

Total Tax Solutions

Certified Public Accountants

2100 East Sample Road, Suite 202

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Phone (866) 946-4142

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Totaltaxsolutions.net

Dear Taxpayer:

Welcome to Total Tax Solutions

Our firm has been servicing tax challenged clients for more than a decade; we have assessed the needs of our clients, and have strived to provide the highest levels of customer service. The enclosed information has been prepared to help you make an informed decision when determining which accounting firm will represent you before the IRS.

At the present time, numerous firms may be soliciting you. Unfortunately, many of these firms possess limited tax knowledge, and are inexperienced in settling IRS matters. During the comprehensive initial interview, our firm has found that a large number of these clients were previously misadvised by unqualified "professionals". As a result, these individuals unnecessarily paid several thousands dollars to discover that their situation had become worse. Unlike many firms that follow a "one size fits all" approach, our firm provides each client with objectivity and expertise. After a comprehensive initial interview with a tax professional, our firm assesses the situation, and custom tailors a list of realistic strategies that immediately address the situation, and eliminate tax debt. Our professionals have the knowledge, experience and resources our client's demand, and share the Firm's values and commitments to our clients. As an accounting firm, we offer our clients a vast array of services. It is a company built on the outstanding capabilities, unwavering integrity and an extraordinary desire to understand and serve our clients needs.

After reading the information within this pamphlet, I hope that you will have gained a greater perspective when selecting your tax professional. If you have any questions, and require assistance, do not hesitate to contact our firm at 1 (866) 946-4142. We look forward to your call, and to serving all of your tax needs in the future.

Yours truly,

Total Tax Solutions' Team of Professionals

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Firm Profile

Since 1994, our firm has successfully assisted thousands of clients faced with issues that demand a deep understanding of tax law, return preparation, and specific tax collection knowledge. Total Tax Solutions concentrates on representing taxpayers and corporations before the IRS and state taxing authorities. Our tax accountants, CPAs and enrolled agent are committed to providing excellent service and personal attention to the unique needs of every client.

Selecting a Tax Professional

This Guide provides a basic outline of the various considerations that you should be aware of when selecting a tax professional to assist you in dealing with the IRS.

Start by Hiring a Specialist with the Right Credentials

It should be emphasized that the IRS requires the taxpayer's representative to be a CPA, an attorney, or an Enrolled Agent in order to speak to the IRS on your behalf. If the individuals of the firm you are dealing with are not CPA's, attorneys or Enrolled Agents you should go elsewhere. Total Tax Solutions employs only CPAs and an Enrolled Agent to represent our clients before the IRS. Additionally, a skilled tax professional will order your transcripts to properly advise you. The transcripts and case files give the professional all the information that the IRS has on the taxpayer. Under the law, the IRS must release the information in its files that relate to the taxpayer's case

Beware of the "Free Consultation"

Many firms utilize inexperienced "salespeople" to conduct the free consultation, in order to convince a potential client to use their firm. A free interview with an incompetent salesperson is a formula for disaster. Before agreeing to schedule the initial consultation, confirm that the person conducting the interview is an experienced tax professional with proper licenses and credentials.

Beware of the Inexperienced Tax Professional

There are many lawyers and CPA's that are eligible to represent you, however, their experience in practicing before the IRS may be very shallow or a sideline to their main practice. In other words, you don't want to be the patient with a heart problem that's being treated by a dermatologist instead of a heart surgeon.

Hire a firm that employs experienced professionals with a proven track record of representing clients before the IRS.

The Internal Revenue Service

Your tax professional should (during the initial interview) provide a brief overview of the IRS. The IRS consists of the following three divisions:

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Criminal Investigation Division

The Criminal Division of the IRS investigates criminal activity by taxpayers. Common examples of activity investigated by the CI division are organized crime, white collar crime, drug dealers, etc. Statistically, the chances of being involved in a criminal prosecution are relatively small. However, if you have been contacted by a Special Agent, you should immediately seek the assistance of a qualified criminal tax attorney.

Examination Division

The Examination Division audits tax returns, and verifies information that determines whether the taxpayer understated income, overstated expenses, or inaccurately reported the tax liability. If you are a non-filer, and have not filed your returns, the Examination Division should not be contacting you. In order to examine a return, the return needs to be filed.

Collection Division

The primary focus of the Collection Division is to collect tax liabilities. Most taxpayers are contacted by the Collection Division because they have failed to file a return, or because a return was filed without the payment due.

The Initial Interview

During any initial interview, your tax professional should field specific questions pertaining to your tax liability. The following list briefly identifies core components that will serve as the foundation for any successful outcome.

The Validity of the Tax Liability

- Is the tax assessment accurate?
- Can the Tax be eliminated or reduced?

Non-Filed Returns

- Have you failed to file?
- If married, should you file separately from your spouse?
- Are your records missing?
- Will your returns be audited?

Elimination of Interest and Penalties

- Do you have reasonable cause for abatement of penalties and interest?

Review of Options to Avoid Bank and Wage Garnishments

- Payment of Tax liabilities
- Innocent Spouse Relief
- Currently Non Collectible Status
- Monthly Installment Agreements
- Offer in Compromise
- Bankruptcy Options

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Eliminating Interest & Penalties

During an initial consultation, most taxpayers will inquire as to whether their tax professional can reduce interest and penalties. The IRS allows the abatement of penalties if the taxpayer has reasonable cause.

If a taxpayer has a valid reasonable cause that can be verified, the IRS will consider an abatement of penalties. If some of the penalties are abated, the interest that was associated with the penalties will be reduced.

Examples

- The taxpayer was seriously ill, and/or was attending to an ailing family member, failing to have taxes prepared in a timely manner.
- The taxpayer had a legitimate chemical dependency and failed to attend to the tax matters because of their impairment.

Six Options When Resolving Tax Debt

Usually, the taxpayer contacts a tax professional when the Collection Division sends a letter to the taxpayer indicating that they intend to levy (garnish) certain assets, such as bank accounts and/or paychecks. In order to avoid enforced collection, the taxpayer must exercise one of the following seven options:

1. Pay the amount of tax due

2. Obtain Currently Non-Collectible status

If a person is basically living paycheck-to-paycheck and has little or no disposable income after they pay their necessary living expenses, (medical, transportation, housing, food and clothing), it is very possible that the Internal Revenue Service will classify the taxpayer as "Currently Non-Collectible". During non-collectible status, the interest and penalties are continuing to accrue. However, the Internal Revenue Service does not disrupt the taxpayer with enforced collection, such as bank and wage garnishments.

3. Innocent Spouse Relief

If you are divorced, or your spouse is deceased, you may be eligible for Innocent Spouse relief if the liability in question belonged to your ex-spouse.

4. Monthly Installment Agreement

An Installment Agreement allows a taxpayer to pay a pre-determined monthly amount to reduce, and ultimately eliminate, a tax liability. The advantage of an Installment Agreement is that it permits the taxpayer to pay their debt over time, stopping enforced collection by the Internal Revenue Service, such as wage and bank garnishments. Unfortunately, unless a substantial amount is paid each month, debt reduction can be slow; and may accrue interest and penalties by the IRS and state collection departments.

5. Offer In Compromise (OIC)

Offer In-Compromise (OIC) is a program that permits the government to accept less than what is owed on a tax liability. For example, a taxpayer that owes \$38,000 might be able to make an offer of \$8,000 to satisfy in full the outstanding tax debt. The Internal Revenue Service will either approve or reject the offer based on two factors:

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1. Income of the taxpayer
2. Assets of the taxpayer

Our firm is very selective when advising our clients to submit an OIC to the IRS. Unfortunately, many taxpayers hire unqualified “professionals” to submit an OIC, only to find out twelve months later, the offer had no chance of being accepted. If the IRS deems that the taxpayer’s income or assets are sufficient to pay the tax liability, the offer will be rejected.

6. Bankruptcy

Certain taxes may be dischargeable under bankruptcy law. For example, 1040 taxes are discharged, and can be eliminated through bankruptcy provided that the tax in question has met the bankruptcy eligibility requirements. Other taxes such as payroll taxes, sales taxes, and trust fund taxes cannot be discharged under bankruptcy. It is important to remember that in order to discharge 1040 taxes; the taxpayer’s assets must be minimal and meet certain time requirements.

Contact Us

Thank you for taking the time to read through our information on selecting the right tax professional. In order for us to assist you or if you have any questions, please call toll-free at 1 (866) 946-4142, or log onto Totaltaxsolutions.net.