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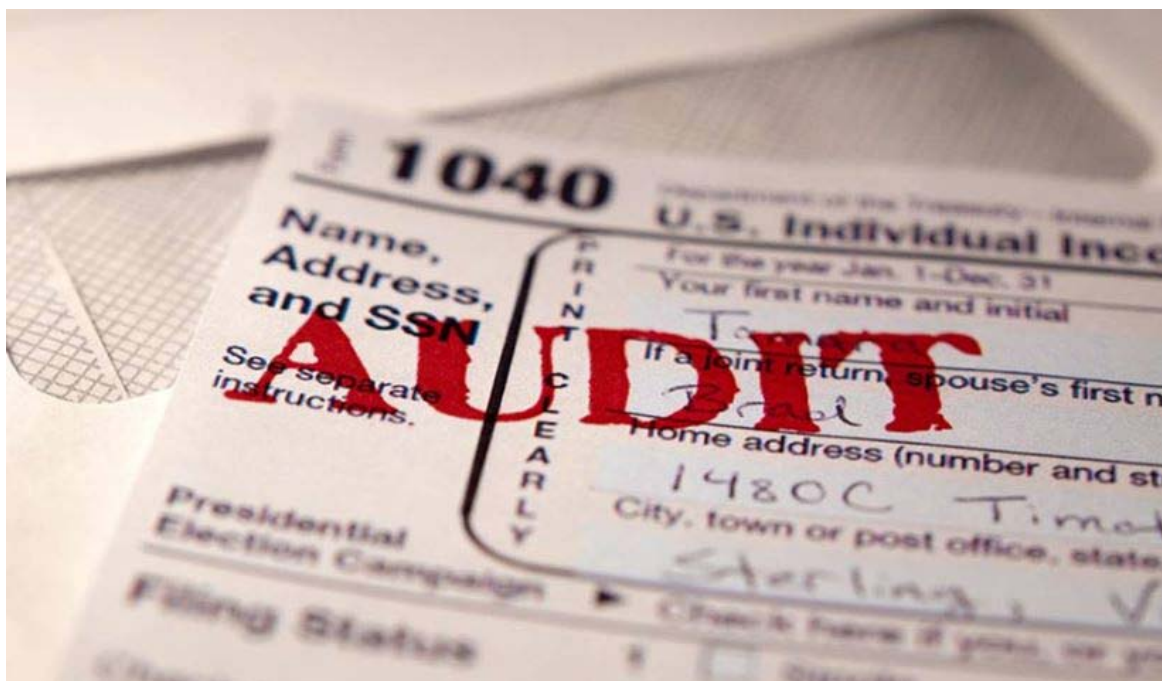
THE TAX LAWYER

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12 IRS Embarrassments, 6 Questions Each Taxpayer Should Ask

At tax time, it is easy to get upset with taxes and how much of your paycheck they consume. Not just your paycheck, but everything *else* you make too, since there [many surprising items IRS says to report on your taxes](#). Add the Byzantine complexity and burden of trying to comply. It is far more frustrating than if you paid the same amount on a one page flat tax form.

The Affordable Care Act saddled the IRS with more huge burdens, and its roll-out mistakes, including the recent [incorrect tax statements sent to nearly a million Americans](#), create a kind of perfect storm. To me, it helps explain Mark Meckler's list in the American Spectator, the [Real 'Dirty Dozen' at the IRS](#). For years, the IRS has tried to warn taxpayers of the top 12 tax scams to avoid. This year, it released them [over 12 days, hardly 12 days of Christmas](#), but still meant to help us all, since tax scams spike at tax time.



Even if you are lead astray, you sign your tax return under penalties of perjury. That means your money—and conceivably your freedom—are on the line. It is one reason why the integrity of the IRS is so terribly important, and why the lingering IRS scandal should be resolved. Mr. Meckler in the American Spectator—understandably, but I still hope incorrectly—identifies these as what he calls the *real* dirty dozen:

1. Internal emails show these groups were targeted because IRS [employees thought them “icky.”](#)
2. Other emails showed that Lois Lerner was conspiring with the Department of Justice to [prosecute conservative groups on trumped-up charges.](#)
3. Lerner herself refused to testify to investigating committees and was held [in contempt.](#)
4. That didn’t stop her from defending herself to *Politico* magazine and [complaining about being “harassed”](#) for her role.
5. Then, the IRS claimed it had [lost the most crucial batch of Lerner’s emails.](#)
6. Oh yeah, and her [Blackberry was destroyed](#) too.
7. Six months later, the Tax Inspector General [may have found those lost emails.](#) (Still no word yet on what was in them.) Scandal events aside, the IRS showed its general incompetence in many other ways.
8. IRS workers campaigned for political candidates [while on the job.](#)
9. The agency awarded bonuses to its own [employees who owed taxes.](#)
10. Guess who was audited ten times more often than the average taxpayer? [Supporters of the Tea Party.](#)
11. The IRS illegally shared confidential, protected information with the [FBI](#), the [White House](#), and more.
12. And it has the nerve to constantly [ask for a raise.](#)

Mr. Meckler says this dozen adds up to an agency failing to merit taxpayer trust. The fact that there are still unanswered questions does not mean they should not be addressed. Indeed, even if Mr. Meckler is wrong about *most* of this, to me, it is hardly enough to say there is no [smidgen of corruption](#), or that nothing has been *proven*. For both sides of the political spectrum, the obstructionism by the administration and at the IRS has been truly disheartening. It suggests a cancer that may be hard to cut out. It reflects problems not in the rank and file of the IRS, but surely higher up. Amid all the noise, Americans should ask simpler questions, especially at this time of year.

1. [Why is the tax law so horribly complex?](#) It isn’t the IRS’s fault. Congress passes tax laws so fundamental reform—long overdue—must start there. Even if it isn’t fair, a flat tax would be much fairer than what we have.
2. [Can I feel secure that I will be dealt with fairly by the IRS?](#) Mostly. The tax system is full of special rules, and no one can master them all. Thus, one taxpayer may be treated very differently from another who is seemingly in the same position. That isn’t fair. Don’t confuse this with fundamental *procedural* fairness and non-discrimination. On the whole, the IRS does an incredible

job administering our horribly unwieldy tax laws. If you are not being dealt with fairly and respectfully, complain, ask for a manager or go to the IRS Taxpayer Advocate's Office. Speaking of the latter, wouldn't it be incredible if [Nina Olson were IRS Commissioner?](#)

3. [Doesn't the IRS police its employees?](#) Yes, and it does a better job than recent stories suggest. Some are even fired, one reason much at the top is so hard to comprehend. Unreasonable or abusive requests may happen, and you need to speak up.
4. [Why does it seem that there's always someone getting away with something in the tax world?](#) Because there is. Wealthy people may manipulate the rules and pay less than you think they should. At the other end of the spectrum, scams may hand out earned income tax credits and bogus refunds. The fact that someone is playing the game better than you are can grate but it doesn't mean the whole system is rigged. Reform is needed.
5. [Can I feel secure that my private taxpayer information will remain private?](#) This may be the biggest challenge today not only for the IRS but for many in government and non-government alike. With technology and e-filing, it is a huge danger. Leaks should be dealt with severely.
6. [Why is staying off the IRS radar so important?](#) Because much can go wrong in our terribly complex system. Avoid [IRS audit triggers](#), and pay (don't dispute) small bills. Even a joking suggestion of "we'll audit you" is so sensitive. Be careful out there.

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