

REITZ LAW OFFICES

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What will legal representation cost?

It depends on the complexity of your issue. My practice bills on an hourly basis. The more time that must be expended, the more representation will cost. The amount of fees charged to prepare an Offer are necessary expenses that can be excluded from the amount of an Offer. Tax representation for other issues are typically deductible as a necessary

Tax Issue Contact Request



Main Office

785-843-5400

1311 Wakarusa Drive
Lawrence, KS 66047
[directions](#)

Satellite Offices

913-387-0168

4745 W. 136th Street
Leawood, KS 66224
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2850 SW Mission Woods Dr
Topeka, KS 66614
[directions](#)

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business expenses or as itemized deductions.

I am always willing to discuss my billing rate and policies with prospective clients. Please call or complete the [Tax Issue Contact Request](#) if you have any questions.

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Do I need a CPA/Attorney to make an Offer in Compromise?

No. Many individuals are competent to make their own Offer to the IRS. However, if you have a tax liability that is greater than \$4,000 you may find it worthwhile to seek professional assistance. If you would like to view the forms to decide whether you would prefer to receive assistance you can find them on this or at [the IRS website](#). Please call if have any questions.

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I've been approached by an IRS special agent. What should I do?

You should assume that you are under criminal investigation. Politely tell the agent that you will not discuss the issue or divulge any information until you first contact your attorney. Do so immediately.

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How long does the IRS have to collect from me?

The Tax Code imposes a ten-year time limit on the IRS to collect taxes after they are assessed. (Internal Revenue Code § 6502.) If you were billed after filing your return, this period starts on the date you filed. If you were audited, the ten years runs from the date the IRS assessed additional taxes.

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Help! I owe taxes that I can't pay. What are my options?

- Borrow from a financial institution, family or friends and pay it in full.
- Consider Chapter 13 bankruptcy to set up a payment plan for your debts, including your taxes.
- Consider Chapter 7 bankruptcy.
- Make an [offer in compromise](#).
- Ask the IRS to designate your debt (temporarily) uncollectible if you are out of work or your income is very low.
- File an [installment agreement](#) request to pay off your debt over time. You may be guaranteed an installment payment agreement.

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What is a reasonable expectation for an acceptable Offer in

Compromise?

The Service will accept Offers for as little as pennies on the dollar. Competent advice and representation will ensure that your Offer is the best possible under your particular facts and circumstances. However, the likelihood that your Offer will be accepted and the amount that is determined collectible will depend on your individual circumstances. The IRS is under no obligation to accept a particular Offer.

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Do I have to pay the interest and penalties the IRS is charging me on past due amounts?

The IRS must charge you interest on your tax bill, but penalties are discretionary. The IRS abates (cancels) one-third of all penalties it charges. Competent counsel can advise you on the best arguments to make for penalty abatement.

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Can the IRS seize my home for back taxes?

Yes, although this is a practice that is discouraged.

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What is the Fair Debt Collections Act and does it apply to the IRS?

The Fair Debt Collection Practices Act requires that debt collectors treat you fairly by prohibiting certain methods of debt collection. For example, creditors cannot contact you at unreasonable time or engage in harassing behavior. As of 1998 the IRS is subject to these provisions. If the IRS violates this law you may have a cause of action against them (you can sue).

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Can I obtain damages against the IRS if they engage in unauthorized collection activities?

Yes. Taxpayers can sue the IRS for unauthorized collections activity. The maximum damages allowed is \$1 million. These damages must be actual (i.e., not punitive) and a taxpayer must prove that he IRS acted with recklessness or disregard of the tax law.

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Can I stop the running of interest on my tax liability?

Rev. Proc. 84-58 provides guidelines for (1) terminating the accrual of interest on tax deficiencies and (2) allocating payments made to the IRS for tax, penalty and interest. Please contact my office for more information.

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How long should I keep tax records?

Generally, records should be kept for at least seven years. Many accountants will quote a three year period, but this does not take into account the full range of statute of limitations that may apply to your returns. The statute of limitations is the determining factor, and a seven year period better reflects a reasonable limit.

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What will increase the likelihood of my return being selected for audit?

1. non-cash charitable contributions
2. casualty losses
3. medical insurance and medical payments
4. large travel and entertainment expenses
5. unusually high amounts of income.

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Will your office prepare tax returns?

Yes.

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What do you charge for tax preparation?

The fees depend on tax return complexity. Because tax planning and consulting are a major part of my service it will not be comparable to a tax preparation firm that merely fills in information on your return. It will also cost more than software preparation, but again that option doesn't offer any real benefit besides making data input a little less complicated. I am confident that my fees are well worth the service and benefits my clients receive.

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Can I discharge my taxes in bankruptcy?

Generally, individual and non-corporate debtors can discharge tax liabilities in bankruptcy that are at least three years old. There are several exceptions to this rule. Chapter 13 proceedings are generally the most comprehensive for discharging taxes.

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Should I file for bankruptcy or an Offer in Compromise?

This is a decision that must be made on a case-by-case basis. There are advantages and disadvantages to each, and your individual facts and circumstances will determine the proper course of action. Your attorney should be able to discuss the pros and cons so you can make an informed decision. If you have a bankruptcy attorney and he or she has not explored the potential for an Offer with you, you should contact my office, especially if the tax liability is a major portion of your debt.

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Do you file bankruptcies?

Yes. Bankruptcy can be an effective alternative to making an Offer in Compromise.

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What happens if I receive a summon and ignore it?

This is not a good idea. This can be a misdemeanor and punishable by up to one year imprisonment and/or a fine of up to \$1,000.

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The IRS owes me a refund and is refusing to pay can I force them to pay?

Generally yes. You can file suit forcing the IRS to pay you the refund. In some instances, the IRS is authorized to use a refund for setoffs against other taxes. There are strict statute of limitations for refund claims, so you should take action as soon as it becomes clear the IRS won't pay.

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How Do I Adjust My Federal Tax Withholding?

Please see [IRS Publication 919](#) for complete instructions.

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How do I obtain old tax returns, form W-2 and other non-1099 tax documents?

File [Form 4506](#), Request for Copy or Transcript of Tax Form.

[back](#)**How do I obtain copies of old forms 1099?**

Requesting a copy from the payor is the simplest method.

[back](#)**My employer/bank/other entity sent me an incorrect forms 1099/W-2 OR didn't send me a form 1099/W-2. What should I do?**

You still must file your return by April 15th. Contact the IRS for assistance at 1-800-829-1040, but not before February 15, 2002. When you call, be prepared to provide your social security number, name, address (including zip code), and phone number, dates of employment, and the employer's name, address (including zip code) and phone number.

The IRS will send the employer a Form 4598, Form W-2, or 1099, *Not Received, Incorrect, or Lost*. You will be sent a copy, along with a [Form 4852](#) (PDF), *Substitute for Form W-2 or Form 1099-R* and a [Form 1040X](#) (PDF), *Amended U.S. Individual Income Tax Return*. If you do not receive your Form W-2 or 1099-R in sufficient time to file timely, you may file using the Form 4852.

[back](#)**My employer just gave me form 668-W. What is it and what should I do with it?**

This notice is to inform you that your wages are going to be seized. It is a continuing levy, meaning it applies to all wages, salaries and commissions owed, as well as all future wages, commissions and salaries. However, part of every taxpayer's wages is exempt from levy. This exemption is calculated based on the taxpayer's standard deduction plus the number of exemptions the taxpayer is entitled to, divided by the number of weeks in a year. For example, a married taxpayer with four deductions (husband, wife and two children) would compute the exempted wages as follows:

Standard Deduction -	\$7,200
Exemptions (4 * \$2,750)	\$11,000
	\$18,200
$\$18,200 / 52 = \350 per week	

You must next inform the IRS as to your wage exemption amount by filing Form 668-W(c), Part 6, Statement of Exemptions and return it to your employer to be sent out to the IRS. If you do not fill this out, your employer will be required to compute your exemption as married filing separately

DISCLAIMER: The materials and statements

with one exemption; which means your exempted wage amount will work out to only \$122 week! So do not forget to fill this form out or you will be sorry!

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