# IRS forms & documents

## **Tax returns, instructions, notices, letters, and other publications from the IRS.**

all of the links below will take you off of our website and to the Internal Revenue Service’s website.

* [Form 1040, U.S. Individual Income Tax Return](https://www.irs.gov/pub/irs-pdf/f1040.pdf) | [Instructions](https://www.irs.gov/pub/irs-pdf/i1040gi.pdf)
	+ [Schedule SE, Self-Employment Tax](https://www.irs.gov/pub/irs-pdf/f1040sse.pdf)  | [Instructions](https://www.irs.gov/pub/irs-pdf/i1040sse.pdf)
	+ [Schedule C, Profit or Loss from Business (Sole Proprietorship)](https://www.irs.gov/pub/irs-pdf/f1040sc.pdf)  | [Instructions](https://www.irs.gov/pub/irs-pdf/i1040sc.pdf)
	+ [Schedule E, Supplemental Income and Loss](https://www.irs.gov/pub/irs-pdf/f1040se.pdf) | [Instructions](https://www.irs.gov/pub/irs-pdf/i1040se.pdf)
	+ [Schedule 8812 Credits for Qualifying Children and Other](https://www.irs.gov/pub/irs-pdf/f1040s8.pdf)Depen[dents |](https://www.irs.gov/pub/irs-pdf/f1040s8.pdf) [Instructions](https://www.irs.gov/instructions/i1040s8)
* [Form 940, Employer’s Annual Federal Unemployment (FUTA) Tax Return](https://www.irs.gov/pub/irs-pdf/f940.pdf) | [Instructions](https://www.irs.gov/pub/irs-pdf/i1120.pdf)
* [Form 941, Employer’s Quarterly Federal Tax Return](https://www.irs.gov/pub/irs-pdf/f941.pdf) | [Instructions](https://www.irs.gov/pub/irs-pdf/i941.pdf)
* [Form 1065, U.S. Return of Partnership Income](https://www.irs.gov/pub/irs-pdf/f1065.pdf) | [Instructions](https://www.irs.gov/pub/irs-pdf/i1065.pdf)
* [Form 1120, U.S. Corporation Income Tax Return](https://www.irs.gov/pub/irs-pdf/f1120.pdf) | [Instructions](https://www.irs.gov/pub/irs-pdf/i1120.pdf)
* [Form 8857, Request for Innocent Spouse Relief](https://www.irs.gov/pub/irs-pdf/f8857.pdf)  | [Instructions](https://www.irs.gov/pub/irs-pdf/i8857.pdf)
	+ [Publication 971, Innocent Spouse Relief](https://www.irs.gov/pub/irs-pdf/p971.pdf)
	+ [Form 12509, Statement of Disagreement](https://www.irs.gov/pub/irs-pdf/f12509.pdf)
* [TNTAP](https://tntap.tn.gov/eservices/_/)
* [Sales and Use Tax Guide (tn.gov)](https://www.tn.gov/content/dam/tn/revenue/documents/taxguides/salesanduse.pdf)
* [Consumer Use Tax Return SLS452 (tn.gov)](https://www.tn.gov/content/dam/tn/revenue/documents/forms/sales/r0000501.pdf)

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# Who’s knocking at my door?

## Who’s knocking at my door?

**By [wordpressadmin](https://dctax.us/author/wordpressadmin/)**

Contrary to popular belief, the IRS can and does make unannounced visits to taxpayers homes and/or businesses. Known as “field visits”, this is usually your first contact with a Revenue Officer or “RO”.

The visit is intended to catch you off-guard. Some people, if they know the IRS is coming, will hide assets and prepare for the visit. The whole time the RO is there, they are taking in as much information as possible, observing how many people are around (customers & employees), what assets they can see and, even trying to get glimpses of information around your office, like letters from banks, an accounts receivable list, pending orders, etc.

When someone is caught off guard like this, they will generally want to appear cooperative and willing to do whatever they can to resolve the issue. That’s why they RO will want to sit down and complete an interview with you. They know this is the best time to get information. Later, once you’ve had a chance to “catch your breath” and think things through, you likely be more guarded and less forthcoming with information. That’s not to say you’re doing anything wrong, just that you aren’t sure what to expect or how the information will be used.

There are ways to mitigate the “damage” to yourself. The first thing is to be polite. Then, tell the RO that you would prefer them talk to your representative. This is akin to the suspect on TV asking for an attorney. All questions should stop. The RO, at that point, will ask who your representative is and for their contact information. They may even ask you to call them right then. The RO will leave you a list of things to do and get them with deadlines to do so.

That’s where you need to have our phone number handy. Either when they ask you to call, or immediately after they leave, call us. We will explain what the issues are and the options for resolving. Then, we’ll contact the RO and do everything for you. The RO will then work through us, while we protect your rights and make sure you are treated fairly.

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# Scams

## Scams

**By [wordpressadmin](https://dctax.us/author/wordpressadmin/)**

Not all scams are illegal or even hurtful. By that, I mean that even if you are scammed, you could end up benefitting from it. So, first, I’ll define what I refer to as a “scam”.

Merriam Webster defines it as “[a fraudulent or deceptive act or operation](https://www.merriam-webster.com/dictionary/scam)“.

Using that definition, I believe that you not only have the obvious scams – the long lost relative that died, the million dollars you won, etc. – but those that mislead others with letters, phone calls, advertisements and emails that are designed to play on your emotions to get a response favorable to them. That being said, there is also “marketing”, which is the same thing. However, that thin line between the two is crossed when someone purposely adds to or takes out a part of the message that would lead someone to the truth.

For example, we all know that drinking a particular beverage is not going to catapult you to a carefree life on the beach with beautiful people, all of which think you are the most desirable person in the world. Yet, that’s how they sell stuff. Notice the ads. They never tell you how good something tastes, what sets it apart from the others or why it’s such a great product. They simply show you others drinking that beverage and partying on a crystal clear, sunny beach. You then start to associate that drink with that life, making it desirable.

If I were to call you and tell you that the IRS filed a lien against you and all the negative consequences of that, as long as they really did do it, I am playing on your emotions. I’m trying to scare you, but I have done nothing more than tell you the truth. While that may be morally wrong, it’s not a scam.

The scam comes when I tell you, I can get that lifted/removed and don’t mention that everything I can do, you can also do for yourself. First, I probably can’t get it removed. Yes, there are occasions where the IRS will withdraw or release a lien, but they are rare and under very specific circumstances.

Or, if I send you a letter from “The Processing Unit” and throw in a bunch of legal jargon and a statement that, “To avoid enforcement call me”. If you don’t “call in time, you’ll cause additional penalty to accumulate and lead to a default judgment”.

Such is the first letter in our new “Scam Library”.

As a Revenue Officer, I had a CPA email me about one of his clients being levied. The client was assigned to me, but I hadn’t started a levy. The CPA asked me if he gets me everything I asked for (unfiled returns) will that stop the levy. I told him, yes, mainly because I knew he wasn’t levied but, if they received a letter that they understood to be a levy, I could use that to my advantage and get what I had been asking for (as a side note, I had been asking for these returns for over 6 months and they wouldn’t respond).

When he sent me the returns, I asked him about the letter. He sent me a copy of it. I recognized immediately that it was a “tax representation company” trying to ‘scam’ them and told him so. So, object #1 in our “Scam Library” is a copy of that letter. Of course, I have redacted the personal/identifying information.

If you have letters or received phone calls, you believe to be scams, send them to us. We’ll let you know if they are or not and add them to the library to help others.

# IRS on the phone

## IRS on the phone

**By [wordpressadmin](https://dctax.us/author/wordpressadmin/)**

You hear it all the time. If someone calls you, claiming to be from the IRS, it’s a scam. The IRS doesn’t call people.

Well, that is absolutely false. The IRS has what is called “ACS” or “Automated Collection”. That is about all they do is call you and/or take calls.

Then there are Revenue Officers (RO’s). Their preferred method of initial contact is “in the field”. They will simply show up at your home or business with no appointment or warning. This is purposeful. See article, “IRS at the Door”. However, if they have a wrong address or you are not in, they will try to contact you over the phone.

Also, right now, with COVID, RO’s are not making any field calls, so all initial contacts are over the phone.

One thing they WILL NOT do is ask you to put money on pre-paid cards, pay a balance over the phone, ask for your card numbers, etc. Basically, if anyone ask you to do something that would allow them to get money immediately, or give access to your accounts without any further contact. If the person is legitimate, they will offer several ways to pay your balance (any checks will be made out to “US Treasury”. If you are still not sure, you can always pay online through [**Electronic Federal Tax Payment System**](https://www.eftps.gov/eftps/) (EFPTS).

Lastly, they will never threaten you with the sheriff, police, etc.

# IRS at your door

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That’s where you need to have our phone number handy. Either when they ask you to call, or immediately after they leave, call us. We will explain what the issues are and the options for resolving. Then, we’ll contact the RO and do everything for you. The RO will then work through us, while we protect your rights and make sure you are treated fairly.

# Help Others

This is how we know what love is: Jesus Christ laid down his life for us. And we ought to lay down our lives for our brothers and sisters. If anyone has material possessions and sees a brother or sister in need but has no pity on them, how can the love of God be in that person? Dear children, let us not love with words or speech but with actions and in truth.

***1 John 3:16-18***

“Those who are happiest are those who do the most for others.

***Booker T. Washington***

“Love is not patronizing and charity isn’t about pity, it is about love. Charity and love are the same — with charity you give love, so don’t just give money but reach out your hand instead.”

***Mother Teresa***

Bear one another’s burdens, and so fulfill the law of Christ.

***Galatians 6:2***

“You can have everything you want in life if you just help enough people get what they want in life.”

***Zig Ziglar***

“When a person is down in the world, an ounce of help is better than a pound of preaching.”

***Edward G. Bulwer***

“There are many of us that are willing to do great things for the Lord, but few of us are willing to do little things.”

***D.L. Moody***

“Give, and it will be given to you. Good measure, pressed down, shaken together, running over, will be put into your lap. For with the measure you use it will be measured back to you.”

***Luke 6:38***

Religion that God our Father accepts as pure and faultless is this: to look after orphans and widows in their distress and to keep oneself from being polluted by the world.

***James 1:27***

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# Serve the Underserved

If you have a CPA, Attorney or Enrolled Agent (EA) to represent you before the IRS, you can hand everything off to them and they will talk to the IRS, answer their questions, submit requested documents & forms, ensure your rights are protected, submit appeals when they feel you’re not getting a fair decision, ask for & work programs that are made to assist you and much more. It’s a pretty sweet deal, if you can afford it.

If you can’t afford it, well, all the things they can do are still available, you just have to know what they are, how they work, when they’re available, what forms to complete, how to complete them, who to contact and when it is necessary to file an appeal. Most people do not know this. And, truth be told, a lot of representatives don’t know either.

So, what happens is that the people who can afford representation are protected, get better deals, penalties abated, etc. Those that can’t afford it, simply “get what they get”. If you are assigned a good collector, they will probably treat you fairly and may even suggest ways to help. But, make no mistake – in the end, they have a job to do and taking care of you isn’t part of it.

That’s where we come in.

dc Tax is a Simply Serve company. Simply Serve is a company that strives to do just that – simply serve others.

Of course, we do charge fees for our work. We are, after all, wanting to provide for our family, just like you. The difference is, you will not be turned away if you are not able to pay. We may get creative with the payment by spreading out payments you can afford, substituting goods and services, or even asking you to help someone else. Just remember, our first goal is to serve God and others. If you need help, we **WILL** help you.

# Requesting abatement of penalties

### **How to write a letter requesting abatement of penalties & interest.**

First, you should use [IRS Form 843](https://www.irs.gov/forms-pubs/about-form-843).  If you are working with a Revenue Officer though, you can usually just write a letter requesting the abatement as follows:

Address the letter to the revenue officer working your case.

1. In the letter you must specifically request abatement of penalties & interest.
2. Explain what happened to cause the penalties & interest to the best of your knowledge. If you don’t know what happened & believe you did everything correctly, state that.
3. Explain why you think the penalties should be abated.
4. Lastly, you must put a statement similar to:

“Under penalty of perjury, all statements are true & correct to the best of my knowledge.”

1. Sign the letter & date it.

 FYI, it is very hard to get penalties abated & even harder to get interest abated.  Most times, in a situation where there has been an ongoing issue, penalties will only be abated for the first period and maybe the second.  After that, it is the opinion that the person responsible should have caught the problem by then.

# What are “Trust Fund” taxes

The easiest way to explain trust fund is that if you were to hire me for $500 per week.  At the end of the week you would give me a check for $450.  That’s because you kept out money for my taxes.  $20 for SSA, $10 for Medicare and $20 for my federal withholding.

Now, as my employer you would also contribute to my SSA & Medicare ($20 & $10 respectively).  Your total tax bill is $80.  Only the company can be held liable for the company contribution.  However, the $50 that was withheld from my check was MY money.  The company was simply holding it to give to the government.  If they did not turn it over to the government, they in essence ‘stole’ my money.  They kept my money to help their company.  That money is referred to as “trust funds”.

Someone will do an investigation to see who was responsible for making sure those trust funds were paid over.  They then assess a penalty in the amount of those trust funds against everyone determined to be responsible.

Now, that doesn’t mean they collect the money from all the individuals & from the company.  But it does mean they can collect it from any one or combination of them.

For an example of how the payments would be applied from different people, see “[How Trust Fund payments are applied](https://dctax.us/2021/03/31/trust-fund-payments/)“.

# Trust Fund payments

The following is an example of how trust fund payments are applied.

|  |  |
| --- | --- |
| Total tax owed: | $100,000.00 |
| Trust fund portion: | $62,500.00 |
| Non-trust fund portion: | $37,500.00 |

Let’s say the trust fund investigation found 3 people responsible, the president, CFO & controller.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | Company Liability | President Liability | CFO Liability | Controller Liability |
| Assessed Liability |  | $100,000 | $62,500 | $62,500 | $62,500 |
| Company payment of | $10,000 | $90,000 | $62,500 | $62,500 | $62,500 |
| Company payment of | $20,000 | $70,000 | $62,500 | $62,500 | $62,500 |
| President payment of | $5,000 | $65,000 | $57,500 | $57,500 | $57,500 |
| CFO payment of | $12,000 | $53,000 | $45,500 | $45,500 | $45,500 |
| Company payment of | $7,500 | $45,500 | $45,500 | $45,500 | $45,500 |

assessment & payments prior to non-TF balances being full paid

Up until this point all of the company payments are applied first to the amount that only the company owes.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Company payment of  | $10,000.00 | $35,500.00 | $35,500.00 | $35,500.00 | $35,500.00 |
| Company payment of  | $6,000.00 | $29,500.00 | $29,500.00 | $29,500.00 | $29,500.00 |
| Controller payment of  | $12,000.00 | $17,500.00 | $17,500.00 | $17,500.00 | $17,500.00 |
| President payment of  | $12,000.00 | $5,500.00 | $5,500.00 | $5,500.00 | $5,500.00 |
| CFO makes payment of  | $3,000.00 | $2,500.00 | $2,500.00 | $2,500.00 | $2,500.00 |
| Company payment of  | $2,500.00 | $0.00 | $0.00 | $0.00 | $0.00 |

assessment & payments after non-TF balances being full paid

|  |  |
| --- | --- |
| Total payments: | $100,000.00 |

As you can see, while the money comes from various sources, the government really only gets the amount of the assessment. Payments the company makes will pay the *non*trust fund portion, including any penalties & interest.

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# What makes a good representative?

In my time as a Revenue Officer, I dealt with the gamut of taxpayer representatives. Most were good at their job and really tried to help their clients. But many hurt the people they represented more than helping. Some of it was incompetence, some indifference and some were simply crooks, taking people’s money never intending to give more than necessary to get that money. Don’t believe the hype some advertise.
The truth is, there’s nothing they can do for you that you can’t do for yourself. The problem is you have to know “what” to do. You will find many of the IRS employees will even advise or help you. There are however a couple issues to be aware of.

The very definition of their job is to do what’s in “the best interest of the government”.
A lot of times they don’t know the alternatives.
They are constantly under a time crunch and simply want to close the case as quickly as possible.
Most are overworked & underpaid (some overpaid & underworked)
And, of course, you have those few who love the power.
A good representative is someone you

Trust – That’s hard to establish on an initial meeting but look for a willingness to spend the time to make sure they understand your unique situation, answer any questions, and does not promise you “favorable” resolution. Of course, they should try, but anytime someone is promising you a particular outcome, is simply trying to get your money or at the very least, they’re naïve.

Rapport – Do they talk easily with you or do they need you to “fill out this form” and wait? Are they patient in the discussion or trying to interject an answer at every breath? Do they take the time to make sure they understand what you are saying and that you understand them?

Individual solutions – Offers more than “cookie cutter” resolutions. While many situations with the IRS are similar and can be handled with those “cookie cutters”, the fact that you are seeking someone else to handle it and willing to pay for that help, indicates that you need something more.

Represent YOU – Just like the IRS employee’s job is to represent the “best interest of the government”, does this person want to represent “your best interests”? And, most importantly, are they handling things the way you would? After all, they are representing you as if they were standing in your shoes.

Doesn’t know it all – I once had a taxpayer leave a message on my voice mail, cussing me out. He said I could not do what I had done. He said he knows the Internal Revenue Code and what I did was wrong. When I called him back, I told him that if he knows the Internal Revenue Code, he needs to come up here, because none of us do.

The point is there really is no way anyone can know the tax system. You have to be learning every day because it changes faster than that.

Internal Revenue Code is 10,000 to 11,000 pages long
Internal Revenue Code Book Could Be Used as a Paperweight in a Tornado
More than 5 times as many words as the King James Bible
Since 2001 there have been almost 5,000 changes to the code.