

Eliminate IRS Fear By Knowing Your Rights And "Hidden" IRS Weaknesses!

By: Albert Aiello, CPA, RE Broker (c) - All Rights reserved

FEAR-OF-THE-IRS is one of the big reasons why entrepreneurs unnecessarily fork out way too much in taxes. Well, eradicate the fear because you have rights against the IRS. These rights have been expanded under *The IRS Restructuring and Reform Act of 1998*.

IRS employees can lose their jobs because of ten possible offenses, including a violation of constitutional or civil rights of taxpayers. You can sue the IRS for up to \$100,000 of damages caused by an IRS employee who negligently disregards the tax law and up to a \$1,000,000 if an IRS employee willfully violates the tax law.

Also, IRS "hidden weaknesses" can help you. For example, in an audit, you have a much better chance on winning by going to appeals. Statistics show that the average results on appeal are a 40% reduction in taxes.

But only one out of 16 audited taxpayers goes to Appeals. (This is because taxpayers or their tax preparers are afraid to do so, or many tax preparers do not how to do the Appeals process.) The Appeals (or "Appellate") level of the IRS is not a court, but an informal hearing with an "Appeals Officer", who has a different job than auditors at the examination level. Their job is to settle cases and avoid the "hazards of litigation", such as the cost of going to court and the IRS losing. (You do not need an attorney to represent you before Appeals, although you should use a competent tax specialist who could be a CPA or a tax attorney.)

Knowing your appeals rights from the outset of an audit can give you more confidence and strengthen your position throughout the audit. IRS auditors are evaluated by how many cases they close. They therefore do not want your case to go to Appeals. Just, by saying. *"OK if you're going to play hardball, I got hard bats. Just write it up and I will settle this at Appeals."* This will have an impact on the auditor. They would realize that you know the rules and you are not easily intimidated.

Even better, knowing your rights from the outset and knowing how the system works, can have an impact on your taxes before you are ever audited (if you are ever audited). For instance, if you discreetly take aggressive positions on gray* areas, you know that you have a good chance of winning by going to Appeals, or by stating that you will go to Appeals, with the good possibility that the IRS auditor will back off, as per the above. (Read my article, "Gray Is Great" in next month's March issue of the "Success Elevator" newsletter). And even better, do not get audited in the first place.

In his presentation at the [East Bay Wealth Builders Club](#) meeting in San Ramon, California on Thursday March 17, Al Aiello will show how to reduce or even eliminate your return from being audited by the IRS. He will show you how you can legally save a bundle of taxes every year yet still make a lot of money without IRS problems.

Al has tons of information in his package *The Real Estate Investor's Goldmine of Brilliant Tax Strategies*, A Tax Reduction System And Special Forms Software Package.