



Economic Justice & Nevada Nevada's Economic Recovery: A Look Back & Forward

Julie Proctor, S.A.F.E. House, Nevada

Jillian Prieto, Esq., Women's Development Center

Francine Lipman, University of Nevada, Las Vegas

- **William S. Boyd School of Law**
- **Rosenblum Family Foundation Tax Clinic**



Economic Justice & Taxes: An Overview of Options



Francine J. Lipman, William S. Boyd Professor of Law

UNLV | WILLIAM S. BOYD
SCHOOL OF LAW

There Are Helpers Everywhere ...

Even with tax matters ... there are helpers



**my mother would say to me,
"Look for the helpers. You will always
find people who are helping."**

**To this day, especially in times of
"disaster," I remember my mother's
words and I am always comforted by
realizing that there are still so many
helpers –**

Filing Annual/Timely Income Tax Returns is **CRITICAL**



REFUNDS!!!! \$\$\$\$\$

- Social benefits are now predominately delivered through the income tax system through refundable tax credits
- Statutes of limitations: 3 years (2014 and after still open)

Immigration Reform/Good moral character

College financial aid applications, education tax credits

Tax debt does not disappear if ignored it GROWS!

- But addressing it timely helps mitigate the damage

Loans, banking, housing, proving income, residency

Affordable Health Care Coverage subsidy or avoiding the penalty

But What if You TPs Owe? Joint & Several Tax Liabilities



Must have affirmatively elected to file jointly

- Returns filed under duress,
- with forged signatures,
- or illegally do not give rise to J&S tax liabilities

But even if you are subject to J&S tax liabilities you may otherwise qualify for relief as

- An Innocent Spouse OR
- An Injured Spouse

Innocent Spouse Relief

- TP did not know, nor could have known of the erroneous items on the return attributable to the nonrequesting spouse
- It would be inequitable to impose J&S liability
- Relief must be sought within 2 years of collection
 - Abuse is accepted as why one would not ask questions
- Equitable Relief no time limit

Injured Spouse Relief

Joint tax refund is taken to satisfy a separate liability (e.g., federal or state income tax, child support, student loans).

Tax Collection: Myths and Facts

I can't pay my taxes, so the government will send me to jail.

- **That's a myth.** Not having enough money to pay taxes is not a crime. Hiding income and money to avoid paying taxes is against the law.

I can't pay my taxes, the government will take my home or my car.

- **That's almost always a myth.** In 2012, there were nearly 3 million IRS levies versus 733 IRS seizures.

I owe money, but the government will work with me.

- **That's a fact.** The IRS will work with people on reasonable payment options. See IRS Form 9465 also available on line.

I owe taxes. What can I do?

Options if you can make payment.

- Pay the full amount by the due date.
 - Late payment penalty can be **up to 25% of the taxes due.**
 - Interest will also be owed on any taxes due.
 - Can request 120-day extension to pay in full (no fee)
- Installment agreement (monthly tax debt payments).
 - There are different varieties of installment agreements.
 - **Only available if all required tax returns are filed.**
 - Only agree to make **affordable** payments.
 - IRS charges applicable penalties and interest.

I owe taxes. What can I do?

Options if you can't make payments.

Offer in compromise (“OIC”).

- Most often used when income and assets not enough to pay entire tax debt and IRS can't levy money offered.
- **Only available if all required tax returns are filed.**
- Settles tax debt only if required tax returns filed and new taxes paid on time for 5 years after OIC accepted.
- IRS Collection Information Statement must be accurate and complete. Document the financial information provided.

I owe taxes. What can I do?

Options if you can't make payments.

Currently not collectible status (“CNC”).

- Available if income doesn't cover necessary living expenses.
- IRS Collection Information Statement must be accurate and complete. Document the financial information provided.
- **Available even if all required tax returns haven't been filed.**
- IRS charges applicable interest and penalties. IRS may keep future tax refunds and apply them to the tax debts.
- If owe \$10,000 or more, a notice of federal tax lien is likely.

Low Income Taxpayer Clinics: Assist Qualifying Taxpayers Pro Bono

- Available in every state in America except North Dakota
- Assist ESL and 250% above the poverty threshold
- Tax controversy (not compliance) matters (audits, litigation, collection)
- Find an LITC in your area at <https://www.irs.gov/advocate/low-income-taxpayer-clinics/low-income-taxpayer-clinic-map>
- For compliance see VITA programs in your area

LITC Are Federally Grant Funded: Consider the Opportunity if your Region is Underserved

Up to \$100K in matching annual grant funds

Typically need individuals who can appear before the
Tax Court (e.g., lawyers)

Community economic justice service providers

<https://www.irs.gov/pub/irs-pdf/f13424.pdf>

Need LITCs in North Dakota, Puerto Rico, Fresno,
Orlando and Hawaii.

Francine.Lipman@unlv.edu

Economic Justice & ...

