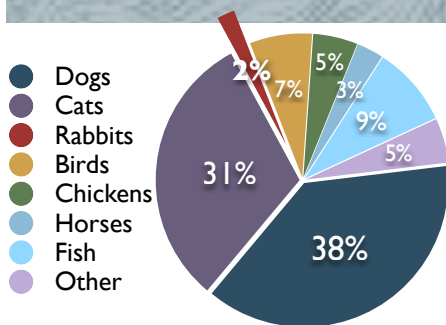


# The Newsletter Faucher & Associates



Most Popular Pets (by % in U.S. Homes)

## Taxpayers, like rabbits, must keep hopping

### How to Keep the IRS Off Your Case

Much as rabbits seek to avoid becoming prey, taxpayers should avoid being hunted by the good people at the IRS. That does not mean hiding or pretending that IRS requirements don't exist or apply to you. They do. The best way to stay out of the agency's crosshairs is to follow basic IRS rules.

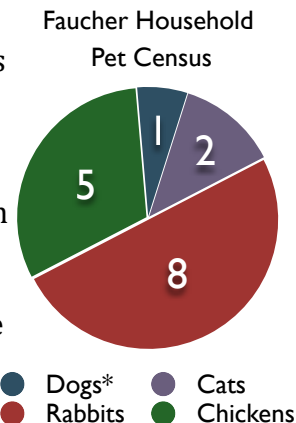
\* **File your tax return on time.** When you do, you go into a neutral status in the huge, bureaucratic IRS databases. When you don't file on time, you are flagged as noncompliant and become the IRS equivalent of prey, and are thus tracked sort of like Elmer Fudd tracked Bugs Bunny, only more competently.

\* **If you needed more time to prepare your filing and requested an extension by April 15, as suggested in the previous Newsletter - good move!** Maybe a rabbit ate your tax returns - although that's likely in just 2 percent of U.S. households. In any event, you now have until Oct. 15 to file - but don't miss that deadline. No further extensions for a single tax year are allowed.

\* **Haven't filed a return in several years? File ASAP.** There is no rabbit hole where the IRS won't find you. The faster and more directly you own up to past failures to file and pay, the easier a time you or your attorney will have in dealing with IRS agents. By filing previously unfiled tax returns you will be in noncompliant but cooperative status - a much more favorable status than noncompliant and uncooperative.

\* **When the IRS contacts you with a Request for Information, Verification or Documentation, respond within their time frame.** You've filed on time and paid your taxes but the IRS still contacts you with a request. You've appeared on their radar, but you probably won't be there for long - especially if you remain compliant. Often the IRS requests are simple (for example, verify your mortgage expenses with cancelled checks) and by simply responding, you'll find that IRS agents stop hunting you.

\* **Keep excellent records.** It's tedious to maintain receipts of medical expenses and charitable donations, and records of deductible travel, but necessary. If you do so, then responding to IRS requests for information is easy and you quickly fall off their radar; if you don't do so, then Elmer Fudd will likely be on your tail again. Invest in a good bookkeeper or accountant. Keep notes of all deductible travel in an appointment calendar. If you have trouble saving or filing receipts, put most purchases on a credit card and keep the detailed year-end statement with your tax return for that year. Yes, the required time and effort may seem like a plot out of Looney Tunes. But the IRS is not going away, so it's best to do what you can to keep any problems from multiplying.



\* Daisy, our Australian shepherd, joined the family a decade ago. She died in 2012 at age 14.

#### THE FAQ FILE: CAN YOU TRUST WHAT AN IRS AGENT SAYS ?

In a word - no. Consider what happened to a client who spoke with the IRS about his back payroll tax issue. The revenue officer said not to worry - the account was not a high priority and they had time to work things out.

Two weeks later, the IRS levied on the client's payroll account and his business may never recover.

He claims that this is unfair, and he's right. But he can't do anything about it. The lesson he learned the hard way is that the law generally holds that the government - federal, state or local - cannot be held accountable for misstatements about actual laws and policies.

So keep your hand on your wallet, and for a more detailed explanation of this issue take a look at my latest blog entry at: [venturataxlawyer.com](http://venturataxlawyer.com)

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## WELCOME TO FAUCHER & ASSOCIATES

### John D. Faucher

worked for 10 years as an IRS trial attorney. He and his team speak the legal language. They know the **tax and bankruptcy** systems and can help you get the best results. Have other legal issues? Call us. We'll find the lawyer who's right for you, your friends or family.

**818-889-8080**

**venturataxlawyer.com**



## Bunnies may multiply, but be sure not to let issues with the IRS do the same

**April is tax time.** And time for bunnies, at least around my house. I don't care much for rabbits, alas, no matter how often my girls thrust them in my face and shout, "Oooh, Daddy, aren't they cute?"

Our recently acquired chickens, however, are a different story. It shouldn't be long before they'll be laying eggs - a delicious and farm-fresh prospect, especially when served up for breakfast (over easy), with a nice cup of one of my favorite

teas (the subject of a recent Newsletter, as some may recall).

While I may not be able to stop the bunnies from breeding, I can offer some tips on how to avoid breeding unwelcome **problems with the Internal Revenue Service.**

You'll find those tips in this edition of The Newsletter, along with a cautionary tale about someone who simply followed an IRS agent's advice - and wound up with egg on his face.

FAUCHER & ASSOCIATES  
5743 CORSA AVENUE, SUITE 116  
WESTLAKEVILLAGE, CA 91362

Joe Client  
456 Maple Street  
Santa Barbara, CA 93103