



## Robert W. Wood

THE TAX LAWYER

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### In Taxes, Lindsay Lohan Is No Kim Kardashian

[Lindsay Lohan](#) has far bigger legal problems than a [\\$94,000 tax lien](#), and surely one of her handlers will handle it. In contrast, Kim Kardashian is criticized for planning too well and not paying enough. [In Taxes, Kim Kardashian is More Buff Than Buffett](#). Still, it's embarrassing to have the IRS file public documents indicating you're a tax deadbeat. See [Lindsay Lohan — IRS Cracking Down Over Massive Tax Debt](#).

The Oops relates to LL's 2009 income taxes which the IRS wants to collect. Reports suggest Lohan changed management teams and bills got lost in the shuffle. That seems likely when you're facing much bigger legal troubles including [morgue duty](#) for criminal charges, a lawsuit over a [Hollywood limo incident](#) and more.



Image via destylou.com

**Mistake?** Are tax liens ever filed by mistake when you don't really owe the taxes? Yes, but there is probably a pile of paperwork somewhere that you should address to straighten out the confusion. See [Got A Tax Notice? Here's What To Do](#). Usually you'll know about the debt.

In fact, the IRS can file a [Notice of Federal Tax Lien](#) only after:

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

Whether or not the IRS files anything, it has a lien. The IRS files **notice** to notify creditors to beware. Then the IRS has a claim against **all** your property, even property acquired **after** the lien notice is filed. This notice is used by courts to establish priority, as in bankruptcy proceedings or sales of real estate.

**10 Long Years.** IRS liens last 10 years, and usually release automatically if IRS has not refiled them. However, you're better off to get them removed immediately.

**Releasing a Lien.** 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 charges to file and release the lien are added to the amount you owe. See [IRS Publication 1450, Request for Release of Federal Tax Lien](#).

**Suit?** If the IRS knowingly or negligently fails to release a Notice of Federal Tax Lien when it should be released, you may sue the federal government for damages. However, you can't sue IRS employees.

**Respond to Every IRS Notice!** Take tax notices and letters seriously, and follow the procedural steps outlined. With prompt and proper tax representation of tax notices and bills, the IRS might agree no taxes (or smaller taxes) are due, thus avoiding all the trouble. See [Received An IRS Notice? 10 Simple Tips](#).

IRS liens hurt credit ratings, scare customers and vendors, prevent real estate closings and more. If possible, don't let it get to the lien filing stage. If you have cash-flow crunches and can't pay you can try to convince the IRS not to file a Notice of Lien. That's a tough sell, so if you owe significant amounts, expect the lien filing.

**Kinder Gentler?** In the wake of tough economic times, the IRS has liberalized some lien rules. See [IRS "Fresh Start" for Tax Liens and Installment Deals?](#) Yet it doesn't look like they help Lohan.

For more, see:

[Lindsay Lohan Tax Problem Common Among Celebrities](#)

[IRS Takes A Bite Out Of Bow Wow](#)

[Tax Liens and Newt Gingrich](#)

[Tax Liens Means IRS Thinks You Owe](#)

[Received An IRS Notice? 10 Simple Tips](#)

[Duke Lacrosse Tax Lien Highlights How Lawsuits Are Taxed](#)

[Ten Things To Know About Fighting An IRS Bill](#)

[Only The Little Kardashians Pay Taxes](#)

[In Taxes, Kim Kardashian is More Buff Than Buffett](#)

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