

# IRS NEWS & INQUIRER

## What's the Answer?

**Q.** *I didn't get a refund this year. I had to pay more. Too much more, I think. Am I missing some tax breaks and deductions that could cut my taxes?*

**A.** It is quite likely. Many taxpayers waste thousands of dollars in taxes they don't need to pay. The sad truth is, just putting the numbers in the right boxes, on the right forms is not enough. What is your tax preparer doing to make sure you have all the breaks and tax savings you deserve?

We believe **proactive** tax planning is the key to keeping more of what you make. And we scour your income and expenses for every available tax break and strategy without "gray areas" and "red flags".

## Don't LOSE your money!

We find new money in old tax returns. Bring your previously filed tax returns in to us. We will review them for you free of charge. And together we will discuss any often overlooked IRS approved opportunities that might be found which may get you a refund plus interest.

Call for your **FREE** analysis.

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## What's Happening?

### Are You Financially Distressed?

If you are, the IRS OFFERS TO HELP. In addition to new credits, deductions, and exclusions for 2008, the IRS will now help people who owe back taxes. Here are some areas where IRS can help you.

◆ **Postponement of Collection Actions.** IRS employees may be able to suspend collection actions without documentation in certain hardship cases where taxpayers are unable to pay. This includes instances when the taxpayer has recently lost a job, is relying solely on social security or welfare income or is facing devastating illness or significant medical bills.

◆ **Removal of Tax Lien Block to Refinance or Sell Home.** Tax liens have priority on an individual's home, making it nearly impossible to refinance or sell it. Taxpayers who are financially distressed and would like to refinance or restructure their mortgage to improve their financial situation may request the IRS to subordinate their tax lien. This makes the IRS position secondary to the lenders' position. The process takes approximately 30 days after the submission of the completed application, but the IRS says it will work to speed those requests in wake of the economic downturn.

◆ **Added Flexibility for Missed Payments.** There is more flexibility allowed for individuals with existing Installment Payment Arrangements who have difficulty making payments because of a job loss or other financial hardship. Depending on the situation the IRS may allow a skipped payment or a reduced monthly payment.

### **Traps in the First-Time Home Buyers Credit!**

Credits (loans) of up to \$7,500 for homes purchased between April 8, 2008 and July 1, 2009 can be paid back over a period of 16 years. Exceptions: You sale or move. Total unpaid balance is immediately due. You divorce. Ex-spouse who gets the home becomes liable for balance.

### New "Recovery" Rebate Credit

AVAILABLE ONLY FOR THOSE WHO DID NOT GET A REBATE CHECK IN 2008, (which includes those who received less than their full credit). This recovery credit is calculated the same way and with the same requirements as the 2008 economic stimulus payment. However, you won't be sent a separate check. Instead, the credit will be claimed on your 2008 income tax return.. The total recovery credit will increase your refund or reduce your taxes due by an equal amount.

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