



TRS Newspaper

Tax Resolution Services, Co., Est. 1997

"The Nation's Leading Experts in Tax Negotiation and Mediation"

6345 Balboa Blvd., Bldg. IV, Suite 195 Encino, CA 91316

1-(866) IRS – PROBLEMS or (818) 774-1813

As Tax Day comes, IRS Searches Far and High

The IRS is becoming more and more aggressive with tax cheats. The agency will hunt you down, even in ... Liechtenstein — By Michael Rozbruch

It's March, and Tax Day nears.

It's also time to heed some warnings: The Internal Revenue Service is searching far and high for tax cheats.

Literally far and high.

The U.S. government recently announced it was taking action against more than 100 U.S. taxpayers who used bank accounts in Liechtenstein to evade taxes here at home.

That's right — Liechtenstein, a tiny principality in the Alps.

The national tax administrations of Australia, Canada, France, Italy, New Zealand, Sweden, United Kingdom and the United States — all member countries of the OECD's Forum on Tax Administration — are now working together following revelations that Liechtenstein accounts are being used for tax avoidance and evasion.

"Combating offshore tax avoidance and evasion are high priorities for the IRS," IRS Acting Commissioner Linda Stiff said in a statement. "We are determined to protect the United States tax system from abuse and ensure that taxpayers pay what they owe. We will use all our authority to fairly and effectively enforce our tax laws. It should be clear from recent events that there is no safe hiding place for the proceeds of tax avoidance and evasion. Anyone with hidden income and gains would be well-advised to make a prompt and complete disclosure to the Internal Revenue Service."

It's becoming harder and harder for tax cheats to find places to stash their money. Keep in mind: Liechtenstein doesn't even have an airport, and the

IRS still tracked down more than 100 U.S. tax cheats who were using bank accounts there.

The news should be sobering, particularly in light of the 2007 enforcement numbers that were recently distributed by the IRS.

During 2007, the IRS audited 84 percent more returns of individuals with incomes of \$1 million or more than during 2006. Overall, enforcement revenue reached \$59.2 billion, up from \$48.7 billion in 2006 and nearly \$34.1 billion in 2002.

Still don't believe the IRS is becoming more aggressive? Consider these headlines from last year:

- Drug giant Merck paid \$2.3 billion in federal taxes, net interest and penalties to resolve a dispute regarding tax years 1993 to 2001.
- The IRS reached an agreement with the Hollywood Foreign Press Association, which organizes the Golden Globe Awards, regarding the taxability of gift bags and promotional items.
- The IRS effectively shut down the once-powerful law firm J&G after the firm promoted illegal tax shelters.
- Law firm Sidley Austin paid \$39.4 million in penalties for promoting abusive tax shelters and failing to comply with tax shelter registration requirements.

Now are you ready to file your tax return?

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.