

# Seven Secrets The IRS Does Not Want You To Know



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# Introduction

After working with taxpayers with IRS problems for so many years (since 1999), I've come to realize that there are quite a few "secrets" that I've learned over the years that set us apart from other tax problem resolution firms (not to mention regular taxpayers), that are responsible for our truly amazing success in resolving tax problems. This book is my attempt to explain these secrets with totally transparency trying to clearly explain what these secrets are, while at the same time, allow the reader to get real value from this information.

Why am I doing this? Two reasons really. The first is to help. You see I've been where you are and I don't like the feeling. IRS problems are the cause of so much anxiety, misery and heartaches, that I can't bear the thought of good people's needless suffering. I genuinely hope this information helps as many people as possible whether they hire me or not. Secondly, I know that many people, once they read this book will decide that they'd rather hire us to help them because we know these secrets; we've been there and done that many times; and that we know how to fix problems even when things don't go right. How's that for transparency? You might just decide that we're the best people to help you get out of this IRS mess that's been created.

Will this book help people to such an extent that they solve their own tax problem? I certainly hope so. The truth is I can't take every case nor do I want to. Some situations are too small for us to handle for

a fee that makes sense to both of us. Some people are too difficult to deal with for us to help. That's the sad truth. And some people can't be helped. Not because their problem is unsolvable but rather because they won't take the necessary actions to help themselves. They won't provide documentation to us; they won't have their back tax returns prepared; they won't pay estimated tax payments; or the problem is so daunting in their minds that simply won't communicate with us at all. These folks' cases we can't take because I already know that they are not a good fit for us. It's these people that (strangely enough) I hope this report helps the most.

If you don't fall into one of the categories explained above, I certainly still hope this book helps you, but I also would hope that you reach out to us so we can visit with you and outline a customized plan to get you out of IRS tax trouble as quickly as possible while saving as much heartache and money

as possible! Deal? Give us a call at (888) 438-6474 to schedule a time to visit. I would love to see what I can do to change your life (at least with regard to your tax problems). So without further delay, on to the IRS Secrets that you're here to learn about.

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# 1

## It's Not a Crime to Not Pay Your Taxes

No, this isn't what you're thinking. I'm not advocating some revolutionary idea from the tax protest movement. The simple truth is that if you file a return (on time or before the IRS wants to prosecute you for it being late), it's not a crime to not pay your taxes *if you can't afford to pay them*. We don't have debtor's prisons in the United States.

The key is to demonstrate to the IRS that you can't afford to pay them. How do you do this? Well... some people can't show that they can't afford to pay because.... they *can afford to pay their taxes*. For instance, they owe \$12,000 but they make \$100,000

a year. It's pretty hard to demonstrate an inability to pay in that situation. Now if the figures are reversed ie. you owe \$100,000 and make \$12,000 a year, it's MUCH easier to demonstrate to the IRS that you can't afford to pay. What's this mean?

**You're not going to jail over this IRS problem.**

I know you've been worrying about that possibility and may be losing sleep over the prospect. Just stop right now. Those thoughts aren't helping you make proactive decisions that will help you solve your tax problem. They are paralyzing you; stopping you from being decisive; and trapping you in the bad place that you're in right now.

# 2

## IRS Warrantless Searches

It's recently come to light that the IRS doesn't think they need a warrant to read your email, your text messages, or your social media accounts. This is without a doubt a mistaken assertion that won't pass Constitutional challenges but court challenges take time, sometimes decades.

What's this mean to you? Stop communicating with anyone BUT A LAWYER about this stuff through these means. Why would you still communicate with your lawyer without regard to this wiretapping situation? Because as long as you intended for the communication to be private (between you and the lawyer or law firm) if the IRS were to intercept these

privileged communications against you it would violate attorney/client privilege. The attorney/client privilege is sacred in our system of law and it would definitely be a violation of your Constitutional rights if the IRS were to tap those conversations. If they did, all that evidence would be thrown out of court and the government might even have to pay YOU for that abuse! So stop using these means to communicate with non-lawyers about your tax matters right now!

Do I think they're watching you? Not likely but is it worth taking that chance? I think not but only you can decide what's right for you.

# 3

## The IRS has a Statute of Limitations for Collection of Tax

As far as I know I was the first person in the tax problem resolution industry to divulge this secret on the Internet. It was over a decade ago. And I did it because it was the right thing to do. If our government is "by the people, for the people", then why should our government hide secrets from us? They shouldn't, but they do. This secret is simple really. The IRS has a time limit for how long they have to collect tax that you owe. Isn't this extraordinary? That means this isn't a life sentence! Even if nothing else ultimately works, this problem will someday be gone from your life. There is hope!

**The time limit is ten years from the assessment of the tax.** You can think of the assessment date as the due date of the return (if you filed on time) or the actual filing date if you filed late. There are exceptions and things that can add time to this, but that's the general rule. And that my friends, is a powerful secret to know about because every day that goes by is one day closer to the IRS having to write off your debt. Should you use this as an excuse to do nothing? NO! But you can (and should) use this information when negotiating with the IRS to your advantage. For example, if there are only 24 months left on the collection statute don't agree to extend it in order to make lower monthly payments. This is a trap that the IRS wants you to fall into. Don't fall for it. Now you know.

# 4

## Taxes Can Be Discharged in Bankruptcy

This is a secret that most bankruptcy lawyers don't know and that's a shame. Why professionals don't become true experts in their chosen field always confounds me. Income taxes can be discharged (eliminated) in bankruptcy. Now I can already see the people shaking their heads and even yelling at the page right now. But it's true! If the following five rules are met, your income taxes may be dischargeable in bankruptcy.

- 1) tax returns must have been due for at least three years (including extensions)

- 2) the returns, if filed late must have been filed for at least two years
- 3) the taxes must have been assessed for at least 240 days
- 4) there can be no willful evasion or avoidance of the payment of the tax
- 5) no fraud can be present.

Many people fall under these rules and many more of those who don't fall under these rules now can either wait until they do or take some interim action with the IRS (like a minimal payment plan or hardship declaration) to get to that point where a bankruptcy becomes a winning option to eliminating tax debt. If you live in Central or North Florida we can help you directly with your tax bankruptcy. If you don't, don't worry we can be retained to assist your local bankruptcy attorney (you remember.... the one who said this was impossible) get you the results you are looking for.

# 5

## IRS Can't Levy You Unless They Do This First

Many taxpayers live under the fear of IRS garnishments or levies. The secret is that these are empty threats UNTIL the IRS issues a Final Notice of Intent to Levy! It comes on Letter 1098. Until that happens the IRS can only levy (take) your state income tax refund. If you owe federal income there's not much chance you're getting a big state income tax refund so it's not that big of a deal to most people. So don't let the prospect of a wage garnishment or bank levy stress you UNLESS you've gotten a Letter 1098 in the mail. (It comes Certified Mail so go down

and sign for it if you get that orange notice from the mailman in your mailbox).

If you get the Letter 1098 call us at (888) 438-6474 or file a Request for a Collection Due Process Hearing (an appeal). I don't have room in this report to discuss how to do this but get it done because it keeps the IRS from taking levy action (including garnishments) while the appeal is pending as well. This could be months we're talking about here.

# 6

## You Can Plan Your Finances so that YOU Benefit Rather Than Pay Your Insurmountable Tax Debt

The IRS doesn't want you to know this but you can plan your finances such that you (and your family) benefit from your earnings rather than maximize your ability to repay your tax. What am I talking about? The foundational document to determine your ability to pay your tax debt is a form 433-A or 433-F (they are the same for purposes of this discussion.) These forms help the IRS to determine how much they can FORCE you to pay based upon your income and allowable expenses. There's not much we can do about your income. Don't lie or under-report here. That leads to trouble and it's very easy to verify.

The secret here is in the allowable expenses. Whatever they are must be allowed. The secret here is maximize these allowable expenses before contacting the IRS. How do you do that? Either by reading up on the rules yourself or calling someone like me who has done this a thousand times. Many times my staff attorneys and I are able to advise taxpayers how to spend their money in legal, allowable ways to minimize their payback to the IRS while using that money to benefit themselves and their families.

An example would be health insurance. If you don't currently have health insurance that costs \$300 per month and the IRS is currently showing your ability to pay is \$300 per month, it's perfectly allowable to go out, get that health insurance and spend that money on yourself instead of paying your tax debt with it. I have had more than one family exercise this strategy and later had a serious illness arise that was covered under the health insurance that they bought because of our advice. I wasn't happy that they got sick but I sure was happy that they were covered instead of struggling mightily to pay the IRS that money. This strategy is a win-win for everyone except the IRS and we used their rules to do it!

# 7

## All Tax Problems Have a Solution

It might not be the solution that you're hoping for but there **is** a solution to your tax problem. Most people let their feelings get in the way of a solution. Let me explain. One of the prerequisites of solving almost every tax problem is getting your tax returns filed and up to date. Some people have REAL problems with this. They have mental blocs about getting this done or they're self employed and can't get their books together to get it done. Sometimes things in life are hard, but having the IRS take everything away from you and having to explain to your kids why you can't afford food is even harder.

## **There are Seven Basic Solutions**

- 1. Installment Agreement** – payment plan to the IRS; amount is dependent upon your ability to pay
- 2. Currently Not Collectible** (hardship status) – IRS agrees that you can't pay
- 3. Offer in Compromise** – make a deal to settle for less
- 4. Outlast the Collection Statute of Limitations** – as described above in Secret #3
- 5. Bankruptcy** – as described in Secret #4

## to Tax Problems:

6. **Innocent Spouse** – it's all my former spouse's fault (limited application)
7. **Full Pay** – you can easily afford to pay now you just don't want to

Preparing and filing your old tax returns is a prerequisite for almost all of these solutions as is the payment of at least one quarter of Estimated Tax payments if you're self-employed. The secret here is that there is one of the solutions as outlined above that fits **EVERY** case. It's more a matter of whether you are committed enough to find out which one is right for you.

Those are the seven secrets that I promised you. But, you know, I have a motto that I live by. *I try to under-promise and over-deliver.* I promised you seven secrets but the more I got to thinking about it, there are a few more that I want to pass along to you. If you don't want to continue reading, I totally understand. Thanks for getting this far. This can be pretty dry stuff. But if you want to know more, please read on. I promise to make it worth your while.

# 8

## Use the Streamlined Installment Agreement to Your Advantage

The IRS has a program called the Streamlined Installment Agreement that is right for some people. Simply stated if you owe \$50,000 or less of tax you can probably easily contact the IRS and enter into a payment plan that will full pay within 72 months. This means that if you owe \$50,000 you may be able to get a payment of as little as \$700 a month. This isn't really the secret.

The secret is that there are no financials required for this transaction. No form 433-A or 433-F! Why is this significant? Because, if you owe more than \$50,000 you have to disclose your income and

allowable expenses. What if you really have an ability to pay \$5,000 per month but would rather not (who would?). You can pay your balance down to \$50,000 or so and **skip the financial disclosure process altogether!** That tip right there just saved someone's you know what. It's better for you to be in control of what you pay on a monthly basis rather than let Uncle Sam make that (painful) decision for you!

# 9

## How to Get a Federal Tax Liens Released

We haven't talked about Federal Tax Liens yet in this book. The truth is there isn't much anyone can do to prevent a tax lien from being filed other than pay the tax. The IRS pretty much has the complete right to file a tax lien against you almost immediately after the bill is generated. It doesn't always happen but it does sometimes.

There's a cool new program called the Fresh Start Initiative that forces the IRS to withdraw the tax lien in certain circumstances. If you enter into a direct debit installment agreement (where they take the money straight out of your bank account every

month) and make three payments in a row and your debt is under \$50,000, you qualify. You have to know about the program and apply. That's why I think it qualifies as a secret. Take advantage of this. Your credit score will thank you later.

# 10

## Offers in Compromise are Easier Than Ever to Get Approved

In the past (as recently as 2012) Offers in Compromise were hard to get approved and took forever; sometimes as long as three years. The good news is that's all changed. With new rules passed in 2012, Offers are easier (and cheaper) to get through than ever. Taxpayers are settling for as much as 75% **less** than they were in early 2012 and before. And they're getting approved on average in as little as 6-7 months! There is a possibility you could settle for as little as \$500 for what you owe to the IRS. Will it work for everyone? No. But it may work for you.

The best and quickest way to find out if you qualify is to give us a call at (888) 438-6474. I give you my word as a solemn promise that I won't take your case (and won't file your Offer) unless I think I can help you. If I don't think I can help you, I don't need the heartache of having to explain after the fact that it didn't work out. It's the worst thing in the lawyer business if you ask me; telling people that their hopes didn't turn out. My way of avoiding this is to only take good cases; it's self-preservation really, but it works to your advantage. Good cases are cases where the client has reasonable expectations and it looks like a good result can be obtained. My goal is that you save many times what you pay us in fees.

# 11

## Your Audit May Not Really Be Over

The second to last secret is that your audit may not really be over. If you've been audited and you really never had an opportunity to meaningfully produce documents for the auditor OR the audit or assessment was done without your involvement at all, you can pursue something called audit reconsideration. It's not really a right but the IRS will entertain additional documentation or evidence not originally considered by the auditor for years in the future. This can be a great opportunity to reduce that tax bill that you might actually have to pay (because you really can

afford it). If you find yourself in this position you really might want to give us a call. This is very likely too complicated for most taxpayers. It entails putting together a package of newly discovered documentation that clearly demonstrates that the IRS has assessed too much tax against you.

# 12

## Substitute for Returns Aren't the Last Word

At last, the final secret. Sometimes the IRS prepares returns for you if you "forgot" to file your own. They're called Substitute for Returns (SFRs). When the IRS prepares SFRs, everyone in the system knows that they are way too high. It's the IRS' way of getting your attention in order to get you to file your returns and get you back into the system.

Unfortunately, it de-motivates most people. Actually it demoralizes them because they don't know that if the IRS has prepared SFRs for you, you can prepare your own original return and submit that to the

IRS for consideration. If your return shows less tax (which is typically the case) then the IRS will wipe out their SFR and impose your return in its place. Even small differences in tax make huge differences in the bottom line bill when the returns are old. This is because interest and penalties are so high that the interest and penalties are often as much as the tax! So by reducing the tax significantly, you also reduce the interest and penalties accrued over time significantly. This is a huge secret that most taxpayers never think about.

## In Conclusion...

So there you have it. I promised seven secrets for your time and I gave you twelve. I sincerely hope that this book was eye opening and as entertaining as a book on this topic can be. I also hope that you consider giving us a call at (888) 438-6474 for a free consultation with me or one of my staff attorneys. We all share the same opinion about only taking the right cases. We won't take your case if we can't help. **But we will try to help you during the consultation even if it doesn't make us money.** Why? Two reasons. One, because I believe in helping as many people as I can while I'm alive on this planet. And two, because if we help you even if we don't make money from you, we would hope that your experience would be

such that you would consider sending your friends and family who have tax problems to us when they have problems. After all you know that they have nothing to lose and maybe everything to gain.

I have one final request. If this book helped you and you're too shy to call, would you send an anonymous email to [report@getirshelp.com](mailto:report@getirshelp.com)? Just tell me if and how it helped. These books take time and effort to write. I just spilled the guts of the tax problem resolution industry to you. I'm going to get hate mail from my colleagues over this. It happens every time. I'm the rogue of the industry, because I don't believe in keeping secrets from good people like you. Your emails keep me energized and enthused about helping as many people as I can. Thanks again for reading this book. Take care and good luck!