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New IRS Commissioner Committed to Enforcement **After year after year of news about increasing levels of enforcement at** **the IRS, government statistics show tax revenue is up — evidence for the** **new commissioner that tax enforcement is working**

Here's some bad news for taxpayers who thought the IRS's increasingly aggressive enforcement tactics would end in the near future: Those tactics won't end any time soon.

The reason is simple. The Internal Revenue Service now has proof that tough-as-nails enforcement is increasing tax revenues.

According to recently released statistics, the total U.S. income tax in 2006 increased 10.6 percent to \$1 trillion, and total tax liability rose 10.3 percent to \$1.1 trillion, compared to 2005 numbers.

What's more, in a recent speech to the American Bar Association, IRS Commissioner Douglas Shulman didn't mince words.

"One thing I want to make clear is that during my tenure at the IRS, I will continue to support a strong enforcement program," he said.

Shulman plans to stay aggressive in areas where the IRS has already flexed its enforcement muscle.

In his own words:

1) Abusive tax shelters: "As these cases have shown, we are entering a new phase of dealing with tax shelter issues. In the first phase, the IRS aggressively rooted out abusive tax shelters and brought some significant cases. In the next phase, a number of taxpayers acknowledged that participating in these shelters was a mistake and settled. In this new phase, we have pursued those holdouts who chose not to settle and the cases are working their way through the courts. The government has won the overwhelming majority of these cases."

- 2) Crackdown on corporate noncompliance: "The public has a right to expect that large corporations be good corporate citizens and meet their compliance obligations."
- 3) Audits of nation's high-income taxpayers: "Over the next several years, we will need to continue to do more research so that we can target non-compliance and ensure that we are using our resources effectively and efficiently."
- 4) Movement of money across borders: "The cross border migration of capital and people has made this a more integrated world and the IRS needs to ensure it has the tax administration capabilities to deal with the fast pace of change."

A lot of talk, right? Maybe.

But given that aggressive enforcement by the IRS helped boost tax revenues by 10 percent in just one year, don't be too certain Shulman is boasting.

He's likely saber-rattling.

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