



April 29, 2010

## **Last Minute Tax Filing Tips by Attorney near 33604**

On the eve of the tax filing deadline, you may be in a quandary as to how to file your taxes correctly, especially if your tax returns are not straightforward. Here are three typical scenarios people find themselves in:

### 1. You owe a lot of money in taxes and find it difficult to pay in full

In this first scenario, there are a few options open to you. Firstly, you could try to make an Offer in Compromise. An Offer in Compromise is a provision in tax law that allows you to pay less than what you owe. However there are some stringent conditions imposed to qualify for your Offer in Compromise to be approved. You have to show that you do not have the means both now and in future to pay up your taxes. In every state, the government imposes a means test that is designed to indicate the lowest income level taking into account the size of your family and the state you live in. Only if you pass the means test (i.e. your income is lower than the threshold set in the means test) will you generally be eligible to be granted an Offer in Compromise.

Alternatively, if you owe less than \$25,000 in taxes, you could apply for a partial payment installment plan through the Online Payment Agreement Application at [www.irs.gov](http://www.irs.gov). You must be agreeable to pay off your debt in not more than 5 years. You will be charged an administrative fee of \$105, which can be reduced to \$52 if you agree to an electronic withdrawal of your payment. If you fall within the lower income bracket, this fee is further reduced to \$43. If you are successful in obtaining a partial payment installment plan, you will have to pay interest each month on the unpaid amount. The interest rate is fixed every quarter and at present it is 4%.

Whichever choice you make, it is still imperative that you submit your taxes or an extension to pay application by the April 15 deadline.

### 2. You want to set up an installment plan without affecting your credit score.

Generally, having an installment plan will not affect your credit score. What will affect your credit score is the filing of a Notice of Federal Tax Lien by the IRS. If such a lien is filed on you, it lowers your credit score by 100 points and the Notice will show on your credit records for 7 years after you have settled your taxes. The likelihood that the IRS will file this Notice on you is high if you owe more than \$5,000 in taxes.

So if you owe more than \$5,000 you should pay off the amount in excess of \$5,000 and then apply for an installment plan to repay the rest.

### 3. You or your employer put money into your HSA

Your Health Savings Account (HSA) represents a savings account for people with a high-deductible health insurance plan. Withdrawals from this account are tax-free as long as they are used for out-of-pocket medical expenses. If your employer contributes to your HSA, the contribution is not taxable to you. If you want to contribute to your HSA, you have to do so by the April 15 deadline and you can put in up to \$3,000 for personal coverage and \$5,950 for family coverage. But if you are 55 years or older as at December 31, 2009, you can contribute an additional \$1,000.

Darrin T. Mish is a veteran, nationally recognized tax attorney who has focused on providing IRS help to taxpayers for over a decade. He regularly travels the country training other attorneys, CPAs and enrolled agents on how to handle their toughest cases with the IRS. He is highly ranked among the top attorneys in the country, with an AV rating from Martindale-Hubbell and a perfect 10 on Avvo.com. Martindale-Hubbell has also honored him with a listing in their Bar Register of Preeminent Lawyers. He is a member of the American Society of IRS Problem Solvers and the Tax Freedom Institute. With clients on every continent but Antarctica, he has what it takes to solve your IRS problems no matter where you live in the world. If you would like more information about his practice and how he can help you, please call his office at (813) 229-7100 or toll free at 1-888-GET-MISH.