



TRS Newspaper

Tax Resolution Services, Co., Est. 1997

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6345 Balboa Blvd., Bldg. IV, Suite 285 Encino, CA 91316

1-(866) IRS-PROBLEMS or (818) 774-1813 / www.taxresolution.com

Tax Day Approaches. Are You Ready?

Tax Day 2011 is drawing closer. The government's enforcement efforts are in high gear. Are you comfortable with your tax situation?

You'll have to thank Abraham Lincoln.

He's given you three extra days to file your tax returns this year.

Kinda.

This year, tax returns are due April 18, instead of April 15, because Emancipation Day will be observed on April 15.

Emancipation Day, a holiday in the District of Columbia since 2005, recognizes Lincoln's freeing of 3,100 slaves in our nation's capital.

So Honest Abe is giving you 72 hours.

But that extra time, while handy, won't be enough to set your tax life straight if you're in deep tax debt.

This is one of the busiest times for me, not simply because it's tax season but because this is the time when taxpayers start to come to terms with their tax debt.

Many of these taxpayers owe substantial amounts to the IRS. Worse still are the ones who've played fast and loose with their taxes and are now hearing stories of people going to prison for tax offenses.

They read about these stories in the paper. They hear about them from friends. They're everywhere, really, and more and more seem to come out every month.

Take this month, for example.

A racecar specialist in Connecticut failed to report some of his consulting income, about \$250,000 worth, and he's headed to the hoosegow for three months.

Or there's the well-publicized case of Dr. William Howard Steiniger and his wife Diana. They ran a drug and alcohol rehabilitation center in Sedona, Arizona, but were caught funneling money into sham entities, including a corporation in Belize. Steiniger

received 42 months in prison and his wife received eight months.

Those are just two examples.

There are tons more.

All from one month, no less.

If you haven't been paying attention until now, you haven't noticed that over the last decade the IRS has become increasingly more aggressive in its approach to tax enforcement.

Congress increased funding for enforcement, and the IRS is collecting more from back taxes than ever before.

In addition, prosecutions are up and the traditional ways of hiding income – a credit card linked to a Caribbean account, for example, or a tidy stash of cash in a Swiss bank – have been foiled by U.S. investigators and prosecutors.

There's good reason for this. You'd have to be living underground not to have heard the U.S. government is in debt, and more efficient tax revenue collection is one way to ease that debt.

So now is the time to take a hard look at your taxes. Is it time to clean up tax troubles with the help of a professional?

Because if you do nothing, Honest Abe's three days won't provide any comfort.

*Michael Rozbruch is a Certified Tax Resolution Specialist, a member of the American Society of IRS Problem Solvers and a Maryland CPA. You can contact him at 866-477-7762 to obtain a free subscription to his newsletter titled *The IRS Times & Inquirer*.*