an **IRS AUDIT LETTER** asking them to come in or to call for an appointment must know this **EXTRA secret**.

## **YOU DON'T HAVE TO GO!**

**YOU DON'T EVEN HAVE TO TALK TO THE AUDITOR.**

As a matter of fact, going or talking to the auditor yourself is the worst thing you can do.

The taxpayer Bill of Rights allows you to be represented by an Attorney or CPA who can answer questions for you and provide documentation to the IRS. **I STRONGLY SUGGEST THIS APPROACH.** Many tax-payers attempt to handle their own audit or hire the person who prepared the tax return to handle it for them. The reason this usually does not work out is because most tax return preparers **DO NOT** handle IRS Audits on a daily basis. The IRS can easily intimidate them, which usually results in an unfavorable outcome.

The best way to end an **IRS AUDIT** with a great outcome is **TO END IT AT THE FIRST MEETING.**

Whenever our firm represents clients in **IRS AUDITS**, we will actually perform a trial audit in our office before we will ever meet with the IRS. This will inform us as to which areas need more documentation or answers. When we meet with the IRS (**WITHOUT OUR CLIENT**), we will be prepared to quickly answer the auditor's questions, provide documents and get to the bottom line. We will always meet the IRS at their office or at ours, but NEVER at our client's.

We will alleviate the stress of having an IRS Auditor constantly contacting you which will help you focus on your business and not wondering when or where the IRS will appear next.

## **TAX SECRET # 5**

### **DON'T PAY THE IRS . . . . . CUT A DEAL!**

The IRS does deal on taxes owing, including all penalties and interest. The requirements are rigid, but if you qualify the result are **FANTASTIC**.

To qualify for a deal with the IRS, I would suggest that you owe the IRS at least \$20,000, and have very little in the way of equity in assets. Also, you must be using your monthly income to pay your necessary living expenses and have little money left over to pay old taxes.

If you meet these requirement then you owe it to yourself to explore the possibility of paying the IRS **ONLY 10 CENTS ON THE DOLLAR FOR THE TOTAL AMOUNT OWING.**

The IRS cuts these deals to get you back in the system as a current tax payer and to collect a few bucks on the old taxes owing. The fine print in these deals requires you to file your tax returns and pay on time for the next 5 years. If you don't, then the IRS revokes the deal and bills you for the original amount.

If you think you may qualify, then you must consider it as the best **TAX SAVING TOOL** available.

**If you have any questions, please call a Spiegel & Utrera office listed below:**

<b>MIAMI, FL</b> CALL: 305-854-6000 800-603-3900 FAX: 305-857-3700	<b>NEW YORK CITY, NY</b> CALL: 212-962-1000 800-576-1100 FAX: 212-964-5600	<b>TAMPA, FL</b> CALL: 813-871-5400 800-658-5900 FAX: 813-870-2500	<b>LAS VEGAS, NV</b> CALL: 702-364-2200 888-530-4500 FAX: 702-458-2100
<b>CHICAGO, IL</b> CALL: 312-443-1500 888-514-9800 FAX: 312-443-8900	<b>LOS ANGELES, CA</b> CALL: 323-936-3400 888-520-7800 FAX: 323-939-5600	<b>LONG ISLAND, NY</b> CALL: 516-338-9100 888-797-6200 FAX: 516-338-9200	<b>DOVER, DE</b> CALL: 302-744-9800 888-641-3800 FAX: 302-674-2100
<b>FT LAUDERDALE, FL</b> CALL: 954-630-9800 800-465-8500 FAX: 954-561-7900	<b>CLIFTON, NJ</b> CALL: 973-473-2000 888-336-8400 FAX: 973-778-2900	<b>ORLANDO, FL</b> CALL: 407-898-5500 888-991-9700 FAX: 407-894-5700	