

# Personal Tax Controversy

For most people, the first time they receive a notice in the mail or a call from the IRS or state's Department of Treasury can be an anxious and often confusing time. The notices and calls are designed to be intimidating to create a sense of urgency to respond and deal with the underlying cause of the notices or calls. It may feel like your only option is to simply pretend that the notices and calls are imaginary.

Unfortunately, receiving letters or calls from the IRS or your state is serious business that you cannot afford to ignore. Failure to address these notices in a timely manner will result in increased penalties and interest and could also reduce your options to settle your tax balance in the future.

The initial notice or call you receive will often inform you of an issue with a past tax return that was filed or that a return for a prior year is either missing or was not processed. The notice may also alert you to an outstanding tax balance or inform you that you have been selected for an audit. Depending on the notice, there may already be a proposed amount due, or it may be a request for information to verify the amounts claimed on the tax return. No matter what you read in the notice or hear in during the call, you must respond to the IRS or state to prevent matters from getting worse. Plunkett Cooney's tax attorneys are IRS and state tax system experts who can advise you on what to expect, what the collection or audit process entails, and what options are available to you to resolve your tax issues.

## Collections

When the IRS or state determine that they believe you have a balance due for unpaid taxes, they will send notices and call you to collect the outstanding balance. Failure to respond to the IRS or state is never a good strategy for resolving your issues. If the agency does not hear back after repeated attempts to contact you, they can do everything from placing liens on your property, levying your bank account, or even garnishing your paycheck. There are alternatives to these outcomes that will make the notices and calls stop and put you back on a path to a fresh start with the taxing authority.

Plunkett Cooney's attorneys are experts at analyzing the unique tax situation for each of our clients and formulating a strategy to address any balances. Our attorneys understand the programs available to taxpayers through the IRS and state and can help you reduce the penalties you owe, establish an installment agreement based on what you can afford, and in some cases, settle the debt for a fraction of what you owe. Plunkett Cooney's attorneys have successfully saved their clients millions of dollars in outstanding tax balances.

## Innocent Spouse Relief

Losing a partner is an extremely difficult time for families and particularly in the life of the surviving spouse. Further compounding this difficult time for the surviving spouse is learning that returns filed for both parties by the late spouse generated unpaid taxes that are now payable by the surviving spouse. Innocent spouse relief can provide relief for the surviving spouse if the late spouse understated taxes due on your joint tax returns and you didn't know about these errors. If relief is granted by the IRS, the surviving spouse will no longer be responsible to pay the unpaid tax on behalf of their late spouse. Plunkett Cooney attorneys are experts at seeking relief on behalf of the surviving spouse.

### **Audits**

One of the most stressful times for most taxpayers is the day they receive a notice from the IRS informing them that they are going to be audited. If you receive an audit notice, there are things an attorney can do to make the process easier to navigate and to address any adverse tax adjustments before they occur. Plunkett Cooney's tax attorneys have the knowledge and ability to effectively respond to audit notices, reduce any proposed liability, or possibly eliminate it completely.

Being in a potentially vulnerable audit situation is obviously serious business – one that can involve potential civil and even criminal penalties! Understanding the IRS audit process is vital to responding to the audit notice and avoiding improper tax adjustments. Our attorneys can inform and prepare you for what to expect during each step in the process.

### **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 that a written protest letter be submitted on your behalf to have your case heard by an IRS appeals officer.

Such appeals are extremely time sensitive. It is imperative to engage a tax attorney right away to preserve your right to an appeal. Once a final determination from a revenue agent has been received, you only have 30 days to file a protest with the IRS and have your case heard by IRS appeal personnel.

If a case has been lost at the audit or collections level, there is still hope for a better outcome. Cases that are heard in appeals commonly settle under far better terms. Good appeals officers are motivated to settle cases, and Plunkett Cooney's attorneys have excellent working relationships with the IRS and its appeals officers.

### **Litigation in Tax Court**

Sometimes cases simply cannot be settled between the IRS and the taxpayer either during audit or collections. After a case goes to appeals, and in some cases before, the taxpayer has the right to sue in the United States Tax Court.

PERSONAL TAX CONTROVERSY Cont.

When filing a petition in U.S. Tax Court, taxpayers need not pay the assessed tax before filing a lawsuit. If a notice of deficiency has been received, it's time to act. Taxpayers have 90 days to file a petition with the court from the date that the notice of deficiency is issued by the IRS. If the 90-day deadline is missed, 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 the tax court. Plunkett Cooney's attorneys work closely with the IRS Office of Chief Counsel to try and settle cases to the benefit of their clients. However, if that process fails, they proceed to court in consultation with their clients.

Plunkett Cooney's attorneys are highly effective at litigating cases. We are experts at applying tax law to your case to resolve any issues raised by the IRS. Our attorneys frequently file petitions in U.S. Tax Court to address novel tax issues and seek relief for our clients.

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 to plan for and resolve your IRS or state tax issue.