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FREE REPORT: RESOLVING YOUR TAX PROBLEMS

The most common question I receive from taxpayers in our free initial phone consultation is: "I owe the IRS a lot of money, what can I do?" This complimentary report answers this question by summarizing the **practical** options available for resolving your delinquent tax problems when full payment of the delinquent tax is not feasible.

1. **Offer in Compromise.** The Offer in Compromise program is the only IRS-approved way of reducing your total tax debt. It is a great way to resolve outstanding tax liabilities, if you meet the qualifications. Unfortunately, the IRS continues to increase the requirements so that fewer people qualify for this program. Successfully obtaining an Offer in Compromise requires submission to the IRS of a substantial amount of financial information. The entire process may take as long as 12 months (or longer). After you submit your financial information, the IRS will determine how much of your tax debt you can pay. The key to a successful Offer in Compromise is to properly submit your financial information.

2. **Installment Plan.** An installment plan does not reduce your overall tax debt; instead, it allows you to pay your existing tax debt over a period of time. The benefit of an installment plan is that as long as you are on time making your tax payments (and are meeting your other tax obligations), the IRS cannot take aggressive collection action against you (e.g., no wage garnishments, no bank levies, etc.). If you owe more than \$25,000, the IRS will require that you submit financial information to them so that the IRS can determine how much you can afford to pay on a monthly basis. Again, the key to obtaining a reasonable monthly payment is the appropriate submission of your financial information.

3. **Currently Not Collectible Status.** This option is for taxpayers who, in the opinion of the IRS, truly cannot afford to pay their taxes (or make payments) at the current time due to an inability to earn income or other hardship. The IRS will make this determination only after closely analyzing your financial information. While this option can offer a temporary solution, the IRS will revisit your case at sometime in the future when your income increases.

4. **Bankruptcy.** Bankruptcy may be an option for those taxpayers who meet the qualifications to have taxes discharged in bankruptcy. These qualifications are complex and confusing to many people. Before pursuing this option, you should consult with a qualified bankruptcy/tax advisor who can properly advise you on both the tax aspects and the bankruptcy aspects of this option.

Successfully dealing with the IRS requires knowledge of the tax system and an understanding of what the IRS really wants. Appropriately submitting your financial information to the IRS is critical to achieving a successful result when dealing with the IRS. Too many times we have been asked to get involved in cases where the taxpayer has already submitted the financial information to the IRS and the IRS has already made its unfavorable decision against the taxpayer. Don't let this happen to you!

Call Ray at 913-491-HELP (4357) for your **free** phone consultation to discuss resolving your tax problems. Call Today!

On October 25, 2004, the Internal Revenue Service issued the following warning regarding “unscrupulous” promoters of tax settlement offers available through the IRS Offer in Compromise Program. We have **partially** reproduced the warning below to assist you in evaluating the numerous offers you have been receiving regarding your tax problem. You can see this warning in its entirety by visiting the IRS website at www.irs.gov and entering “IR-2004-130” in the IRS search box in the top left-hand corner of the webpage:

“Check Carefully Before Applying for Offers in Compromise”

IR-2004-130, October 25, 2004

“WASHINGTON — The Internal Revenue Service today issued a consumer alert advising taxpayers to beware of promoters’ claims that tax debts can be settled for “pennies on the dollar” through the Offer in Compromise Program.

Such promoters make money by inappropriately advising indebted taxpayers to file an application for an offer in compromise with the IRS, promising unrealistic results, even when the taxpayers do not meet the requirements of the program. This bad advice costs taxpayers money and time.

Taxpayers may refer promoters who are using the program inappropriately to the IRS’s Office of Professional Responsibility for civil sanctions by sending their complaint to: Office of Professional Responsibility (SE:OPR), Internal Revenue Service, 1111 Constitution Avenue N.W., Washington, DC 20224.

An offer in compromise is an agreement between a taxpayer and the IRS that resolves the taxpayer’s tax debt. The IRS has the authority to settle, or “compromise,” federal tax liabilities by accepting less than full payment under certain circumstances.

“This program serves an important purpose. But we do warn taxpayers to watch out for unscrupulous promoters charging excessive fees to taxpayers who have no chance of meeting the program’s requirements,” said IRS Commissioner Mark W. Everson. “Taxpayers should not be duped by high-priced promises.”

Although there are some tax practitioners who promote dubious schemes, most practitioners give quality service to their clients. Taxpayers who need a qualified tax professional to prepare and submit their offer in compromise application form may contact state or local tax professional associations to find enrolled agents, CPAs or **attorneys in their geographic area with the education and experience to assist them.**”

An offer in compromise may be considered only after other payment options have been exhausted. If taxpayers are unable to pay their taxes in full, there are other payment options, such as monthly installment agreements, that must be explored before an offer in compromise can be submitted.”