

Reasons Why You Must Handle IRS Issues Immediately

Many people have heard of the horror stories of those who have experienced an IRS problem. While some of the horror stories seem too ridiculous, the sad fact is that often times, they are actually real. When it comes to collecting money owed from them, the IRS is quite aggressive at this task. The IRS still wants their money whether the money is truly owed or the debt is simply an effect of an IRS mistake. Hence, in instances where the taxpayers did nothing wrong, it is their responsibility to protect themselves from IRS problems. Many taxpayers who file their taxes correctly and on time are not totally safe from IRS errors and penalties that result from these mistakes.

One of the worst things that can happen to you in relation to your tax obligation is when you'll be given a [federal tax lien](#). This shows up on your credit record, and you will definitely not obtain loans of any kind. The banks will basically stop talking to you with regards to loan applications. They won't even allow you to open a new bank account. Depending on your situation, this will make it extremely difficult for you to pay simple bills such as the phone or electric bill.

It is a wrong belief to think that IRS problems will simply work themselves out. You are presented with only two choices in dealing with this issue: pay the money or assert your rights to the IRS. However, these two options will require you to invest both time and money.

No matter what your situation is, it is always wise to begin dealing with your IRS problem as soon as you're notified of the problem. Prolonging the agony will not make matters better as the IRS can already take action and enforce penalties of as high as 25% on your tax debt. This goes on until the debt is paid off or the charges are dismissed.

Not only will you want to take action as soon as possible, but you will also want to make sure that you have all of your documents and supporting evidence in order. Doing this will give the IRS an impression that you're ready to back up all of your claims. If you need assistance or your situation is significantly beyond your capacity, it is highly advised that you seek the help of a [tax professional](#). Tax lawyers and CPA's can very much help you in solving these problems.

[Wage garnishment](#) is one of the more intrusive collection procedures that the IRS can impose on you should the situation merit it. In this method, the IRS will place a wage levy on your paycheck. The IRS can get a maximum of 75% from your net pay. How could you possibly live with only 25% of the normal take home pay?

The sooner you deal with your IRS issues, the sooner you will be able to negotiate with the IRS and the more difficult it is for them to enforce such aggressive and intrusive methods on your finances.