Forbes



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Help IRS Find You! (Yes, I'm Serious)

Remember "My Kingdom for a Horse?" That's the immortal phrase yelled in exasperation by Richard III, as told by Shakespeare. It's meaning? We all need simple things, and sometimes something small spells the difference between success and failure. Although it doesn't have the same literary ring, remember too that it was the straw that broke the camel's back. So says an Arab proverb with modern usage tracing to Dickens.

In the tax world, little things matter even more than elsewhere. As a tax lawyer for 30 years, I know that large tax messes sometimes hinge on an extra zero or a slip of paper known as a Form 1099. Forms 1099 are super important, arguably more so than most other pieces of paper their size. See I'm Sending An IRS 1099: 1099 Are You Outta Your Mind? Small but mighty, they are increasingly the WD-40 of the tax system, keeping the government in business. See Beware Each Form 1099!

So forget that "don't sweat the small stuff" nonsense. In taxes, worrisome details are the whole enchilada, the horse worth a kingdom, the straw on the horse, er camel's back. And one such pedestrian detail is your address. Every year I get calls from clients or prospective clients saying they never got a Form 1099, only to find out after a tax return is filed and audited that they did. The culprit may simply be an old mailing address. See IRS Form 1099 Wars.

Similarly, every year I see clients and prospective clients who have to go through procedural calisthenics because they didn't get an IRS notice and therefore didn't respond in time. See Received An IRS Notice? 10 Simple Tips. That means their legal bills for defending the tax case are bigger. Sometimes it even means they have to go to one court not another, or pay the bill first and contest it later. Translation: missing a notice or two (or 10!) can be a big deal. See Ten Things To Know About Fighting An IRS Bill.

Even the IRS doesn't like this inefficiency and stresses the importance of taxpayers filing a timely report of change of address. See <u>IRS Tax Topic</u> <u>157 – Change of Address</u>. Taxpayers who have changed or are about to change a home or business address should update their information with the IRS to ensure they receive any refunds or correspondence. See <u>Beware Each Form 1099!</u>

You can change an address on file with IRS in several ways:

- <u>Tax Return.</u> Write your new address in the appropriate box on a tax return;
- **Form 8822.** Use Form 8822, Change of Address, to submit an address or name change any time during the year;
- **Service Center.** Provide written notice of your new address by writing the IRS center where you file.
- **Oral??** If an IRS employee contacts you about your account, you may be able to provide a verbal change of address. My advice: Don't rely on an oral change of address!

Other Notices: Don't assume federal agencies talk to each other. The IRS notes that you should **also** notify your employer and the post office. Additional information, including details for those who make estimated tax payments, can be found here.

Your Refund! Still not convinced? Every year the IRS hangs on to copious tax refund money for people it can't find.

See also:

Ten Things You Should Know About 1099s

Care With Forms 1099 Helps Audit-Proof Tax Returns

Robert W. Wood practices law with Wood & Porter, in San Francisco. The author of more than 30 books, including Taxation of Damage Awards & Settlement Payments (4th Ed. 2009, Tax Institute), he can be reached at wood@woodporter.com. This discussion is not intended as legal advice, and cannot be relied upon for any purpose without the services of a qualified professional.