

Another One Bites the Dust - Feds Shut Down American Tax Relief

by Brian Mahany

There probably isn't one late night television viewer in the U.S. that has not seen an ad for tax relief. Roni Deutch and her claims of paying the IRS just pennies on the dollar, American Tax Relief and J.K. Harris are probably familiar to most. Unfortunately, most of these TV hucksters promoting tax relief are simply frauds.

What is so troubling is that these companies prey on people already in trouble. Most people unable to pay their taxes are already struggling financially. To then find out that the \$10,000 or so up front fees paid to one of these tax relief companies is simply money wasted is devastating.

In October of this year, a federal judge finally shut down American Tax Relief. Earlier this summer, California Attorney General Jerry Brown sued attorney Roni Deutch for allegedly scamming clients out of \$34 million in fees. And 18 states have pursued J.K. Harris for false and misleading ad claims. What does this mean for consumers who owe taxes?

The IRS does have programs to help delinquent taxpayers settle their tax debts. Although most accountants and lawyers are not familiar with the IRS' offer and compromise program, there are many that can. The rules are a bit complex and the process can take 2 years but it is possible to make peace with the IRS and not lose everything.

Before signing up with a tax relief company, ask some questions and get the answers in writing. Be especially wary if the company wants all its fees to be paid up front. Nationally, the IRS acceptance rate of tax settlement offers is very low, primarily because of the many tax relief scams out there. These scams often rely on extensive late night television advertising. Most of these companies have a very low acceptance rate and some never even submit a plan or follow up with the IRS.

A good accountant or lawyer who is familiar with the process often has a success rate well above 50%. That doesn't mean every taxpayer can get away with paying just "pennies on the dollar." A reputable professional can review your situation and tell you fairly accurately how much you will need to offer in order to have your offer accepted.

In successfully seeking to shut down American Tax Relief, the Federal Trade Commission noted that the company had even failed to pay its own taxes.

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Attorneys Brian Mahany and Christopher Ertl have a combined total of decades of experience helping people with tax problems. We assist businesses and

individuals with a wide range of tax problems including offers and compromises, collections issues, tax liens, audit defense, tax court litigation and defending against criminal tax charges. Call the tax lawyers at MahanyLaw today - from our offices in Milwaukee, Wisconsin and Portland, Maine, we help people anywhere in the nation.

Call Brian Mahany today directly at (414) 704-6731, thru the MahanyLaw website or by email at brian@mahanylaw.com. All calls are kept in strict confidence.