

# **SPECIAL REPORT**

## **The 10 Myths of Solving Tax Issues with the IRS**

You're about to discover the little-known strategies that can save you from needless heartaches and protect your future

By Daniela P. Romero, Esq

You have undoubtedly gotten this report because you or someone you know may have a tax issue.

If any of these scenarios describe your circumstances, you could be in non-compliance with the IRS:

- You **have neglected to file tax returns** for the past year or any previous years.
- You have been **assessed penalties of various types** including any late filing penalty, late payment penalty, responsible person penalty, payroll tax penalty, sales tax penalty, accuracy-related penalty, civil tax fraud penalty, or understatement penalty.
- You have **failed to report and pay required taxes on money held in offshore bank accounts** or other international financial accounts.
- You have **not reported taxable income** which may have been discovered by the IRS.

**Several signs may indicate you are under investigation by the IRS:**

- You have been contacted by an IRS Special Agent.
- Your bank, brokerage firm or other financial institution has been contacted by the IRS, DOJ Tax Division or U.S. Attorney's Office.
- Your neighbor, friend, ex-spouse or attorney has been subpoenaed to appear before a Grand Jury and give testimony.
- Your tax returns are being audited.
- The IRS has raided your home or office.

If you are being arrested it's likely you are frightened, worried about your future and concerned about money. There is a lot of misinformation out there from well-meaning family, friends and online searches.

We are here to help you get clear about your options.

Let's take a look at 10 common myths about solving tax issues with the IRS.

## **Myth 1: A Tax Audit is not a big deal**

Before you begin to handle a tax audit (which may really be a criminal investigation in disguise) on your own, here is some important information you should know regarding IRS Agents who may be involved in researching your case.

IRS Agents are tenacious investigators and the Department of Justice Criminal Tax Division is very successful prosecutors. They boast a conviction rate of over 90% and have held that record steadily since 1919.

They often begin by ordering a tax audit. This is not the time to let your guard down. You should approach your audit with the best information you have in order to protect yourself from overzealous IRS agents.

If you have been contacted by the IRS or another government agency, if they have begun seizing your records, or you are facing allegations of tax evasion, tax fraud, or another offense, please get our firm involved now.

## **Myth 2: The IRS is here to help me get compliant**

While we all would like to believe that, unfortunately nothing is further from the truth. The IRS is here to help themselves first and foremost.

So a word of caution when talking to IRS agents.

IRS Agents are highly trained investigators. Any hint of sympathy or friendliness is a calculated part of the investigation...nothing more.

IRS Special Agents are tenacious investigators who have been known to catch people off guard with an interview before you've had the opportunity to consult with an attorney.

Anything you say to an IRS Special Agent can and will be used against you in a court of law and there is no requirement that they read you your rights or ask if you'd like to have an attorney present before you begin answering questions.

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By answering questions without legal counsel, you open yourself up to admitting to what the IRS considers “crimes” that you may think are merely innocent mistakes.

A tax crime conviction can bring severe consequences including substantial prison time, fines, tax penalties and interest. Our law firm has the resources to represent you through all aspects of a government criminal tax investigation and trial.

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### **Myth 3: I can negotiate with the IRS myself**

This is almost always a bad idea. Well-meaning people with nothing to hide have been run through the ringer by the IRS.

Think about it. How many tax issues have you handled? How many do you think that IRS agent across the table will have handled?

Now is not the time to gain experience. You need to hire an attorney who has been through this thousands of times before and can handle this correctly from the start.

### **Myth 4: The IRS doesn't negotiate my tax debt or penalties owed**

Nothing could be further from the truth.

The IRS negotiates just about everything on a daily basis. This is what we are skilled at and a good attorney can save you 10X what his fee is alone.

## **We can negotiate your delinquent taxes and penalties**

Most clients who come to us mistakenly believe that negotiating your tax debt or penalties with the IRS is out of the question. But the truth is **the IRS can be effectively negotiated with if you have the right representation.**

### **Myth 5: I don't need an attorney, my CPA said they can handle it**

Be careful what you tell your Accountant

When you think of the IRS it's natural to immediately turn to your accountant for help. Unfortunately, that could be a very serious mistake.

***Only an attorney can provide attorney-client privilege, legal representation and advocacy. Anything you disclose to your accountant is UN-privileged information that he or she can be compelled to disclose to authorities.***

Please do NOT tell your accountant anything about the details of your tax case, especially if any part of your non-compliance was intentional.

### **Myth 6: There isn't a benefit to working with an attorney**

There are major benefits to working with an attorney.

Our law firm represents individuals and business entities — partnerships, limited liability companies, etc. — accused of, or under investigation for, tax fraud including sales tax fraud, payroll tax fraud, tax evasion and failure to file tax returns, filing a false return, and/or failing to report offshore bank accounts and international income. We are prepared to handle the most complex tax cases...or even seemingly "simple" matters.

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Here are some of the reasons why having an attorney on your side is the right decision for you and your family:

### **Attorney-Client Privilege**

Only conversations with our attorneys or employees are protected by the attorney-client privilege. Generally, this information cannot be used against you or given to a third party (such as the IRS, a state taxing authority, or in court).

### **Legal Representation**

Our attorneys' education and training with regard to researching and analyzing the law in accordance with your specific facts is a special ability that differentiates an attorney from an accountant or a CPA. If you are under investigation by the IRS it is possible that you will end up in court and will need a criminal tax attorney to represent you.

### **Advocacy**

Our attorneys are educated and trained in the art of negotiation, and to advocate on your behalf in an effort to have your case treated as a civil matter rather than a criminal one.

## **Myth 7: There really aren't many options other than full payment**

There are a lot of options available to you regardless of the tax debt you owe.

Unlike ordinary accountants, tax attorneys understand the rules of the game. We can request that the IRS waive or abate penalties and interest. We can determine what you do owe and negotiate that number down by exploring a number of options including:

Penalty and Interest Abatement -penalty abatement might be right for you when you are able to pay the tax liability but do not feel you should be obligated to pay the penalties and interest assessed.

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Innocent Spouse Defense - Maybe your spouse was in business and ran up a huge tax debt that you didn't know about. You may be able to claim Innocent Spouse Defense if you didn't receive any money or benefits from the business.

Currently Not Collectible - For many people in this economy, there is simply no money left over to pay the IRS. When you can prove that you simply can't meet your basic living expenses AND make payments to the IRS, you may qualify to be placed in the Currently Not Collectible category.

Partial Payment Installment Plans - If you qualify, a partial payment installment agreement is another great way to deal with the IRS. It's a way of acknowledging that you are giving it your best effort. The IRS agrees to take what you can afford to pay for four or five years, and then at the end, they will forgive the remaining amount!

An Offer In Compromise - An OIC shows the IRS your earning potential, all of your current assets, and everything they can potentially collect from you over the next four to five years. Once the OIC is set up, you gain a bit of mercy from the IRS. As long as you maintain certain guidelines and continue to file your taxes on time, you can settle your tax debt for much less than what you originally owed.

### **Myth 8: My taxes are from years gone. I don't need to be in a hurry to fix this.**

If you have mistakenly believed that tax penalties are not severe and believe you may be under investigation or have been put on notice by the IRS, you MUST take action now.

We successfully handle cases involving failure to file income tax returns, filing returns containing false information, willfully underreporting income, willful failure to pay, conspiracy, and tax evasion. We are prepared to deal with the most complex tax litigation scenarios such as insurance fraud, business fraud, embezzlement, money laundering, health care fraud--including Medicare and Medicaid fraud, mail fraud, wire fraud, and other financial crimes.

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The preceding situations are almost always accompanied by a criminal tax investigation. Effective counsel during these types of investigations is an essential safeguard against overzealous prosecution by the IRS.

If you have been contacted by the IRS or another government agency, if they have begun seizing your records, or you are facing allegations of tax evasion, tax fraud, or another offense, please get our firm involved now.

Preserve your legal options with quick action

### **Myth 9: I don't need to deal with a back tax issue until I get the notice from the IRS that they are investigating.**

The more quickly you act to stop or avert prosecution, the more options you will have for challenging the case against you.

Failing to prevail in a tax case can bring severe consequences including substantial prison time, fines, tax penalties and interest.

We have observed that clients who are more likely to be convicted as a result of a criminal tax investigation display these common behaviors:

- They see the signs that indicate they are being investigated (contact with a special agent, audit, subpoenas, etc.) yet shrug it off as something to terrible to be true.
- They respond in a paralytic fashion, often choosing to do nothing rather than hire counsel and begin building their defense.
- They fail to involve tax litigation attorneys soon enough and lose valuable opportunities to minimize charges or change their character from federal crimes to civil matters.



## **Myth 10: I am not the owner of the business, so I can't be held liable for any IRS issues.**

If you have been involved in a business or have signature authority over a financial account that may have been involved in any of the above activities, you may be subject to investigation by the IRS regardless of your involvement or awareness.

While this sounds harsh, this is the law. If you believe you are in this situation or could be in this situation contact us immediately to preserve your rights.

### **Final Thoughts**

Thank you for taking the time to read this special report. It was our intention in providing you good information that you can use to make a more informed decision.

There is no way that we could answer every question or cover every situation in this special report. The best way for you to get the most accurate information concerning your unique situation is to make an appointment today with my office.

You are under no obligation during this appointment and we can talk about your unique situation and help you determine the next step together.

Give my office a call today at (626) 726-3743

Remove the stress, worry and doubt and speak to us today. You will be glad you did.