



Moskowitz LLP Presents:

- **Your Essential Guide to Managing Unpaid and Delinquent Taxes**

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Welcome to Your Guide to Unpaid and Delinquent Taxes

Make no mistake: tax season can be a source of stress for many individuals, especially when faced with unpaid and delinquent taxes. Understanding the various types of tax obligations and the importance of filing on time is vital to avoid falling into trouble with the tax system that is perfectly avoidable.

Unfiled tax returns and delinquency can lead to serious consequences, including hefty penalties, interest accrual – even criminal prosecution. Being aware of tax delinquency and recognizing potential risks, can empower taxpayers to make informed decisions about their financial responsibilities and learning about all the good solutions out of tax problems even if you don't have the money to pay your taxes.

This handy guide aims to provide crucial insights into the complex world of unfiled and/or unpaid taxes and the various paths available to get you out of trouble. By the end of this article, you will be better equipped to understand the steps needed to resolve your tax issues and why retaining an experienced tax attorney can be your best choice.



Understand the Importance of Filing Tax Returns

Understanding the importance of filing tax returns is key to staying in compliance with tax laws and avoiding potential adverse legal consequences. Every year, individuals and businesses are obliged to submit a tax form to report their income to the relevant tax authorities by a specified filing deadline. Failure to do so may result in significant repercussions.

Unfiled tax returns can escalate into criminal prosecution and also into the government filing your tax returns for you, called an “SFR” [or “substitute for return”] which can be a punishment and the resulting SFR could demand substantially more taxes than you really owe if you had just filed the tax return. The failure to file penalty goes up to 25% of the tax plus interest and the failure to pay penalty also goes up to 25% of the tax plus interest. Sometimes the person owes more in penalties and interest than they do in taxes. However, the government can also forgive the penalties if you have sufficient reason. Determining if we can get the penalties forgiven is one of the first things that we do.

When dealing with the complexities of unfiled tax returns or unpaid taxes, it is crucial to engage an experienced tax attorney. Unlike other professionals, attorneys are bound by the legal protection of attorney-client privilege-- your confidential information remains private. By law, only an attorney can guarantee this level of confidentiality. Other professionals, such as CPAs, may be compelled to disclose information and testify if required. Protecting your privacy and securing the best possible outcome starts with choosing the right legal representation. The tax law firm of Moskowitz LLP is here to represent you through each step of the process, helping you understand everything and working to get you the best possible deal, regardless of your situation, within the bounds of the law.

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Identify the Stages of Tax Delinquency

This timeline explains the five main Stages of Tax Delinquency:

1. **Missing the Filing Deadline:** The first stage of the tax delinquency process begins when you miss the deadline for filing a tax return. This can lead to a failure-to-file penalty.
2. **Receiving a Notice:** Next, if taxes are due and not paid, the IRS may send a notice indicating you have a tax balance.
3. **Automatic Substitute Return:** The IRS may file a substitute for return on your behalf as mentioned above. This can result in a higher tax liability, since it doesn't take into account deductions and credits to which you may be entitled as well as estimating income that you never received as well as many other considerations.
4. **Accruing Additional Penalties:** Over time, additional penalties and interest may continue to accrue on the unpaid tax balance. This can include late filing penalties and late payment penalties plus interest as mentioned above.
5. **Enforced Collection Actions:** If the tax, penalties and interest continues to remain unpaid, the IRS can proceed with wage garnishments, levying bank accounts, placing liens on property and contacting your employer or clients, customers or patients or third party payers and ordering them to pay the government instead of you.

Failing to file a tax return within the required time limits can also result in forever losing a refund to which you were entitled.

Taking prompt action is crucial at each stage of tax delinquency. Moskowitz LLP wants to represent you through your entire tax situation including navigating the complexities, minimizing liabilities, asking that penalties be forgiven and establishing payment plans. Seeking knowledgeable representation from an experienced tax attorney can make an incredible difference.



Conclusion:

The complexity of penalties and interest on unfiled and delinquent taxes, compounded by the severe measures the IRS and/or State can take, makes seeking representation from an experienced tax attorney essential and may make all the difference from suffering a bad result that could be totally avoided and instead negotiating a good resolution for you. Payment plans and other resolutions are best handled by experienced tax attorneys who are familiar with the intricacies of tax law and IRS procedures.

When you partner with the tax law firm of Moskowitz LLP, you're putting decades of experience to work for you. Let our experienced tax attorneys and CPAs help ease your burden and start advocating for you today. Peace of mind is just a phone call away.

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A woman with long brown hair, wearing a black top and a necklace, stands with her arms crossed in a modern restaurant or bar. In the foreground, there are tables with white tablecloths, wine glasses, and water glasses. The background is dimly lit with warm and cool tones.

■ **SCHEDULE AN APPOINTMENT WITH THE TAX ATTORNEYS AT MOSKOWITZ LLP NOW**

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