

Conquering Your IRS Debt



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**“IN THIS WORLD NOTHING CAN BE SAID TO BE CERTAIN,
EXCEPT DEATH AND TAXES.”**

— BENJAMIN FRANKLIN

The Collection Process

There is a method to the madness that is the IRS collection process.

- 1. Notice of Balance Due**
- 2. Notice of Intent to Levy**
- 3. Notice of Levy**
- 4. Filing of a Federal Lien**

Enforcement Actions

The IRS uses these methods to collect your debt.

Lock In Letters:

This type of letter will force your employer to withhold the amount of taxes that the IRS approves.

Wage Garnishment:

Part of your wages will be sent to the IRS to collect the debt that you owe.

Bank Levies & Account Freezes:

If the IRS places a levy on your account, they can start to seize your property to satisfy your debt.

Property Seizures:

The IRS could take your property to cover the debt. This includes businesses and equipment for the business.

Tax Liens:

A lien is the government's legal claim against your property when you do not pay.

CAUSES OF IRS DEBT

There are several ways you ended up owing the IRS. Here are a few:

NOT ENOUGH TAXES TAKEN OUT

Some people do not have their jobs take out the correct amount of taxes or they simply claim the wrong deduction.

YOU ARE A SUBCONTRACTOR

If you are a subcontractor or self-employed and received a 1099, there were no taxes taken out for the money you received.

DISTRIBUTION FROM A 401K OR IRA

If you withdrew any money from your 401K or IRA without having taxes taken out, you have to pay taxes on that money.

GAMBLING OR LOTTERY WINNINGS

Won some money this past year? If you did not pay the taxes on that money you will have to pay them back



PREVENTION

"Prevention is better than cure"
-Desiderius Erasmus



FIVE WAYS TO PREVENT OWING THE IRS

1

Adjust your W4 to withhold more taxes. You can do this through your employer.

2

Make estimated tax payments. Your tax preparer can help with this.

3

Keep track of all deductions such as donations and expenses.

4

Opt to have your taxes withheld from ALL winnings.

5

If you withdraw from your IRA or 401K, have taxes taken out.

FACT

**SOMETIMES YOUR DEBT IS A RESULT OF A
MISTAKE COMPLETED| ON A PREVIOUS YEAR
RETURN**

Have your tax preparer review your previous years to find any errors.



CURE

So you owe, now what?

“Life is a series of mistakes, followed by damage control.”
-Linda Poindexter

How can you be in control of your debt?

Read Your Letters

Do not ignore the letters. The letters contain useful information about addressing your debt including your rights and the Collection Due Process.

Estimated Tax Payments

Setup Estimated Tax Payments for the next year to get ahead of your debt.

Payment

Make a large lump sum payment if you can, this shows the IRS that you are trying. This could lead to penalty abatement.

We can help you!

We offer an array of options to help you with your tax debt.

RETURN REVIEWS

AMENDMENTS

PENALTY ABATEMENT REQUEST

AUDIT RECONSIDERATIONS

OFFER & COMPROMISES

INSTALLMENT AGREEMENTS



The hardest thing in the world
to understand is
the income tax.

—ALBERT EINSTEIN



We can help!
Contact us:
(757) 201-3091