

Business Tax Controversy

Have you received a notice from the Internal Revenue Service (IRS) or your state's Department of Treasury? Has the IRS or state contacted you to tell you that your business owes money? Are you missing returns for any prior tax years? Are you under audit for any type of federal or state tax? If you answered 'yes' to any of these questions, you likely need the services of an experienced tax attorney.

The IRS and each state have their own tax collection procedures, but they always start by sending a notice to you or your business. It is important that you DO NOT ignore any mail from the IRS or the state! These letters contain time sensitive notices that require your immediate attention. Failure to respond will likely increase any balances you have with the agency.

Being in a potentially vulnerable collection or audit situation with the IRS or state is obviously serious business – one that involves potential civil and even criminal penalties. It is important that you seek counsel right away! Failure to do so can result in additional penalties and interest and could eliminate possible remedies to your tax case if any deadlines associated with you case are missed. Plunkett Cooney attorneys handle every tax case with the same goals: working with the IRS or state to find collection alternatives that stop the calls and the letters and working with your unique situation to formulate a strategy that allows your business to satisfy its outstanding balances with the IRS or state and to, ultimately, earn a fresh start.

Collections

The IRS or state will begin collection activities against your business as soon as either agency determines that you owe tax for any reason. Whether it was the result of an audit or you simply have not paid your back taxes, the IRS or state will make vigorous efforts to collect any outstanding balances. These collection activities will begin with notices and phone calls, but the IRS or state will quickly become much more aggressive if you do not take steps to address your tax issues. The IRS and state can do everything from shutting down your business to levying your bank account to filing tax liens against your property. You have options, and the sooner you understand them, the sooner your tax issue can be resolved.

The tax attorneys at Plunkett Cooney understand the collection process used by the IRS and state. They can help you work with the IRS or state to reduce any penalties and interest owed by establishing an installment agreement or offer in compromise <u>based on what your business can actually afford</u>. Our attorneys have extensive experience settling tax matters for a fraction of what is owed. Through its knowledge of collections and collection alternatives, Plunkett Cooney attorneys have successfully saved their clients millions of dollars in taxes.



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Audits

If you were contacted by the IRS because your business was identified as the subject of a current or future audit, careful planning and timely responsiveness to the IRS is key. In an audit situation, it is best to be proactive and to not wait until the IRS makes its adjustments and assesses additional penalties against the business. Plunkett Cooney's tax attorneys have the knowledge and ability to respond to any audit notices to reduce any proposed audit adjustments and associated increased tax or to possibly eliminate these adjustments outright.

Payroll Tax / Trust Fund

When a business pays wages to its employees, it is required to withhold federal income tax and FICA tax for each employee to be sent to the IRS. Because these payments are collected from each employee and are held by the business to be sent to the IRS at a later date, the business effectively holds these funds in trust on behalf of the United States government. Failure to send income and FICA taxes to the IRS will result in severe penalties. The IRS will assess a 100% penalty to your business for income and FICA taxes that are not properly accounted for and paid over to the federal government. Plunkett Cooney attorneys are able to review the transcript for your business and negotiate a resolution with the IRS that addresses any trust fund issues.

Appeals

Once the audit or collection process is complete, taxpayers have the right to appeal the examiner's or revenue agent's determination. This process requires a written protest letter to transition your matter into the jurisdiction of an appeals officer.

Such matters are extremely time-sensitive, so it is imperative to engage a tax attorney right away! Once a final determination from a revenue agent has been received, the recipient only has 30 days to file a protest with the IRS to begin the appeals process.

If a case has been unfavorably decided at the audit or collection level, there is still hope for a better outcome. Many cases that are unfavorably settled prior to appeal can be settled with much more favorable terms through the appeals process. Good appeals officers attempt to settle cases, and Plunkett Cooney's attorneys have excellent working relationships with the IRS and its personnel.

Litigation in Tax Court

There are times when a tax issue with the IRS simply cannot be settled between the IRS and the taxpayer during the collections or appeals processes. After a case goes to appeals, and in some cases before, the taxpayer often has the right to sue in the United States Tax Court.



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In tax court, taxpayers need not pay the tax before filing a lawsuit. If a notice of deficiency has been received, it's time to act. Taxpayers only have 90 days to file a petition with the court. If that deadline is missed, the assessed tax will become final, and taxpayers can never go back to have the court review the underlying tax liability.

It takes an experienced tax attorney to file a petition and to litigate a case in tax court. Plunkett Cooney's attorneys work closely with the Office of Chief Counsel to settle cases to the benefit of their clients before trial. However, if that process fails, they proceed to court in consultation with their clients.

Plunkett Cooney's attorneys are highly effective at litigating cases, but they only do so when they are confident the facts are conducive and that the law applies favorably to their clients. Seeking the right result for our clients is always the goal.

Federal Court Litigation

In some cases, it makes sense to pay the tax first and then sue for a refund. This is done through the federal court system.

When a potential claim against the IRS becomes necessary, Plunkett Cooney's attorneys take the time to walk their clients through the jurisdictional hurdles and to provide a thorough and honest assessment regarding the validity of all potential claims.

If you want to finally rest easy and not fear the next time you open the mailbox or receive a phone call, contact a Plunkett Cooney tax attorney today to find out how your issue can be resolved.