

TRAVIS W. WATKINS, PC

THE IRS TATTLER

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Hope you all had a great Spring Break, Easter and Tax day! We were able to get away for a few days, and it was much needed. I wanted to take a moment tell you all about a great program to help our Returning Combat Veterans facing tax problems. A recent

article in USA Today reported that many veterans are returning home from combat to face the IRS. USA Today reported that the amount of liability for these veterans is an estimated \$390 million. Returning Combat Veterans didn't have to pay taxes back in the day because we valued their service to our country.



Emma and Knox Watkins
Spring-Breaking in Alabama

Things have certainly changed. There is a very complicated, moving target of tax laws aimed at combat veterans, that is difficult even for tax professionals to apply. It should come as no surprise that many

veterans return having lost valuable due process rights, for instance, because the IRS sent collection notices to last-known U.S. addresses while they were in militarized zones. The IRS has not kept up with the times in implementing laws protecting servicemen from

collection of private creditors over the years. For these reasons and more, we have teamed with the American Society of Tax Problem Solvers to represent Returning Combat Veterans in our region for no fee as a way of expressing our appreciation for their services. Please contact me for further com-

ments or questions or log on to ASTPS.org to start the process if you are a Returning Combat Veteran. Have a good Mother's Day and Memorial Day!



TRAVIS W. WATKINS

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IRS PUBLISHES ITS 2012 DIRTY DOZEN TAX SCHEMES THAT COULD LAND YOU IN JAIL

The IRS recently published its "Dirty Dozen" tax scams to protect taxpayers from a variety of schemes in 2012. Here they are.

- 1. Identity theft.** This is becoming very problematic, as criminals steal your identity (your social security number) and file for fraudulent refunds. If this has happened to you, call me at 1-800-721-7054 or log on to www.irs.gov/identitytheft for more information.
- 2. Phishing.** We are getting blistered by fraudulent spam these days. Here's a simple rule to protect yourself. The IRS never, I repeat, never sends email to taxpayers, period. Don't fall for this trick. If you get one of these emails, forward it to phishing@irs.gov.
- 3. Return preparer fraud.** There are some unscrupulous preparers that may try to talk you into exemptions and deductions to which you are not entitled, and try to take some of your refund. Break up with these preparers immediately, to avoid getting yourself into trouble with IRS' investigations department crack downs on preparers.
- 4. Hiding income offshore.** There is nothing wrong with having an offshore account (ask

Mitt Romney). There is something wrong, however, with failing to report income that goes into that account. The IRS offered (and extended) an amnesty program to taxpayers willing to come clean about their offshore accounts, and I would imagine that there will be more in the future.

- 5. "Free money" from the IRS and Social Security Tax Scams.** Many of these scams lure unsuspecting elderly with promises of non-existent Social Security refunds or rebates. There are penalties of at least \$5,000 for intentional mistakes.
- 6. False/inflated income and expenses.** This happens a lot with boosting income to take advantages of credits or refunds. Don't fall for it.
- 7. False form 1099 refund claims.** Often scammers file these to justify a false refund claim on a corresponding tax year on the false theory that the feds maintain secret accounts on all taxpayers. This one carries criminal prosecution as a deterrent.
- 8. Frivolous arguments.** We have gone over these extensively on our website. All you need to know: taxes are

constitutional. You have to file and you have to pay if the law says you do. Just ask Wesley Snipes.

- 9. Falsely claiming zero income.** Just like it sounds. This is fraud, illegal and could result in a \$5,000 penalty.
- 10. Abuse of Charitable Organizations and Deductions.** The hot issue here is individuals and organizations making non-cash donations and overvaluing the donation on the return and/or buying back the asset below market price.
- 11. Disguised Corporate Ownership.** These scams include disinterested individual requests for employment identification numbers to underreport, claim fictitious deductions avoid filing, money laundering and financial crimes.
- 12. Misuse of Trusts.** Trusts are still popular. They are a vehicle for legitimate tax planning, but can be abused to avoid income and hide assets.

Call us at 405-607-1192 for advice on any of these subjects.

SPECIAL GIVEAWAY! \$250 OFF ANY TAX SERVICE



COUPON IS
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*What is the chief
purpose of
Mother's Day?*

- A. To honor mothers*
- B. To celebrate Mother Earth*
- C. To raise awareness for women's causes*
- D. To sell Hallmark cards*

WARREN SAPP AND THE LARGE NUDE WOMEN PAINTING - MORE CELEBRITY TAX WOES

Former NFL great, Warren Sapp, is the newest IRS tax target celeb. Sapp recently filed for Chapter 7 bankruptcy in Florida for about \$7 million in debt. Among his creditors are medical providers for speech therapy, 4 baby mamas (for child support) and Uncle Sugar (to the tune of over \$900,000). His IRS debt for 2006 was about \$850,000 and 2010 taxes totaled \$85,000. Note, Florida doesn't have state income tax, so no state tax problem, I presume.

Interestingly, Sapp still lists his net worth at over \$6 million. His assets include over 240 pairs of Air Jordans sneakers and sandals, "large nude women (sic) painting" (the women or the painting?), a lion skin rug "(female-lioness)" and Nike Golf clubs. You can't make this



stuff up! Sapp continues to rake in \$45,000 per month as a football commentator.

My guess is that this bankruptcy will be converted from total liquidation to reorganization. Baby mamas and the IRS will likely get super-priority status. Large nude women painting will go in Trustee's office. Call Oklahoma's tax attorney Travis Watkins at 405-607-1192 to find out what tax problems are dischargeable in bankruptcy.

OKLAHOMA SALES TAX AMONG HIGHEST TAXED STATES

Bloomberg reports that Oklahoma is the fifth highest taxed state for sales tax in the United States. Rounding out the top 5 states are:

1. Tennessee
2. Arizona
3. Louisiana
4. Washington
5. Oklahoma

Oklahoma's combined state and average local sales tax rate is 8.66%. Income tax in top brackets fell this year from 5.5% to 5.25%, but the sales tax remains high. Bloomberg was also appalled that Oklahoma and 7 other states tax groceries at the full sales tax rate. Bloomberg would have further been appalled if they knew that grocery stores could not sell wine and liquor, but that's another story. The lowest sales taxed states are 1. Alaska (no sales tax); 2. Hawaii (which has the highest income tax); 3. Maine; 4. Virginia; 5. South Dakota.

What does this mean to you, as a retail business owner? Well, I think you know. Oklahoma's push to lower the income tax out of existence means higher scrutiny on sales tax returns and aggressive enforcement action, including business closure, for Oklahoma businesses.

The Oklahoma Tax Commission isn't giving an inch on sales tax, and I have personally seen the OTC threatening to shut businesses down and haul them to court for show-cause hearings for businesses delinquent by as little as one reporting period! Most small business owners in this trap never call a lawyer to help them out. Why? Because the OTC openly discourages them from doing so, under the guise of "helping" these people out.

It seems coincidental at best that the OTC holds a substantial amount of its hearings to shut businesses down in April (when tax professionals who could help these businesses are typically overloaded with tax preparation

for other clients).

My law firm is a low volume practice that does not get bogged down during tax preparation season. You need a local, licensed lawyer to handle the Oklahoma Tax Commission for state sales tax issues. Don't fall for the OTC's routine. They are not here to help you with a payment plan. They are wolves dressed up like grandma, bulldogs with lipstick. They are here to aggressively collect taxes or else. If you let them in as your savior (then default), you could be held personally responsible for these business sales taxes. Call Travis Watkins in Oklahoma City and Tulsa immediately if you have been contacted by an OTC sales tax case worker or if you have received a notice of a show-cause hearing at 405-607-1192 or 918-877-2794.

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IF YOU FIND ANYTHING IN THIS COMMUNICATION TO BE INACCURATE OR MISLEADING, YOU MAY REPORT THE SAME BY WRITING TO THE GENERAL COUNSEL OF THE OKLAHOMA BAR ASSOCIATION PO Box 53036 OKLAHOMA CITY, OK 73152 OR BY CALLING 1.800.522.8065



FAQ: WHO ARE THE "OTHER GUYS" YOU ARE TALKING ABOUT IN YOUR RADIO AD?

A: Basically, well, they're "the other guys." Here are 3 distinguishing features of the "other guys":

- 1. The bulk of "other guy" overhead is heavy on advertising, and light on helping taxpayers.** When the J.K. Harris ship was sinking and in flames, its namesake John Harris sincerely stated with a straight face, "if we don't get another million in the next 30 days, *so we can advertise*, we're through." Well, they didn't get that million, and thankfully they are through. When Tax Resolution Specialists' leading man, Michael Rozbruch, feigned offense with Rush Limbaugh's gaff last month and staged a faux boycott of El-Rushbo, he gaffed on himself and told the media he spent \$9 million a year advertising on the EIB network. \$9 million!?!?
- 2. The "other guys" aren't really local, licensed lawyers.** Tax help franchises and national chains are big on promises, small on delivery. The big "other guys" (Roni Deutch, TaxMasters, JK Harris) proved

that, and those firms are no more. So, they are the failed "other guys" of old. Look out for new "other guys" touting multiple locations in the "metro area." These "other guys" are franchisees with "other guys" out of state. They are aspiring to be the failed "other guys" of old, and you don't want to send your money there. Just ask the JK Harris and TaxMasters clients who are now known as unsecured creditors.

3. They're literally sharks! I cringe every time I hear that "other guy" that advertises constantly on OKC radio, trying to scare everyone (a classic "other

guy" technique, by the way). He says that you should always check a lawyer's reputation before hiring him for your tax problem.

With that, I agree. That "other guy" was bidding on this guy's name (search term derivatives of "travis watkins") in [his Google AdWords campaign](#) to steer traffic to his own website! That "other guy's" reputation precedes him. If it has teeth, fins and swims

like a shark...

Don't settle for the "other guys" and their sharp, shameless tactics. Get the real Travis Watkins at 405-607-1192.

