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New IRS Program Helps Employers Misusing Independent Contractors Step Up Before Their Tax Situations Get Stomped Down

Tax Resolution Services, Co. wants businesses to know that IRS' New Voluntary Worker Classification Settlement Program can be a fresh start, but recommends expert representation

Encino, CA—Tax Resolution Services, a leading tax negotiation and mediation firm, finds the recent IRS announcements about their new payroll tax relief program (called the Volunteer Worker Classification Program) to be a beneficial tax settlement vehicle for business owners who are, or may be incorrectly classifying their workers as independent contractors vs. W-2 employees.

"For businesses who are not treating workers properly, this is a great opportunity to reclassify contractors as employees and make a small payment to cover past payroll taxes and settle, versus waiting for the IRS to find you later and demand pricey penalties," says Michael Rozbruch, Founder and CEO of [Tax Resolution Services](#). "This is significant because if the IRS audits you, they automatically go back three years, and the monetary "hit" is generally 40% of your 1099 gross amounts. Under this new program, the IRS will not only audit you for just the current year, your tax bill may be reduced from 40% (of 1099s) to anywhere between 33% and to as low as 1%."

The IRS Voluntary Classification Settlement Program (VCSP) is available for organizations that may treat their workers or a class or group of workers as nonemployees or independent contractors and now want to correctly classify these workers as employees. For the first three years under the program, employers will be subject to a special six-year statute of limitations, rather than the usual three years that generally applies to payroll taxes. This is a great time to critically evaluate your contractor and employee statuses and make corrections.

"This new program can serve as a fresh start – like an amnesty program," says Rozbruch, "But let's remember that this program is for 'eligible employers' and could rattle confused businesses unsure of whether or not they are being compliant. Going forward to the IRS without representation could result in businesses paying additional payroll taxes unnecessarily – there is still grey area about employees versus contractors so be sure to have advocates on your side. Businesses do need to step up before they get stomped on, as independent contractors who should be classified as employees is no laughing matter. The power of having a [Certified Tax Resolution Specialist](#) advise you about worker classification, [delinquent payroll taxes](#), Voluntary Classification Settlement Program and other IRS problems is the missing link that a business owner may not know what they don't know. The new IRS classification program can save a business but don't rule out having expert representation on your side."

A recent [Wall Street Journal](#) article said: "The IRS says it is rolling out the Voluntary Worker Classification Settlement Program to encourage businesses to correct the

error, while not having to worry about a big penalty.” This amnesty initiative is a great trigger needed to get employers to step up as long as unsure businesses consider expert advisory on their side –having help is an investment that could yield major tax resolution rewards.

Tax Resolution Services, Co.®, the nation’s leading experts in tax negotiation and mediation®, is dedicated to providing affordable solutions to businesses and individuals alike who find themselves in trouble with the IRS. TRS is a member of the Tax Problem Resolution Services Coalition (TPRSC), based out of Washington, D.C. For more information or to receive a FREE tax relief consultation, visit www.TaxResolution.com or call 888-851-5894.