



Frequently Asked Questions

1. If I missed filing a return, what should I do?

Get the return filed as soon as possible. Failure to file will lead to additional penalties, and ultimately the IRS will file for you by estimate, and their estimate is always high and fails to take into account important deductions. Moreover, the IRS will not accept your offer in compromise or allow to an installment agreement unless you are current on returns, whether you have paid all your taxes or not.

2. What do I do if I can't afford to pay the IRS what I owe?

There are many options, and you have rights. The IRS has numerous programs to pay off your taxes or even reduce them if you qualify. For example, you may qualify for an Installment Agreement, or it may make sense to submit an Offer in Compromise to reduce your liability. Reduction of penalties may be available. The worst thing you can do put your head in the sand. Penalties and interest will continue to accrue.

3. What is the difference between an IRS levy and lien?

A lien is like a mortgage or judgment. It is filed in your county and automatically gives the IRS a security interest in your property, if you try to sell it, or if the IRS forces a sale. A levy means the IRS is in the process of actually taking your property, bank accounts or wages (garnishment) to pay your back taxes.

4. What happens to my credit score if I owe money to the IRS?

Even if you negotiate an installment plan will appear in your credit history including the amount owed and the size of your monthly payments. The debt will be considered as part of your overall debt and would affect your FICO score. If you don't work out a payment plan or pay in full, nonpayment may cause the IRS to file a Notice of Federal Tax Lien, which will stay on your credit report for at least seven years and therefore affect your credit score.

5. What can I do if the IRS has issued a levy against my property?

In this case, you should get professional help. If we can arrange a resolution with the IRS (even a long term installment agreement) the IRS will stop its collection efforts as long as you stick to the agreement. We can also use other strategies to hold off the IRS, such as an Offer in Compromise, which will usually stop collection activity while the IRS considers your request.

6. Will the IRS garnish my wages without giving me notice first?

No. The IRS is required to provide you with written Notice of Intent to Levy Wages. Do not ignore this letter. Come see me immediately to stop this process.



7. How much of my wages can the IRS garnish?

It depends on your tax situation, such as number of exemptions, filing status, etc. But the IRS can take a lot and leave you broke. For information on how much of your wages the IRS will leave you to live on, see: <http://www.irs.gov/pub/irs-pdf/p1494.pdf>

8. Am I liable for money my spouse owes the IRS that he/she incurred before we were married? Am I liable for IRS debts due to my spouse lying to the IRS?

You are not liable for your spouse's taxes incurred before marriage. However, during collection activity, the IRS may not distinguish between your property and your spouse's property. In that case, we can seek Innocent Spouse Relief to get your property or money back.

If you are married, the general rule is that if you file a joint return, you are both liable for the tax. However, if you were duped by your spouse, or former spouse, you may be entitled to Innocent Spouse Relief. This will require a full and complete explanation of the situation to the IRS, and an IRS investigation, including contact with your former spouse if he or she can be found.

9. How long does the IRS have to collect back taxes from me?

The generally rule is that the IRS has 10 years from the date the tax assessed. This is called the statute of limitations. The date of assessment is tricky. If you filed on time, it is 10 years from the date the return was due. If you filed late, the time limit will not begin until you file, which means that unless your file, the IRS can pursue forever. There are also actions that can stop the limitations period from running, such as how long the IRS has to review an Offer in Compromise.

10. How do I prepare for an IRS audit?

Get assistance. Gather your records. Sometimes an audit only looks at a particular issue, so do not discuss or provide information on other issues with the IRS. If it is a full blown audit, your records will be very important. Audits are tough, but with good documentation and representation, you can come out alright, even with the IRS owing you money. You will also have right to appeal the results.

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Jeffrey R. Siegel (Siegel Tax Law) understands tax statutes, case law and I.R.S. procedures. He possesses, not only a doctorate in law and a post-doctorate LL.M. (Masters in Taxation), but a high degree of skill and success in securing the best obtainable results against the I.R.S. for his clients. He has practiced law for nearly 30 years and is licensed to practice in California, Colorado, Missouri, Kansas and Maryland.