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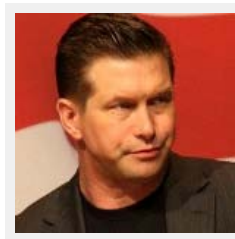
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Not Even Probation For Stephen Baldwin's Tax Evasion, Jail For Wesley Snipes

[Stephen Baldwin](#), kookiest of acting's [Baldwin](#) Brothers, pleaded guilty to tax charges as part of a plea deal in New York State. See [Stephen Baldwin admits tax evasion](#). Baldwin admitted failing to pay New York State income taxes for 2008, 2009 and 2010. His plea bargain calls for no jail time and even allows his record to be wiped clean if he pays New York the approximately \$400,000 he owes within a year.



Wesley Snipes



Stephen Baldwin

That seems like a great deal. Of course, most states don't resort to criminal tax prosecutions to collect. But examples can be powerful tools. New York State tax authorities claimed Mr. Baldwin (of [Usual Suspects](#) fame) failed to file returns and pay. Just as in the federal system, tax prosecutions get people's attention. Baldwin made a \$100,000 down payment upon his arraignment. See [Stephen Baldwin arrested on charges of state income tax evasion](#).

If he doesn't pay all the money within a year, the plea bargain provides for five years of probation and repayment within that time. Mr. Baldwin is a born-again Christian and co-founder of Breakthrough Ministry, which utilizes

[extreme sports](#) for religion. Its arena tours, [AsSalt Tours](#), feature extreme sports celebrities. Fortunately for Mr. Baldwin, the up to four years in prison being discussed quickly evaporated.

Observers may well compare the seemingly cushy deal Mr. Baldwin got for his New York State tax flub with the harsher treatment fellow actor Wesley Snipes got from the feds. There are several similarities. Both men evidently relied on others, as is common in the entertainment world. Both failed to prevail in their reliance on others arguments.

Both faced serious charges and both ended up with charges that stuck. Mr. Baldwin made a deal and entered a guilty plea, while Mr. Snipes went to trial. Prosecutors and judges can be harsher after a trial. Of course, any criminal charge is serious.

You can be prosecuted for failure to file a tax return (a misdemeanor) or filing falsely (a felony). The latter is more serious and the penalties are more frightening. Mr. Snipes was tried on felony and misdemeanor tax charges, but only was convicted of misdemeanors. Yet most observers thought the government largely failed in its case.

As Snipes' misdemeanor convictions show, failing to file carries smaller penalties than filing fraudulently. See [Wesley Snipes Turns 50 In Prison But Didn't File False Tax Return](#). In 2008, Snipes was [convicted of three misdemeanor counts](#) of failing to file tax returns. He reported to prison on December 9, 2010. He was initially sentenced to [McKean Federal Correctional Institution](#).

*Robert W. Wood practices law with [Wood LLP](#), in [San Francisco](#). The author of more than 30 books, including *Taxation of Damage Awards & Settlement Payments* (4th Ed. 2009 with 2012 Supplement, [Tax Institute](#)), he can be reached at Wood@WoodLLP.com. This discussion is not intended as legal advice, and cannot be relied upon for any purpose without the services of a qualified professional.*