

LINDSEY & WALDO

CERTIFIED PUBLIC ACCOUNTANTS

"You see the numbers, we look for the opportunities."



SPECIAL POINTS OF INTEREST:

- Call-in times
- Rave reviews
- Referrals
- Great customer service
- Compromising with the IRS
- Protecting your identity
- Thank you!!

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Taxing Times

Dedicated to helping our clients keep the money that belongs to them through a focus on tax.

VOLUME 8, ISSUE 4

APRIL 2016

Symbolism in the Work Place by Keith Lee

Symbols are critical for business and personal success. It is just too easy to lose track and get off course. Symbols help us stay on course and focused.

At my company, American Retail Supply, one of the most lasting symbols that each new team member receives on their first day of employment is "3 Things to Remember."

- "Do What You Do So Well That People Can't Help Telling Others About You." - Walt Disney
- ...and then some
- What Can I Do To Make-You-Happy?

On their first day of employment at American Retail Supply, each new employee goes to our Out-Nordstrom Nordstrom Customer Service Training. During that training, the new team member is introduced to these "3 Things to Remember" and is told that if they come to work the next day and they can tell their supervisor the "3 Things to Remember," they will get a \$50 gift certificate to a local restaurant. This small symbol gets our customer service message through loud and clear on the first day of employment.

Here's another example of using symbols. In eight different locations around our distribution center, we have stenciled, in 8 inch high letters:

Do What You Do So Well That People Can't Help Telling Others About You!

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15 THINGS YOU NEED TO KNOW WHEN YOU OWE TAXES TO THE IRS

Each year, more than 26 million people – about 1 in 6 – show a balance due on their tax return. Many of those people can't pay the amount due all at once. Here are 15 things you need to know about IRS collections before and after you file.

1. **File the return before the due date.** I know it may not seem like the thing to do – after all, why tell the IRS you owe them money before you can pay it? It's tempting to ignore the problem and just not file. But that would only make matters worse. Not filing can mean a very expensive failure-to-file penalty that can add 25% to the balance due. Remember also, an extension is an extension of the time to file, NOT an extension of the time to pay.
2. **The IRS has 10 years to collect.** The law grants the IRS a 10-year statute of limitations to collect taxes. For this reason, they are reluctant to agree to payment arrangements that don't pay the tax owed during that time, or, if they do, are going to require detailed financial statements and other documentation to prove you don't have the assets or income to pay the debt.
3. **Set up a payment agreement with the IRS.** Depending on the circumstances, the IRS can and will file a tax lien to collect money you owe but haven't paid. The only way to avoid this enforced collection action is to get a payment agreement in place.
4. **There are options available.** There are several types of payment agreements with the IRS. The installment agreement is the most common, but it's also possible to get an extension of up to 120 days just for the asking. In hardship situations, (as determined by the IRS) the IRS may defer collection of your balance under their "currently not collectible" program, or, in rarer circumstances, settle your debt for less than the amount you owe (called an Offer in Compromise).
5. **Most agreements can be made online at IRS.gov.** There have been improvements to the online payment arrangement tools at www.IRS.gov. In fact, usage quadrupled in 2015 over 2014. That's probably because it's a whole lot easier, and quicker, to do it online than waiting on the phone, or heaven forbid, the U.S. mail.

Continued on page 2 ↗

15 THINGS YOU NEED TO KNOW WHEN YOU OWE TAXES TO THE IRS—continued from page 1

6. **Some agreements come with a federal tax lien.** Extensions to pay and installment agreements are, if set up before the IRS begins collection activity, a sure-fire way to avoid a tax lien. However, if you owe more than \$50,000 or you owe more than \$410,000 and can't pay within six years, the IRS will usually file a tax lien. Once the balance is paid off, you can have the lien removed.
7. **You must file all required returns to establish an IRS agreement.** Before the IRS enters into an agreement it will require all tax returns for the past six years to be filed. You won't get one without it.
8. **Use the streamlined installment agreement to get the best terms.** The streamlined installment agreement usually comes with the best terms. With balances less than \$50,000, you can make equal monthly payments for up to 72 months. If you owe more than that, the IRS will determine the payment based on your income and IRS-allowed expenses. This can create a much higher monthly payment.
9. **Set up direct debit to avoid default.** Missed payments result in ugly letters from the IRS, additional fees to reinstate the installment agreement, or, worst case scenario, the installment agreement becoming immediately due and payable. Taxpayers who pay by check are three times more likely to default on their agreement. Direct debit agreements also have a lower set up fee, \$52 versus the \$120 fee for payment by check.
10. **Avoid defaulting on the agreement.** Default can occur when you have a balance due the next year that you don't have the money to pay. This often occurs because the taxpayer hasn't made the necessary estimated tax payments or need to increase their withholding. The IRS will charge you a \$50 reinstatement fee.
11. **You won't get any refunds until the balance is paid in full.** The IRS will always take any future overpayments and apply them to the installment agreement. Enough said?
12. **Interest and penalties continue as long as the agreement is in place.** The IRS currently charges a 3% interest rate on underpayments. Even with an installment agreement, the failure-to-pay penalty is 0.25% per month, or 3% per year. So, in addition to the set up fee, the cost of an installment agreement is about 6% of the balance owed per year.
13. **Don't forget to request penalty abatement.** Failure-to-pay penalties have continued to accrue for the life of the installment agreement. Towards the end of the agreement, if you have a clean three-year compliance history, you can use the first-time abatement procedures to request a forgiveness of the penalties paid for one tax period.
14. **No agreement may mean no passport.** Congress passed a law in late 2015 that allows the U. S. State Department to revoke or deny passports to those who owe more than \$50,000 to the IRS, and are not in a payment agreement.
15. **An offer-in-compromise may be possible in desperate circumstances.** Offers-in-compromise are an over publicized by late night TV arrangement where the IRS forgives some portion of your tax debt. In my experience, they loathe to do it. Their first position is always that you have some assets you can sell, or you have the ability to earn some money in the future that belongs to them. Nevertheless, if you are one of the unfortunate, rare individuals that fit the IRS criteria, you shouldn't ignore this avenue.

It's not unusual for a taxpayer to file and owe. If you owe the IRS and can't pay, you can look to us for help. *

If and only to the extent that this publication contains contributions from tax professionals who are subject to the rules of professional conduct set forth in Circular 230, as promulgated by the United States Department of the Treasury, the publisher, on behalf, of those contributors, hereby states that any U.S. federal tax advice that is contained in such contributions was not intended or written to be used by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer by the Internal Revenue Service, and it cannot be used by any taxpayer for such purposes.

This month's special Member-Only call-in times for Lindsey's Insider's Circle will be 4/25/16 from 2:00 to 4:00 pm. To schedule your appointment, contact Kristen at (251) 633-4070.

**Not a member yet?
Find out how to become one today!**

Bjorn and I had a very pleasant experience in dealing with you this year as first time clients. Although we did not receive a federal refund this year, as we usually do, you quickly identified the reason, and gave a clear explanation. Your knowledge and expertise we highly value and realize you are always up to date on current laws and regulations! Thanks, you made us feel welcome and valued as a customer!

- Bjorn and Faye Ramskog



What I'm Reading...

NOW

Death Ship by Joseph Badal

RECENTLY

Blue Gold by Clive Cussler
Retire Inspired: It's Not an Age, It's a Financial Number by Chris Hogan

I came to Paula from a reference, and had a personal storm of a tax situation for her to attempt to sort out (if possible), the best she possibly could. Paula was not only able to sort things out for me, but was also able to answer each/every question I had while also providing the most professional, timely and efficient filing experience I've ever had. For years I've used the "larger/commercialized" companies to rely on for my filing purposes, but never again. The work and experience that Paula provided me with has absolutely earned my loyalty for my filing purposes from here on out!

- Russell "Rusty" Garrett

Symbolism — *continued from page 1*

Since this is a quotation from Walt Disney, we also have 30 framed prints from Disney around our distribution center as symbols to remind our team members to always deliver Out-Nordstrom Nordstrom Customer Service.

Here's another symbol. Post a sign in your lunchroom, by your time clock, in the restroom, in your back room... wherever it makes sense for you.

When you see, hear, or meet a customer, all other duties and activities are put on Hold. First, foremost, and fanatically...SERVE THE CUSTOMER!

Post this little sign on the mirror in your restroom:

The next person using this sink may be the person who determines the amount of your next raise...Our Customer.

Please show her the pride you have in serving her by leaving this restroom spotless.

Laminate and tape the sign to the mirror above the sink in your restroom (lamination hint - simply cover both sides with cellophane tape and trim the edges).

With another color print:

The next person using this sink may be the person who pays for your next vacation...Our Customer.

Please show her the pride you have in serving her by leaving this restroom spotless.

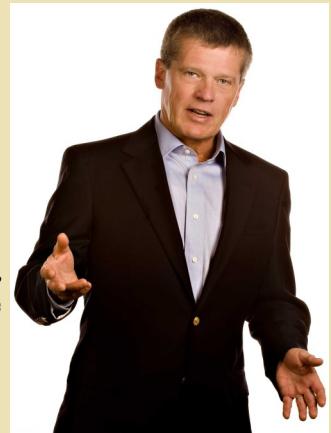
With another color:

The next person using this sink may be the person who pays for your car... Our Customer.

Please show her the pride you have in serving her by leaving this restroom spotless.

Then, every couple weeks, to get attention, change the color or move the small sign to another spot on the mirror. Your team members will see it. Your customers will see it... and when we started using this, our restrooms were actually kept cleaner.

So again, whether you use these symbols, or makeup others, I encourage you to use symbols to consistently and persistently reinforce your commitment to Out-Nordstrom Nordstrom Customer Service.



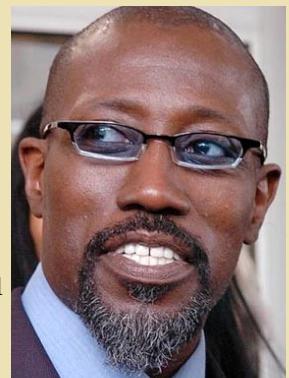
Excerpt from "Out-Nordstrom Nordstrom:

*Creating the World's Best Customer Service" by Keith Lee. Reprinted with permission. In the early 1980s, in an effort to answer the question, "Why should someone do business with me versus anyone I compete with?" Keith determined the answer should be, "Because we have the best customer service." If you would like to get a FREE copy of Keith's book, Out-Nordstrom Nordstrom, Creating the World's Best Customer Service, visit <http://www.outnordstrombook.com>. **

Fighting a \$17.5 Million Tax Bill

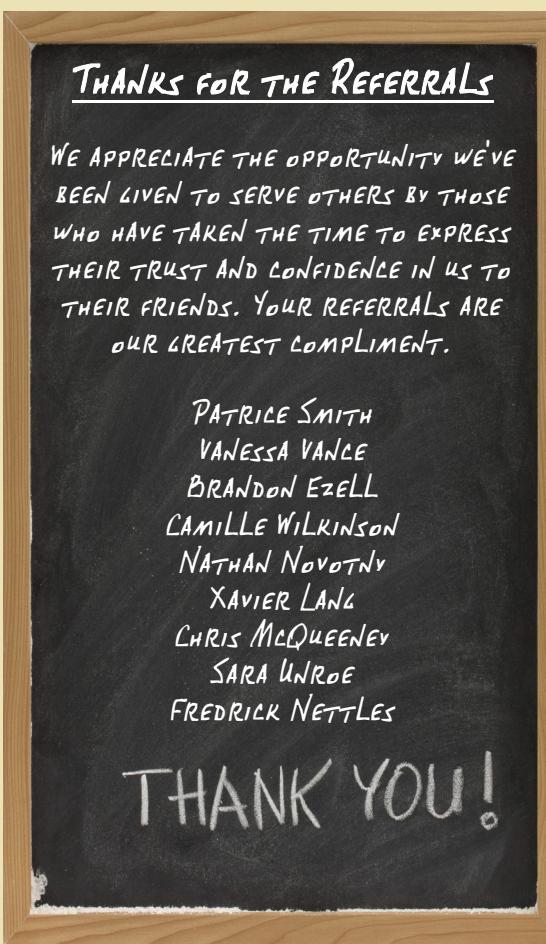
Wesley Snipes, best known for his action roles in such films as Blade and Passenger 57, has gone on the offensive against the IRS. Snipes has petitioned the U. S. Tax Court to allow him to enter the IRS's Fresh Start initiative to lower the amount of unpaid taxes that the IRS is assessing him. Mr. Snipes offered to pay \$842,000, but the IRS is demanding the actor pay the full \$17.5 million.

Snipes' current fight with the IRS is just about civil tax collections. Although convicted in 2008 on three misdemeanor counts of failing to pay his taxes for 1999, 2000, and 2001, he was acquitted of all felony charges. He had followed the advice of a tax protester organization that claimed income taxes were illegal, but ultimately acknowledged his errors.



Mr. Snipes attempted to bargain with the Internal Revenue Service using an offer in compromise or installment agreement. He was trying to work it out with the IRS. He even paid off amounts for previous years. Mr. Snipes claims in court that the IRS is making arbitrary determinations, and abusing its discretion. After all, the whole purpose of the IRS offer in compromise program is to provide a resolution that is in the best interest of the taxpayer and the government. The idea is to resolve things and move on, keeping the taxpayer in compliance.

However, as noted elsewhere in this newsletter, the IRS rarely gives up a tax debt if you have the resources or the ability to earn more money to pay the debt in full. *





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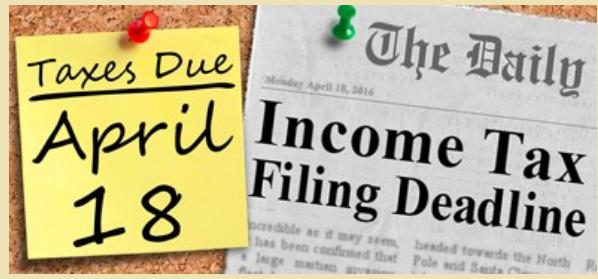
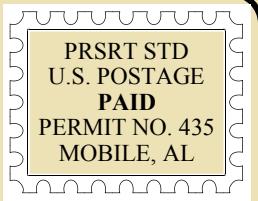
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Seven Steps for Making Identity Protection Part of Your Routine

The theft of your identity, especially personal information such as your name, Social Security number, address and children's names, can be traumatic and frustrating. In this online era, it's important to always be on guard.

The IRS has teamed up with state revenue departments and the tax industry to make sure you understand the dangers to your personal and financial data. Taxes. Security. Together. Working in partnership with you, we can make a difference.

Here are seven steps you can make part of your routine to protect your tax and financial information:

1. Read your credit card and banking statements carefully and often—watch for even the smallest charge that appears suspicious. (Neither your credit card, nor bank—or the IRS—will send you emails asking for sensitive personal and financial information; such as asking you to update your account.)
2. Review and respond to all notices and correspondence from the Internal Revenue Service. Warning signs of tax-related identity theft can include IRS notices about tax returns you did not file, income you did not receive, or employers you've never heard of or where you've never worked.
3. Review each of your three credit reports at least once a year. Visit www.annualcreditreport.com to get your free reports.
4. Review your annual Social Security income statement for excessive income reported. You can sign up for an electronic account at www.SSA.gov.
5. Read your health insurance statements; look for claims you never filed or care you never received.
6. Shred any documents with personal and financial information. Never toss documents with your personally identifiable information, especially your Social Security number, in the trash.
7. If you receive any routine federal deposit such as Social Security Administration or Department of Veterans Affairs benefits, you probably receive those deposits electronically. You can use the same direct deposit process for your federal and state tax refund. IRS direct deposit is safe and secure and places your tax refund directly into the financial account of your choice. *

Looking for Someone You Can Rely On?

We really believe in the process of referrals, so part of the service we provide is to be sure to refer our clients and associates to other qualified businesspeople in the community.

Below, you'll find a list of areas in which we know very credible, ethical, and outstanding professionals. If you're looking for a professional in a specific area we've listed, please feel free to contact us. We will be glad to put you in touch with the people we know who provide these services.

- ◆ Plumber
- ◆ Financial Planner
- ◆ Mortgage Broker
- ◆ Cultured Marble
- ◆ Banker
- ◆ Welding Supplies
- ◆ Attorney
- ◆ Hair Stylist
- ◆ Pest Control
- ◆ Electrician
- ◆ Realtor
- ◆ Identity Theft Protection
- ◆ Civil Engineer
- ◆ A/C Maintenance
- ◆ Diving Bell Fabricator
- ◆ Auto Paint & Body
- ◆ Fitness Coach
- ◆ Social Media Consultant

