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THE TAX LAWYER

TAXES 3/10/2015

Wesley Snipes Lands NBC Show Endgame. Why His IRS Endgame Failed

Now 52, Wesley Snipes celebrated his [50th birthday](#) in federal prison. Released two years ago, he has now landed a drama pilot called 'Endgame.' Mr. Snipes will play Johnson, whom [Hollywood Reporter](#) describes as an unflappable Vegas pit boss, capable of cleaning up a mess when required. The show also stars Philip Winchester as a former-sniper-turned-security-expert.

After big legal and financial setbacks, Mr. Snipes was back to acting in the 2014 action film *The Expendables 3*. But he was served with a lawsuit at its [premiere](#) from his PR firm suing over payments it claimed were due for work it did while Mr. Snipes battled criminal tax charges. Snipes was convicted of failure to file, which is less serious than filing falsely. As Snipes' misdemeanor convictions show, failing to file carries smaller penalties than filing fraudulently.



The Federal Bureau of Prisons quietly released him on April 2, 2013. His tax problems started as early as 1999. The feds claimed that from 1999 through 2001, he avoided \$7 million in taxes. In 2008, Mr. Snipes was [convicted of three misdemeanor counts](#) of failing to file tax returns. Sentenced to [McKean Federal Correctional Institution](#), a medium-security prison in Pennsylvania, he reported December 9, 2010. He finished at the adjacent prison camp, a minimum security [Club Fed](#) as inmate number 43355-018.

As to the \$7 million in taxes, Mr. Snipes probably would have paid them willingly had he known what was coming. Whatever you may think of Mr. Snipes, it seems clear he was led astray by professionals or promoters. He followed an accountant and an anti-tax advocate down a dangerous path. Yet when it comes to your own tax return, the law makes it your own responsibility.

The advisers [claimed](#) they did not legally have to pay taxes. One of Snipes' original defenses was that he was relying on Eddie Ray Kahn and Douglas P. Rosile. They were convicted by the same jury of tax fraud and conspiracy and both got longer prison terms than Mr. Snipes. Still, Snipes must have been surprised by the trial, which was shorter than anticipated. Snipes was such a well-known figure and high earner—about \$40 million from 1999 to 2004—that not paying taxes was hard to fathom.

The big victory for Snipes was that he was acquitted of felony tax fraud and conspiracy and only convicted of misdemeanor charges. It was key to his case that he [didn't file false tax returns](#). But that meant up to 3 years, the sentence he received. Snipes appealed, argued his sentence was unreasonable, and even claimed he couldn't get a fair trial in Ocala, Florida because of his race. Even the U.S. Supreme Court turned him down.

The U.S. taxes all income wherever you earn it. Stay away from crazy arguments. Don't argue that our tax system is voluntary. Don't argue that wages, tips, and other compensation received for personal services are not income. Avoid saying Federal Reserve Notes are not income or that only foreign-source income is taxable, making domestic income exempt. This has variations, but this is what ensnared Mr. Snipes.

Avoid arguing that a taxpayer is not a "citizen" of the U.S. and thus not subject to tax laws. Avoid claiming the U.S. consists only of the District of Columbia, federal territories, and federal enclaves. Don't argue that only employees of the federal government are subject to federal income tax.

Arguments based on the First, Fifth, Thirteenth and Sixteenth Amendments to our Constitution include such "nice try" claims as: Taxpayers can refuse to pay income taxes on religious or moral grounds by invoking the First Amendment; Federal income taxes constitute a "taking" without due process; and compelled compliance with federal income tax laws is servitude violating the Thirteenth Amendment.

Avoid these fictional claims: The IRS is not an agency of the U.S. (you lose.) Taxpayers are not required to file a federal income tax return because the instructions to [Form 1040](#) and tax regulations don't display an OMB control number as required by the [Paperwork Reduction Act](#). (No again.) Don't claim you're a church. Don't buy untaxing trusts or other deals that sound like [infomercials](#).

Be careful relying on others. This may be the most important lesson of all. If something sounds too good to be true, it may be.

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