



The IRS Tattler

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Special points of interest:

- MC Hammer's Tax Problem
- J.K. Harris Goes Bankrupt
- Case Success Story
- IRS To Expand Levying Powers
- Tax Season Tips

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M.C. Hammer Finds IRS Enforcement Techniques Too Legit to Quit

Hammer is learning that the IRS **can** touch this! Rapper, M.C. Hammer a/k/a Stanley Burrell has become the newest celebrity in the headlines for tax evasion. The IRS claims that Hammer owes over \$700,000 in taxes from 1996. The IRS has turned the debt over to a collection company that has sued him. Not coincidentally, 1996 was a financially bleak time for Burrell, as he took bankruptcy and ran from creditors. 1996 was a bleak year for anyone who had to listen to Hammer.

Anyway, why is the IRS surfacing to "hammer" a 15 year old debt? The IRS only has 10 years to collect an individual debt. However, there are a plethora of exceptions to the general rule that toll (stop) the limitations period from running. One of those tolling events is bankruptcy. It is unclear without further re-

search how long Hammer was in bankruptcy, but many bankruptcies take years to finalize.

The IRS gets the benefit of all that time a taxpayer is in bankruptcy (the tolling mentioned above), plus a grace period of an additional 180 days. This virtually assures that anyone who does not extinguish their tax liability in bankruptcy will have the IRS waiting for them when they come out of bankruptcy.

If you or a loved one are facing bankruptcy or just coming out of a bankruptcy, the IRS can be relentless, and the tax and bankruptcy laws are confusing. Bankruptcy, if used properly, can be a valuable



The IRS CAN touch this...

tool in discharging certain 1040 liabilities, if you otherwise qualify as a candidate for Chapter 7 bankruptcy. It is imperative that you be informed of all your options and not leave this up to chance. Hire a local, licensed lawyer to navigate you through these laws and options at this difficult time. Don't wait, talk to lawyer, Travis Watkins, today at 1-800-721-7054.

J.K. Harris Tax Firm Goes Bankrupt!

For years now, tax resolution-giant, JK Harris, has maintained an F rating with the Better Business Bureau (the BBB). So, what's so special about that, you might ask? JK Harris is infamous for its prob-

lems with state attorneys general across the nation. Well, here's the thing: JK Harris never got accredited by the BBB. Nonetheless, JK Harris has managed to rack up over 600 complaints with that organi-

zation in 3 years! It should come as no surprise, then, that JK Harris is taking bankruptcy and shutting its doors. JK Harris has about 20 state attorney generals after it for con-

JK Harris... (Cont'd.)

sumer fraud, as well as a \$6 million class-action settlement, and a \$1.2 million dollar settlement it owes the Texas State Attorney General. Texas was trying to put JK Harris in receivership, and the company opted to go the bankruptcy route instead.

[December 31, 2011, JK Harris finally let all its employees go](#), thus ending the saga of consumer exploitation for the moment. The unfortunate thing is that the company's remaining assets are far from sufficient to pay off the consumer settlements, and JK Harris will likely dissolve without consumers seeing the money that

JK Harris took from them over the years.

An even more frightening rumor is floating around that another notorious tax resolution giant is circling the wagons to buy out JK Harris for "pennies on the dollar." Publicly-traded, Houston-based tax resolution firm, Tax Masters Inc. (not coincidentally, another recipient of an [F rating with the BBB](#)) may be the stalking horse of what remains of JK Harris. Tax Masters is also no stranger to consumer complaints and state attorney general lawsuits. Watch the ABC News Exclusive [here](#).

So, what does this mean to the Oklahoma consumer? Beware the massive sales tactics and marketing of the out of state tax giants! These outfits spend enormous amounts of cash on advertising to snare you at a very vulnerable time of your life. Unfortunately, it appears that a new outfit seems to pop up right in the spot where the last one left off.

Travis Watkins Gets Bank Levy Released for Local Business

Travis Watkins gets client's bank levy released! After filing appeals left and right, speaking with supervisors, and exhausting all options within the IRS system (everything short of filing a law suit) success came over the fax machine January 10.

The official Release of Levy in hand is a huge success. Bank levies are typically hard to release as they are one-time levies, and the bank holds all funds in the account for 21 days, and then remits those

"Bank levies are one-time levies..." —Travis Watkins

funds over to the IRS. In this particular instance, the IRS imposed both an improper and unlawful levy and Travis Watkins took the IRS on head-to-head and succeeded in getting the IRS to release the improper bank levy.

Thank you for the kind words...

Find out why these clients chose my office and how my diehard approach to tackling tax debt saved them thousands of dollars....

"I hired another firm before hiring the Law Office of Travis Watkins. Big mistake. They did absolutely nothing and if anything, made my problem worse. Mr. Watkins will listen to your problems; most other attorneys, or sales people, like to hear themselves talk, and he genuinely cares...his staff is responsive

and professional. They closed my case in half the time it sat at this other firm. I wish I would have hired them first time around. "

—J.S. of Stillwater

IRS to Expand its Continuing Levy Powers

The IRS is asking lawmakers to expand its continuing levy powers. There are 2 types of levies: continuing and non-continuing. The IRS wants more power in the continuing levy department because it is the easiest way for the government to collect.

Non-continuing levies are usually bank levies. That means that when a levy hits a bank, the account is frozen



from that moment in time and the bank must forward the funds in the account on that day to the IRS in 21 days, unless the bank receives a release directly from the IRS.

On the other hand, the IRS has the power of continuing levies for [wages](#), salary and federal payments such as social security. In other words, once this levy hits, certain exemptions may apply, but the

money is forwarded by the employer or federal agency holding that money on a recurring basis until a liability is satisfied.

The IRS has now asked Congress for more continuing levy collection power in four new categories: 1) royalties; 2) rents; 3) nonemployee compensation; and 4) fishing boat proceeds payable to crew members.

IRS Issues Second New Change to Innocent Spouse Program

The IRS released on January 5, 2012 that they have new guidelines to provide help to more innocent spouses requesting relief under the "equitable relief" clause. The IRS states that this change is effective immediately.

The changes made are to the

threshold requirements for requesting equitable relief and revises the factors used by the IRS in evaluating these requests. This is supposed to ensure that when the criteria is met, requests are granted in the initial stage of the review process. Thus expediting relief

to the taxpayer's spouse.

If you are an innocent spouse seeking equitable relief, call us today to see how we can help.

Special giveaway! \$250 off any tax service I provide...

This is a fun section. Every month I ask a trivia question, and you take your best guess and call me at **405.607.1192** with your answer. Just get the answer right and I'll give you \$250 off any tax service I provide!! **Why is OU running back Brandon Williams transferring to Texas A&M?**

- A. Not enough playing time
- B. Doesn't like the possibility that Mike Stoops is coming back to coach at OU
- C. He wants to be closer to his daughter
- D. He thinks A&M is a better team



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Tips for Finding a Tax Preparer This Tax Season

With tax season here, it's time to start putting together your records to take to a tax professional. I have heard many horror stories of fly-by-night tax preparers, which has resulted in their victims landing here in my office with a tax problem. Beware of scams. So here are some tips for finding the right tax preparer:

1. Check the preparers qualifications— they must have a PTIN
2. Check on the preparer's history— research with the Better Business Bureau and if they are an EA, or CPA, check their licensures with the IRS or the accountancy board
3. Ask about their service fees...avoid individuals who

take a percentage of your refund. Never allow your refund to be deposited into anyone's bank account, but your own

4. Run away if they claim to be able to get you a larger refund than other preparers
5. Ask if they offer electronic filing
6. Provide the preparer with all records and receipts needed to prepare your returns...
7. Make sure the preparer is available after April 17th. This way you can check with them on the status of your return and get your documents back after tax season.

8. Review the entire return before signing it...it should be completely filled out with no blanks
9. Make sure the preparer signs the form with their PTIN

If you owe on your tax return and are unable to pay the amount due, two things should be done:

- #1. File the return anyway
- #2. Call us, we know what to do to protect you and your rights.