

**FREE GUIDE:**

**5 COMMON  
PITFALLS & MISTAKES  
OF TAX RESOLUTION**



**TRAXION**

We know that this is **not** an easy process for you and your family.

While the situation isn't the **BEST** - we're grateful to be part of your process in finding a tax relief solution that works best for you and your family.

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With that said, we are sharing the 5 biggest mistakes we see individuals make when they are navigating this process with the IRS.

**Overpaying for Tax Relief Solutions**

**Offer in Compromise Solution**

**Paying for Analysis Without a Solution**

**Not Fully Understanding the IRS Enforcement Process**

**Overcomplicating the Process**

# 1. Overpaying for Tax Relief Solutions

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Tax relief doesn't have to be an expensive process if you qualify for a simple tax relief solution or installment plan.

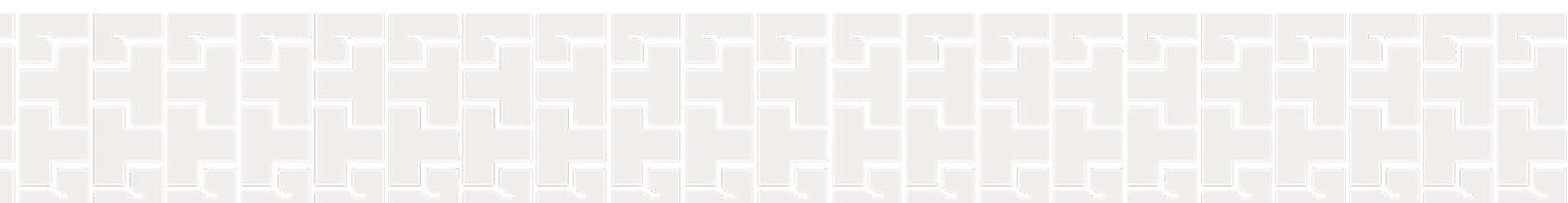
We've heard from countless clients that they've gotten quotes for up to \$2200 or more to handle their simple tax relief plan.

This is not necessary if you are one of the 87% of individuals that qualify for a simple installment plan.

The US Tax Code is incredibly complicated and dealing with the IRS can be a grueling experience. However, most people can avoid this briarpatch of government bureaucracy. With the right team, tools, and expertise you can navigate and work with the IRS to obtain a solution that fits your needs.

We built TaxHopper to make this even simpler for you.

As you're interacting with different tax resolution companies and evaluating solutions, we want you to be prepared to recognise when sales people tell you inaccurate information.



# 1. Overpaying for Tax Relief Solutions

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What you will hear may sound too good to be true. These are red flags to be aware of when having conversations with a tax relief company.

**Red Flag 1:** Many companies will claim to be able to release all penalties and interest. (This is what everyone wants to hear, but is not possible with every taxpayer's case). The IRS has very specific rules around the release of penalties and interest. If this is the first time you have had a tax issue (or a few other unique scenarios) a Penalty Abatement is possible but not guaranteed.

**IMPORTANT NOTE:** If you qualify for first time penalty abatement we include this for **FREE** with our TaxHopper service.

**Red Flag 2:** If the company has really bad ratings, there is a reason for it. Be careful who you are talking to. Some companies have a great sales pitch and can sound convincing. Be diligent on your research of the companies you are talking to.

## 2. Offer in Compromise Solution

(Only 3.29% of Federal Tax Liens qualify for this!)

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If you've reached out to several different companies to help with your tax liability, you might have heard of the term Offer-in-Compromise (or OIC) as a solution to handle your tax debt.

While this is a viable solution, only 3.29% of tax cases qualify for this particular tax relief solution. OICs can also take a very long time to complete. Traxion has worked with multiple clients where the IRS has taken over 2 years to complete the Offer in Compromise resolution. If your financial circumstances are going to improve in the next 1-2 years or if you need a solution now, this is not the right fit for you.

In fact, there have been cases where tax relief companies have been investigated and prosecuted by the FTC for falsely claiming to be able to save people money on their taxes through the Offer in Compromise solution.

If this solution is offered to you by a tax relief company, we highly recommend being aware of these two situations to be sure you're one of the 3.29% of tax cases that qualify for this option.

## 2. Offer in Compromise Solution

(Only 3.29% of Federal Tax Liens qualify for this!)

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These are red flags to be aware of when having conversations with a tax relief company.

**Red Flag 1:** If the company is telling you that you qualify for the OIC program without looking at income, assets, and your family's overall financial situation, they cannot accurately tell you that you qualify for this. If it sounds too good to be true, chances are it is.

**Red Flag 2:** If the salesperson is guaranteeing that you qualify for this and that you will only pay "pennies on the dollar," please do not hire them to represent you. This can only be answered by a thorough analysis of your financial information. If they guarantee you that you qualify without doing this analysis, they are lying to you.

### 3. Paid Analysis Program

(Many tax resolution companies recommend this before they will take your case!)

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We've heard from clients that they've paid between \$250-695 just to have their case reviewed by a tax professional. From there, the provider recommended a tax relief solution with a much higher price tag.

**In most instances, this analysis program is not necessary.**

For experienced and educated tax relief professionals, the identification of what solutions are available based on the circumstances of your unique case should be easily explained through an initial call and do not warrant this particular expense.

We advise individuals with more complicated or unique cases, to find a tax relief company that offers a complimentary consultation and will work with you on a plan or solution that meets your needs.

## 4. Not fully understanding the IRS Enforcement Process and the importance of acting quickly

We know it sounds obvious, but you need to know where you are in the IRS enforcement process. The longer you wait the fewer options you will have - and your risk is much greater. **Here are the steps in the process:**

1

### You Have an Unpaid tax Debt.

This is where you have the most flexibility to find a solution that will work for you. You're very early in the process.

2

### The IRS files a Notice of Federal Tax Lien Against You

This is a major turning point in the process.

\*See next page for full details

3

### An IRS Revenue Officer is Assigned to Your Case

Your costs are continuing to increase at this point. Once you have a Revenue Officer (RO) assigned, you will have more notices to respond to, forms to complete, and your options for resolution become more limited.

This is where the expertise of an experienced, licensed professional is imperative.

4

### The IRS Files a Levy

The IRS can extract money from your bank accounts and garnish your wages without your permission to pay off your tax debt.

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### Seizure of Assets

If the IRS cannot collect the full amount from the levies to pay off your tax debt, they can seize, and then sell your physical assets. This can include: vehicles, jewelry, collectibles and just about anything other than your primary home and a few essentials. Then they will auction the assets off and keep the proceeds to cover your tax liability

## 4. Not fully understanding the IRS Enforcement Process and the importance of acting quickly

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**\* The IRS files a Notice of Federal Tax Lien against you.**

**This is a major turning point in the process.**

The IRS has taken action against you and the clock is ticking and this is the precursor to more dramatic, heavy handed enforcement.

Once an IRS lien has been filed you need to move quickly and make smart decisions to protect you and your business.

Waiting too long can increase potential fees and limit your options for resolution.

**This is also when you will start getting bombarded by tax resolution firms.**

Some of them are legitimate; but many of them are known for charging more than necessary and taking considerably longer to find a solution (in turn, racking up more fees for you).

**The key to solving your tax debt is to take action as soon as possible. This puts you in the driver seat and increases your chances of handling this quickly for you and your business.**

## 5. Overcomplicating the process

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While handling your tax debt isn't something you planned for as a business owner, there is no reason to overcomplicate an already difficult situation.

When handled by qualified professionals with the right tools, a simple solution can be reached in as little as 2 weeks.

Other tax relief companies take much longer. They will extend the process, sometimes unnecessarily, and persuade you to pay more fees. They can make the process seem more cumbersome than it is.

While tax relief service can save you hours and hours of sitting on hold with the IRS, in most cases the process itself is straightforward and doesn't take months or years to complete. Especially with a software driven solution like TaxHopper.

Here are the questions we advise asking any tax relief professional regarding the complexity of your case and the timeline in which you can expect to have more information about your tax relief solution.

## 5. Overcomplicating the process

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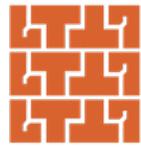


**These are red flags to be aware of when having conversations with a tax relief company.**

**Red Flag 1:** Unless you, as the taxpayer, have a very complex issue: embezzlement, audit, missing tax returns, already have a Revenue Officer assigned to your case, etc. this process should be quick and not costly.

**Red Flag 2:** If the sales person cannot explain the process and the timing of the process, do not proceed with the conversation. You don't want to be roped into a long, painful, and expensive process that wastes your time and money.

MEET



TRAXION

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Our tax resolution department is run by John Schumacher, J.D., E.A., a Licensed Attorney and IRS Enrolled Agent; with John "JP" Pesnichak, former Director of the IRS:CI with over 20 years of hands-on experience that can't be matched by any other firm in the industry. Some other firms have former IRS employees on staff. Regular IRS enforcement staff and Revenue Officers referred cases up to people on JP's team to handle when they were too complicated or sensitive to be handled by regular IRS staff. There is no other firm in the country that has this level of experience and expertise.

We leverage a team of experienced Enrolled Agents, Certified Public Accountants, and Licensed Attorneys to partner with our business clients to find the fastest, most efficient tax resolution solution possible.

**Unlike other tax resolution firms, our goal is to alleviate stress for small businesses with tax liabilities, not create complicated solutions that are expensive and time consuming.**

We use a tech enabled tax resolution solution and custom software systems that are way more efficient than the old school tax liability solutions.

While not all businesses qualify for simple tax resolution; we want those who are qualified, to be able to quickly and easily get tax relief without paying for unneeded services.

**Ready to see if you're eligible for our tech enabled solution and save 30-70% on your tax resolution service fees?**

**[Fill out this quick application.](#)**