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Rapper Flavor Flav Gets Bitter Taste Of IRS Lien

When you read how much some entertainers make, you may wonder where all the money goes. But many will tell you their host of managers, publicists, agents, lawyers, and others getting a cut trim down the entertainer's take considerably. Even routine bills like taxes may not get handled, and once you get behind, it's hard to catch up.

Even big names like **Martin Scorsese** (\$2.85 million) and Al Pacino (\$188,000) have faced IRS liens. Both their oops tax problems were



tied to convicted celebrity accountant **Kenneth Starr**. Such problems are embarrassing but fixable. Scorsese, Pacino Whacked by IRS Tax Liens.

Sometimes tax liens are even wrong, as Dionne Warwick famously proved. See <u>Dionne Warwick Proves IRS Tax Liens Can Be Wrong</u>. Most of the time, though, tax liens are steps in the IRS collection process and eventually lead to payment.

Rapper Flavor Flav, born William Drayton, Jr. is no Dionne Warwick. A Notice of Federal Tax Lien filed by the IRS lets the public know he owes nearly \$1 million for 2004 through 2006. It's made up of \$52, 243.47 for 2004, \$303,035.93 for 2005 and \$550,971.16 for 2006. See <u>Flavor Flav: Does He Have a Tax Lien? Yeah, Boyyyy!</u>

These tax returns coincide with reality TV's "The Surreal Life," "Strange Love" and "Flavor of Love." In 2009, California filed its own tax lien for over \$183,000. Amounts due the IRS may be directly off Mr. Flav's returns without audit or additional assessed taxes.

He may be able to prove the IRS wrong, showing he doesn't owe the tax. But despite Dionne Warwick's success, that's rare. The IRS can file a Notice of Federal Tax Lien only after:

- IRS assesses the liability;
- IRS sends a Notice and Demand for Payment saying how much is owed: and
- You fail to fully pay the debt within 10 days after that notice.

The IRS files *notice* of the lien so creditors will beware. The IRS has a claim against *all* your property, even property acquired *after* the lien is filed. This notice is used by courts to establish priority, such as in bankruptcy or sales of real estate.

Liens Last 10 Years. Liens impact your credit. The main IRS statute of limitations is 3 years, but the IRS limit on collections is 10 long years and that's how long liens last. If you can, you're better off getting them removed immediately. See IRS "Fresh Start" for Tax Liens and Installment Deals?

Lien Release. Getting the IRS to release a lien usually involves: (1) paying the tax, interest and penalties; or (2) posting a bond guaranteeing payment. Even then the IRS may take 30 days. State or local government fees to file and release the lien are added to the amount you owe. See <u>IRS</u> Publication 1450, Request for Release of Federal Tax Lien.

Entertainers may be most famous for tax lien problems, like the King of R&B R. Kelly, who owes more than \$5 million in unpaid taxes, IRS says. But entertainers aren't the only ones with tax lien problems. Even Newt Gingrich ran afoul of them. See Tax Liens and Newt Gingrich.

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