



SSBM Consulting

Taking the Anxiety Out of Taxes

Brief overview to understanding the Tax Resolution Process

Two things are inevitable in this life death and taxes... Can't avoid either of them but you can keep yourself out from under the IRS eyes. It really all depends on what you the taxpayer is doing. Issue will not just go away and you can't run so why not get the help you need. Daily interest and penalties will make a small debt turn into a huge one very quickly with the IRS.

Here is a bit of information to explain what the Tax Resolution process is like. We are here to guide you hand and hand through our process to not just settle your debt but to also educate on how to not fall back into the trap of owing the IRS.

Phase I: Consultation: We speak with you and then contact the IRS on your behalf and getting the full story of your situation. Once that process is complete we update you with a Phase one report. Next step is to complete a financial analysis to determine the best option available to resolve your IRS issue. We will review each step to make sure you understand what exactly is being done with your case. Constant communication and education is what we believe will help you feel as ease during this stressful process.

Initial consultation and report will be completed within 72 hours.

Phase II: Compliance: We make sure all your taxes have are filed and you are up to date with the IRS. If your taxes are more than 3 years behind then the processing of your return can take anywhere between 2-9 months because it has to be mailed to a special unit of the IRS.

Phase III: Resolution: Together we determine which route is best to handle your IRS debt. See the options listed below.

Phase IV: After resolution we offer several other services to make sure you stay out of trouble with the IRS. We will continue to contact you to ensure your success. All along the process we educate you on how to not fall back into that trap again. Most big firms treat you as a number once done leave you hanging without any future assistance. We are here to be a resource to you after everything is settled and you have that fresh start.

Below are a few resolution options for you to review.

Overview of Solutions for Resolution

Regular installment agreement: A payment plan, generally monthly, that allows the taxpayer to pay back their tax, penalties, and interest, over time. During the period of the payment plan, the IRS will continue to charge penalties and interest as applicable. Payment must be at least \$25 per month, and the IRS generally wants to see the liability paid off within about 6 years (72 months) for these to be granted. Most of time it will require a financial analysis.

Guaranteed installment agreement: If the tax liability is under \$10,000 and the taxes are for 1040 type returns. The IRS is required by law to accept a payment plan request that pays off the taxes within 24 months. The \$25 minimum monthly payment does not apply. The ease of obtaining guaranteed installment agreements is the reason most advertising you see specifies a tax debt greater than \$10,000.

Streamline installment agreement: For income taxes only that are between \$10,000 and \$50,000, the IRS will accept a regular installment agreement request without requiring full financial documentation or verification of the supplied information. This is where they calculate out your debt to 72 months. Most cases are settled like this.

Offer in compromise: An offer in compromise allows you to settle your tax debt for less than the full amount you owe. It may be a legitimate option if you can't pay your full tax liability, or doing so creates a financial hardship. The process of acceptance can take up to a 18 months. IRS consider your unique set of facts and circumstances:

- Ability to pay;
- Income;
- Expenses; and
- Asset equity.

IRS will generally approve an offer in compromise when the amount offered represents the most the IRS can expect to collect within a reasonable period of time. The IRS may accept whatever money the taxpayer has as payment in full of all taxes, penalties, and interest owed. This program is not automatic, requires quite a bit of back and forth reworking of numbers and is NOT guaranteed. An offer settlement can be paid off over the course of up to 24 months.

Currently not collectible (CNC): There are times where you agree with the IRS that you owe taxes, but you can't pay due to your current financial situation. An in-depth financial analysis is required. If the IRS agrees that you can't both pay your taxes and your reasonable living expenses, it may place your account in Currently Not Collectible (CNC) (hardship) status. While your account is in CNC status, the IRS will not generally engage in collection activity. For example: It won't levy on your assets and income. However, the IRS will still charge interest and penalties to your account, and may keep your refunds and apply them to your debt. Before the IRS will place your account in CNC status, it may ask you to file any delinquent tax returns.

Bankruptcy: While not generally considered a tax debt resolution strategy, bankruptcy can be a perfectly valid method for obtaining relief from outstanding tax obligations. It is a good idea for a CPA or Enrolled Agent practicing in the collections representation arena to have a good bankruptcy attorney in their Rolodex that they can refer clients to, as there are some taxpayer situations that are simply beyond fixing with their overall debt situation taken into consideration. It should be noted that only non-trust fund taxes can be discharged in bankruptcy. Check your specific state laws, but I do not know of any states in which sales taxes and other trust fund taxes can be discharged. For 1040 tax liabilities, the federal requirements for discharge are as follows:

- The tax liability must be from tax years at least three years prior to filing.
- The tax returns for those years must have been filed at least two years prior.
- The tax must have been assessed at least 240 days prior to filing.

The most common reason for not being able to include a personal income tax debt in a bankruptcy filing is because the taxpayer has not filed the tax returns for the tax years in question. Be sure to take this into consideration prior to referring the taxpayer's case to an attorney.



Stop stressing yourself by calling the IRS and staying on hold for hours. I would suggest if you have significant tax debts, say over \$15,000, hire a professional to fight on their behalf. There are several options available but each person is different. If you have significant tax debt and your plan is to ignore the problem until something bad happens, it can take anywhere from 3 months to 2 years to get the situation handled.

In most situations, if you are proactive, or have an expert representing you, there is no need to fear the IRS. At the end of the day, let us help you put the matter behind you and move on with your life.

- If you owe more than 15k and tired of paying hundreds of dollars a month You need to call us
- If you cannot afford to pay your IRS debt Call us so we can explore the several options available...
- If you haven't filed in years call us before the IRS files for you...
- If you are scared of IRS call us...

Remember we are here to help so set up your free 15 consultation today.

Visit our website today at WWW.SSBMCONSULTING.COM to schedule, or call us at **786-664-8445** or contact us by email at ssbmconsulting@gmail.com.

SSBM Consulting is a small business tax consulting company that assists individuals and small businesses with tax preparation, strategic tax planning and tax resolution.

NOW GO OUT THERE, BE PATIENT, WORK HARD, STAY POSITIVE AND BE SUCCESSFUL!!