



[www.thejeffersonfirm.com](http://www.thejeffersonfirm.com)

# 5 Strategies to Resolve Your IRS Tax Problem

By Nehemiah Jefferson, Esq., EA

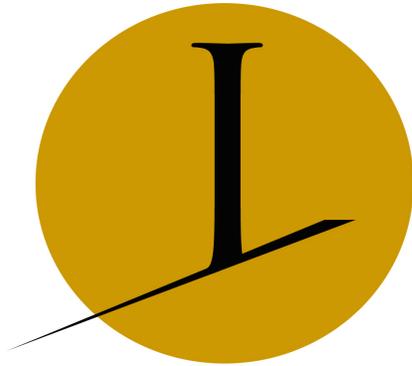
This mini book is provided for information purposes only, does not create an attorney-client relationship, and should not be used as a substitute for legal counsel.

Copyright 2017 The Jefferson Firm, LLC  
All Rights Reserved

## TABLE OF CONTENTS

<b>ABOUT THE FIRM</b>	<b>Page 3</b>
<b>ABOUT THE FOUNDER</b>	<b>Page 3</b>
<b>THE SKINNY</b>	<b>Page 4</b>
<b>THE STRATEGIES</b>	<b>Page 5</b>
<b>THE SUGGESTION</b>	<b>Page 7</b>

## **ABOUT THE FIRM**



The Jefferson Firm, LLC, is a law firm practicing in Tax Law and Litigation. The legal team at The Jefferson Firm, LLC, located in Tampa, Florida and Washington, D.C. is at your service and focuses almost exclusively on tax controversy. The firm offers reliable advice and representation in legal matters concerning Tax Preparation, Tax Representation, Tax Litigation and Tax Consultation. The Jefferson Firm, LLC represents clients nationwide in federal taxation and controversy matters. The firm can handle your tax

case “from COMMENCEMENT to CONCLUSION.”

## **ABOUT THE FOUNDER**



Attorney Nehemiah Jefferson's practice is taxpayer civil and criminal representation before the IRS, the Florida Department of Revenue, and other taxing jurisdictions.

Attorney Jefferson is admitted to practice law in Florida, the District of Columbia, the U.S. District Court Northern District of Florida, the U.S. District Court Middle District of Florida, and is a member of the United States Tax Court Bar. He represents clients nationwide in federal income taxation controversy matters. Attorney Jefferson is also an Enrolled Agent. Attorney Jefferson received his Bachelor's degree from The Florida State University, his Juris Doctor from John Marshall Law School (Atlanta), and is currently completing coursework towards an LL.M. in Taxation. Visit [www.thejeffersonfirm.com](http://www.thejeffersonfirm.com) for more information or email [nj@thejeffersonfirm.com](mailto:nj@thejeffersonfirm.com).

## THE SKINNY

Note that the strategies mentioned in this mini book apply for civil “collectability” tax matters. If you suspect that you are under investigation for a criminal tax issue, you should hire an attorney immediately! Additionally, similar strategies are used for a business as well.

Before I get to the “**5 Strategies to Resolve Your IRS Tax Problem**,” I would like to share a few things you should know about dealing with the IRS.

### **Get Compliant!**

First, and foremost you must be “in compliance” to use the strategies mentioned on page 6 and 7 of this book. In simple terms, this means you must file all required tax returns. I promise that you are compounding your tax problem by not filing your tax returns. It is a crime. Every return is audited in some fashion. Therefore, assume the IRS knows!

### **Be Truthful!**

If you are going to lie, mislead and not be truthful to the IRS, then I have two words for you: **LAWYER UP!** Remember, the documents that you sign (including tax returns) are under penalty of perjury. Perjury, or “lying,” is a serious offense. It may or may not be necessary to volunteer information (an attorney can advise in this regard) but certainly don’t try to hide information. Assume the IRS knows.

### **No Assets or Money?**

The best time to resolve your tax matter with the IRS or State taxing authority may be when your financial situation is not the best. This is because the IRS looks at the collection potential of the tax debtor over a period of time.

## THE STRATEGIES

There are many strategies to resolving tax problems, and thus all are not mentioned here. However, assuming you do not have the cash upfront to pay your tax debt in full, then the majority of tax problems are likely resolved using one or more of the following five primary methods: (1) Offer in Compromise, (2) Full Pay Installment Agreement, (3) Partial Pay Installment Agreement (4) Currently Not Collectible, or (5) Bankruptcy. More specific information follows below on each of these.

### **Offer in Compromise**

An offer in compromise is a tax resolution option in which a taxpayer may reduce their IRS or State tax debt by offering an amount to settle for less than what is actually owed. It is the tax resolution tool that most of the radio and television advertising refers to as “settling for pennies on the dollar.” Indeed, it is possible to settle your tax debts for less than what you currently owe. However, please note that many taxpayers do not qualify. As a general matter, the more assets or “reasonable collection potential net income” you have, the less likely it is for you to meet the rigorous standards for savings via an offer in compromise. So, do not be misled by advertising that promotes half-truths.

### **Full Pay Installment Agreement**

An installment agreement is simply a payment plan. In the case of a full pay installment agreement, the taxpayer (including a business) enters into an agreement with the IRS or other taxing authority such as the State to repay the full amount of taxes owed, plus interest and penalties. Repayment periods are usually 60-84

months and a Collection Information (“Financial”) Statement, depending on the amount owed, and your ability to pay, may or may not be required.

### **Partial Pay Installment Agreement**

Some taxpayers may qualify for a partial pay installment agreement. This is a type of repayment plan where the taxpayer does not pay the full amount of taxes owed prior to the collection statute expiration date (CSED). A Collection Information (“Financial”) Statement is required.

### **Currently Not Collectible**

Taxpayers in financial distress may qualify for a temporary tax resolution strategy called Currently Not Collectible. This status can provide relief in situations where the taxpayer is no longer employed, little or no assets exist, or where a business is no longer in operation. The IRS will re-evaluate the taxpayer’s qualifications for this status on an annual basis.

### **Bankruptcy**

The discharge of taxes using bankruptcy is a complex matter, depends on many factors, and requires the counsel of an attorney. Indeed, it is possible to eliminate some tax debts using the bankruptcy code (Chapter 7) or reduce interest (Chapter 13). As a general matter, three requirements must be met for the discharge of taxes. These requirements are that the tax debt must be (1) at least 3 years old from the tax return due date (including extensions); or (2) at least 2 years from an assessment date for a delinquent return; and (3) at least 240 days from a date of assessment when the return has been amended or examined (“audited”). Of course, no consideration is given for fraud, tax evasion, and payroll taxes.

## THE SUGGESTION

Hire a tax attorney to receive the most confidential and complete advice to help resolve your tax issue. A search engine is not a substitute for a legal education. It is important to take a comprehensive approach to resolution.

Visit [www.thejeffersonfirm.com](http://www.thejeffersonfirm.com) for the most up-to-date information and to request a consultation.