

# Certified Tax Resolution Specialist, James Cha from Ace Plus Tax Resolution, Advises Non-Filers to File Their Back Tax Returns Now

LOS ANGELES, Calif., Nov. 2, 2020 (SEND2PRESS NEWSWIRE) – James Cha, a Certified Tax Resolution Specialist from Ace Plus Tax Resolution, urges taxpayers to file their tax returns as soon as possible, even if they missed the tax deadline or can't pay off, as they're only increasing their tax bill by delaying.



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The IRS has started again to send the collection notices to taxpayers from late October. These notices were paused due to COVID-19. Now, the IRS's mail backlog is caught up enough to enforce non-payments, and they will start levy, lien, and other threatening collection activities.

The IRS has slowed down in many aspects due to COVID-19, but they never stopped investigating people who haven't filed tax returns. Pursuing non-filers can be one of the IRS's most efficient enforcement strategies because

issuing non-filer notices can be a cost-effective tool that requires little more than automated notices.

There is an ever-increased chance that the IRS will start ramping up their collection activities right after the presidential election is over.

### **Consequences of Non-Filing**

Why are there so many non-filers? Quite many people misunderstand and think, "If I don't file, then the IRS won't know. Then the IRS cannot pursue, lien, or levy me." Or, "I didn't get any notices the following year. I must've gotten away."

"However, this isn't true," says Ace Plus Tax Resolution's Certified Tax Resolution Specialist®, James Cha. "Taxpayers are only increasing their tax bills by not filing and waiting. The IRS will investigate and catch up with non-compliant cases in the following years. Once the IRS system discovers those cases, it will send out warning letters and threaten non-filers. Failure to file a tax return may be construed as a criminal act by the IRS and can be punishable by up to one year in jail for each year not filed. If left unresolved, the non-filers find themselves in a tough spot when the IRS freezes their bank accounts, garnishes their wages, seizes or sells their assets, suspends their passports, takes their retirement funds, takes their home, and so much more."

### **Why Should Non-Filers File Tax Returns As Soon As Possible?**

If a taxpayer hasn't filed tax returns in the past several years, it is strongly recommended that they file their returns as soon as possible, even if they can't pay them off at the moment.

If taxpayers fail to file or pay the returns, the IRS will keep adding penalties at an extremely high rate and also charge them interest. The IRS charges 5% of the amount due every month for failure to file, and 0.5% for failure to pay for a maximum of 25% each. Because of 0.5% reduction in penalty for any month, the maximum penalty amount combined is 47.5% of the taxes owed.

### **Compliance is Required before Resolution**

Ace Plus Tax Resolution can bring you back to compliance by filing back tax returns, which will stop the failure-to-file penalty. What's important is that the taxpayer needs to be "current" with any filing obligations to be eligible for any back tax liability settlement with the IRS.

#### **To be Current, You Must:**

1. File tax returns for the most recent six years, and
2. Make current tax payments.
  - a. sufficient withholding (W-2 employee)
  - b. estimated tax payments (self-employed)

c. quarterly payroll tax deposits (business)

### **Ace Plus Tax Resolution's solutions include:**

If qualified, [Offer in Compromise](#) allows a negotiation to settle back tax liability for a substantially reduced amount from the full amount owed. Keep in mind that the IRS can reject the offer if the financial documents are not professionally prepared or the taxpayer is not in compliance with the IRS. For applicants who have not filed all of their tax returns or made all required estimated tax payments or deposits, their offers will be rejected.

The [Installment Agreement](#) is for those who are unable to make the full tax payment immediately. There is a limit to how much they can owe to qualify for the agreement for online application. Thus, non-filers should consult with a tax relief professional for detailed information.

Another method is to see if they qualify for a [Currently Not Collectible](#) status upon submitting a financial statement. If the taxpayers have no means to pay the debt at the moment or anytime soon, they can request the IRS to delay the collection process until their financial situation improves. Note that this doesn't mean the back tax liability will disappear – the IRS can come back and collect your taxes years later. Other solutions include [lien relief](#), [release of wage or bank levies](#), [penalty abatement](#), [Bankruptcy Dischargeability Analysis](#), etc., depending on the non-filer's situation.

James add, "The IRS is making deals right now for back tax liability due to COVID-19. So, now is the best time to negotiate with the IRS."

### **Bottom Line**

Without these alternative solutions, the amount the taxpayer owes to the IRS can become so massive that they cannot pay off the amount. It's like this huge snowball rolling downhill, getting bigger and bigger with growing penalties and interest. In fact, [millions](#) of taxpayers in America are delinquent in filing tax returns and are struggling to pay the IRS.

If you're struggling with tax problems, it is strongly recommended that you seek help from tax relief experts who can guide you through the most suitable resolution method and reduce the liability owed to the IRS to the lowest amount possible if you qualify. This can resolve your non-filing problems effectively and permanently.

□ Learn more at – <https://AcePlusTaxResolution.com>

Watch why you should file back tax returns here and how a tax professional can help you: <https://www.youtube.com/watch?v=6-761u9qxJs>

[James Cha](#) is a CPA and Certified Tax Resolution Specialist® at [Ace Plus Tax Resolution](#), providing permanent solutions to taxpayers with IRS and state tax problems. He has been representing his clients and dealing with the IRS for over 30 years. His practice is in Los Angeles, but his clients are across the nation. Call us at (213) 600-7388 or email at [James@AcePlusTaxResolution.com](mailto:James@AcePlusTaxResolution.com).

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