

The Professional Edge

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THEY THOUGHT THEY WERE DOOMED: NINE TAX DEBT SUCCESS STORIES

Here's one from the 'so-you-think-you've-got-troubles' file. Jack hadn't

paid his taxes in 14 years and he owed the IRS over \$375,000.

Since he was just getting by financially, his IRS debt was one he would never be able to pay off. What kind of future could Jack have? Financial Ruin? Jail? The answers might surprise you.

People from all walks of life are leaving mountains of tax debt behind and getting fresh financial starts. They're taking advantage of a new IRS something-is-better-than-nothing approach to debt collection called the Offer in Compromise Program

Realizing that the chances are slim of collecting every dollar from people in situations like Jack's, in some cases, the IRS is accepting smaller amounts as payment in full on back taxes.

The key to the Offer in Compromise program is knowing how much the IRS will accept and under what circumstances.

The following cases from the files of Tax Help Associates show how with the help of tax professionals, the Offer in Compromise option has given people financial relief they never thought possible.

❖ Gerry, a moving-and-carting business owner, owed \$29,000 in personal and payroll taxes. Tax Help Associates filed an Offer in Compromise on Gerry's behalf for \$5,000. The IRS accepted and **Gerry saved \$24,000**. Two years later Gerry is still up to date and in good standing with the IRS.

❖ Randy, a self-employed attorney, owed \$115,000 in penalties and interest. By submitting an Offer in Compromise, Tax Help Associates got the IRS to accept \$70,000 as payment in full on Randy's tax debt. **Randy saved over \$45,000**.

❖ After 10 years of falling steadily behind in her taxes, Janice, a doctor, came to Tax Help

Associates owing the IRS \$120,000. Through the Offer in Compromise program, Janice paid \$13,500 and **saved \$106,500**.

❖ Melvin owed the IRS \$65,000. He was a self-employed baker who had been falling behind in his taxes for five years. His Offer in Compromise settlement: \$7,000. **Melvin saved \$58,000**.

❖ Larry owed the IRS \$41,000 and made an Offer in Compromise of \$5,000. The IRS rejected Larry's Offer at the District level. Tax Help Associates, however, reviewed Larry's records, determined that the IRS had made a mistake and appealed the decision to a higher level. The appeal worked. The IRS accepted Larry's offer. **He saved \$36,000**.

❖ Richard owed the IRS \$15,000 on his income taxes from 1987 through 1991. After waiting five years, Richard came to Tax Help Associates. The company submitted an Offer in Compromise on Richard's behalf for \$5,000. A month later the IRS accepted and **Richard had a clean start**.

❖ Mark and Beverly owed \$200,000 – a debt that they would never be able to pay off on her waitress' and his construction worker's salary. Tax Help Associates helped them get the IRS to accept \$25,000 as payment in full on their debts. **Mark and Beverly saved \$175,000**.

❖ Murray, a steel worker, owed the IRS \$220,000. Tax Help Associates submitted an Offer in Compromise to the IRS of \$37,000 on Murray's behalf. The IRS accepted, and **Murray saved \$183,000**.

So what about Jack? He owed \$375,000. With Tax Help Associates, Jack filed an Offer in Compromise of \$4,000. The IRS accepted. **He saved over \$370,000 in liabilities**.

For many people the **Offer in Compromise** program is more than just a way to finally pay their taxes, it's a chance at a **clean start** they thought they'd never have.



FAQ: Frequently Asked Questions

Joseph D. Cipolla, CPA, EA
President, Tax Help Associates

"Will the IRS look unfavorably upon me because I sought professional representation to resolve my tax problems, especially if they are at the hearing?"

"In my experience as an IRS Revenue Agent," said Joe Cipolla, "I was always pleased to see a representative on behalf of the taxpayer."

Representatives are trained to evaluate personal and business tax situations, compile a detailed financial analysis and determine realistic tax resolution strategies. They have experience in preparing for hearings and will compile comprehensive information required by the IRS. Both parties want a resolution and Cipolla believes the IRS looks upon the taxpayer's representatives as facilitators to resolve the situation amiably and efficiently. Cipolla warns, "If you are unprepared for your hearing, provide the wrong kind of information or simply do not speak in their terms, you can find yourself easily on the wrong side with an unfavorable decision."

After working for the IRS for 25 years and witnessing first-hand the burdens incurred by taxpayers unable to resolve their tax problems, Cipolla formed Tax Help Associates to help individuals and businesses get relief. "My work is

very fulfilling," explained Cipolla, "I use my experience to help people with problems where I can lend a professional edge." Tax Help Associates assists clients with negotiating IRS settlements, structuring payment agreements, securing the discharge of liens and submitting Offers in Compromise. For taxpayers Cipolla recommends professional representation by someone authorized to practice before the IRS, such as a CPA or an Enrolled Agent. "In some cases, it could mean the difference between the seizure and sale of your assets or the most favorable decision of having total relief of the taxes owed."

With 25 years diversified experience at the Internal Revenue Service, Joe Cipolla has served as an IRS Revenue Agent, Manager, Reviewer and District Conferee. He has taught courses for the IRS and various colleges in international - corporate - and employment tax law. During his years with the IRS, Joe's cases ranged from small businesses to those listed on the American and New York Stock Exchanges.

Joe, a Certified Public Accountant, is a member of both the American Institute of Certified Public Accountants and the New York State Society of Certified Public Accountants. He is also an Enrolled Agent, authorized to practice before the IRS, with proven experience settling disputed cases and member of the National Association of Enrolled Agents

The IRS looks upon the taxpayer's representative as a facilitator...

THE PROFESSIONAL EDGE

is published by Tax Help Associates. For additional copies of this news-letter or for answers to your specific questions contact:

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What Tax Help clients have to say ...

"Again thank you for helping me with my situation. Thanks to your expertise, I am a most satisfied client. I cannot thank you enough" Ellen D. from Brooklyn, NY

"Thanks again Joe. You guys are great," Terry S. from Western NY

"Thanks so much, you are really a professional company. Thanks so much." Gene A. from Brooklyn, NY

"Your superb service has truly lifted my spirits recently. I feel I can find my way out now." Bob L. from Glen Cove, NY

"You have a solid management team...." Anthony C. from Buffalo, NY

"Just wanted to let you now how much Russ and I appreciate your help and the pleasant ladies that work for your firm as well...." Vivian K. from Philly, PA