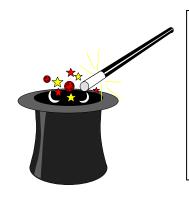


THE 5 MOST COMMON IRS PROBLEMS AND THEIR SOLUTIONS







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TAX SECRET # 1 FILE ALL IRS REQUIRED TAX RETURNS ON TIME!

Many people do not realize that the IRS charges you a penalty of up to 25% JUST FOR FILING YOUR TAX RETURN LATE. That's right, 25% of what you owe. This includes Individual tax returns, Payroll tax returns or Corporate tax returns.

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.

SO MANY PEOPLE COULD HAVED SAVED 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.

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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 get them 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 in 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've already paid the bill it can't hurt to ask for a penalty abatement and refund.

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

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

<u>Penalties can be such a high percentage</u> of the total amount owing to the IRS; it usually makes sense to consider requesting the IRS to reduce all penalties to **ZERO**.

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

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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 can grow by 50% to 75% in a short period of time.

If the Company is now in cash flow 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

<u>each</u> of the check signers listed on the bank signature card. This often includes spouses, secretaries, employees, relatives, office managers or you.

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

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TAX SECRET # 4 AVOID IRS AUDITS AND IF YOU GET AUDITED . . . END IT QUICKLY!

You can avoid most IRS AUDITS by doing a couple of things.

THEY ARE:

- File on Time
- Report all Income for which you receive 1099's or W-2's
- Avoid Schedule "C" or "F"
- Set Up Some Type of Record Keeping System
- Don't make your Return Look Absurd

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. Our firm has represented many clients who were audited, and in most cases I could see WHY just by looking at the returns. There would be adding errors, deductions on the wrong lines, deductions on the wrong form, missing forms, and often messy looking hand written forms.

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

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

Many people report losses from their business on this schedule, which causes all sorts of **RED FLAGS** at the IRS.

I suggest that those people who are being audited for the form SCHEDULE "C" or "F" finish the audit and try not to file those forms in the future. By not filing the forms SCHEDULE "C" or "F" their chances of being audited in the future drop dramatically.

People who receive an IRS AUDIT LETTER in the mail asking them to come in or to call for an appointment must know this **EXTRA** <u>secret</u>.

YOU DON'T HAVE TO GO! YOU DON'T EVEN HAVE TO TALK TO THE AUDITOR!

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

The taxpayer Bill of Rights allows you to be represented by a CPA who can answer questions for you and provide documentation to the IRS. I STRONGLY SUGGEST THIS APPROACH. Many taxpayers 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 prepares 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 <u>TO END IT THE</u> FIRST MEETING.

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

Our AUDIT CLIENTS are usually very happy with our results.

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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 results are **FANTASTIC.**

To qualify for a deal with the IRS, I would suggest that you 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 not have much or only a small amount left over to pay old taxes.

If you meet these requirements then you owe it to yourself to explore the possibilities 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 taxpayer 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.

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We've prepared many **OFFER IN COMPROMISES**, had them **ACCEPTED** and enjoy seeing the taxpayer and their families get a fresh start. If you think you may qualify, then you must consider it as the best **TAX SAVING TOOL** available.

I've only briefly introduced you to five secrets that will help you avoid making your IRS difficulties worse or prevent them in the future.

I am always interest in listening to people's **IRS DIFFICULTIES** and offering solutions to these difficulties. I realize that your own IRS difficulties are not something you care to share with just anyone. I also realize that you're very busy and that it's hard to find time to help yourself. But **YOU OWE IT TO YOURSELF TO TAKE ACTION** and rid yourself of **all IRS problems**.

I OFFER TO LISTEN TO YOUR IRS DIFFICULTIES in my office in complete CONFIDENCE for <u>FREE</u>. I'll answer your questions, suggest solutions and provide you an estimate of our fees to handle ALL OF YOUR IRS DIFFICUTIES.

I'd consider it a distinct privilege to help you through your IRS difficulties and PUT YOU ON TRACK to get a fresh start.

Just call our office at (760) 948-2899, let us know you received this letter and schedule your free Confidential Appointment in our office.

HERE'S THE BEST PERSONAL COMMITMENT YOU HAVE EVER SEEN!

I take each <u>client's case very personally</u> and take pride in the fact that a client has chosen our firm to help him or her **END** their IRS difficulties for good. Our firm becomes committed to each client and strives to be sure that they are completely satisfied with our services. I sincerely believe that if you allow us to help you and you agree to follow our solutions, you will enjoy many future nights of restful sleep and peace of mind. Please consider letting me listen to your IRS difficulties, **GIVE YOU SOME SOLUTIONS, AND HELP YOU END THESE IRS DIFFICULTIES FOR GOOD.**

CALL TODAY TO SCHEDULE YOUR FREE CONFIDENTIAL APPOINTMENT (760) 948-2899.

Wishing you many good nights of sleep.

Scott M. Penn, CPA, CTRS Fellow of the National Tax Practice Institute

P.S. IRS DIFFICULTIES DO NOT go away by themselves. You must seek out Professional Solutions to these types of difficulties. CALL ME TODAY! You won't regret it.