

Turning IRS Challenges into Opportunities

Interactions with the IRS can present serious obstacles, but they may also open the door to greater financial strength. Proper negotiation, strategic settlements, and consistent compliance create a lasting foundation for stronger financial management.

Taking an active approach early reduces stress and leads to better long-term results. This presentation will guide you through transforming tax challenges into catalysts for financial growth.

Understanding IRS Issues & The Value of Prompt Response

Common Tax Issues

- Filing errors or inaccuracies
- Underpayment of estimated taxes
- Unreported income
- Missing documentation

These issues affect individuals and businesses across *all* income levels. Encountering a tax issue isn't unusual, but how you handle it makes a critical difference.

Why Respond Quickly

Each notice lists specific deadlines that must be followed **to the letter**.

Delays increase penalties, interest, and enforcement measures.

A timely, informed response improves your negotiation position.

Form W-4 Employee's Withholding Certificate
 Department of the Treasury Internal Revenue Service
 OMB No. 1545-0047
2020

▶ Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay.
 ▶ Give Form W-4 to your employer.
 ▶ Your withholding is subject to review by the IRS.

Step 1: Enter Personal Information

(a) First name and middle initial Last name
 Address
 City or town, state, and ZIP code

(b) Social security number
 ▶ Does your name match the name on your social security card? If not, to ensure you get credit for your earnings, contact SSA at 800-722-1273 or go to www.ssa.gov.

(c) Single or Married filing separately
 Married filing jointly (or Qualifying widower)
 Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)

Complete Steps 2-4 ONLY if they apply to you; otherwise, skip to Step 5. See page 2 for more information on each step, who can claim exemption from withholding, when to use the online estimator, and privacy.

Step 2: Multiple Jobs or Spouse Works

Complete this step if you (1) hold more than one job at a time, or (2) are married filing jointly and your spouse also works. The correct amount of withholding depends on income earned from all of these jobs.
 Do **only one** of the following.
 (a) Use the estimator at www.irs.gov/W4App for most accurate withholding for this step (and Steps 3-4); or
 (b) Use the Multiple Jobs Worksheet on page 3 and enter the result in (Step 4)c) below for roughly accurate withholding;
 (c) If there are only two jobs total, you may check this box. Do the same on Form W-4 for the other job. This option is accurate for jobs with similar pay; otherwise, more tax than necessary may be withheld.

TIP: To be accurate, submit a 2020 Form W-4 for all other jobs. If you (or your spouse) have self-employment income, including as an independent contractor, use the estimator.

Complete Steps 3-4(b) on Form W-4 for only ONE of these jobs. Leave those steps blank for the other jobs. (Your withholding will be most accurate if you complete Steps 3-4(b) on the Form W-4 for the highest paying job.)

Step 3: Claim Dependents

If your income will be \$200,000 or less (\$400,000 or less if married filing jointly):
 Multiply the number of qualifying children under age 17 by \$2,000 ▶ \$ _____
 Multiply the number of other dependents by \$500 ▶ \$ _____
 Add the amounts above and enter the total here **3** \$ _____

Step 4 (optional): Other Adjustments

(a) **Other income (not from jobs).** If you want tax withheld for other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, dividends, and retirement income **4(a)** \$ _____

(b) **Deductions.** If you expect to claim deductions other than the standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here **4(b)** \$ _____

(c) **Extra withholding.** Enter any additional tax you want withheld each pay period **4(c)** \$ _____

Powerful Negotiation Options

1

Offer in Compromise

Allows eligible taxpayers to settle for **less than the total amount owed** if financial hardship exists

Requires thorough documentation of financial situation

2

Installment Agreements

Enables **manageable payments over time** rather than immediate full settlement

Stops most collection actions while in good standing

3

Penalty Abatement

Potential **removal of penalties** for reasonable cause or first-time infractions

Can significantly reduce overall tax burden

Successful negotiation requires strong documentation and clear preparation. Organized financial records, accurate tax filings, and credible explanations strengthen your case during settlement discussions.

Financial Benefits of Resolution



Immediate Benefits

- Settlements free up cash flow for savings or investments
- Removal of tax liens improves credit scores
- Reduced financial stress and uncertainty

Long-Term Advantages

- Lower audit risk with clean compliance record
- Improved positioning for future negotiations
- Better financial habits and record-keeping

Resolving outstanding tax liabilities unlocks both immediate and long-term financial benefits. What begins as a tax challenge can become a catalyst for improved financial health and stability.

Building Financial Resilience Through Professional Support



Expert Guidance

Tax advisors and enrolled agents bring specialized knowledge of IRS processes and negotiation strategies that individual taxpayers may not possess.



Stronger Compliance

Professional support ensures accurate bookkeeping, timely filings, and proactive planning that prevent future issues.



Lasting Success

Strategic negotiation and disciplined compliance transform short-term difficulties into long-term financial confidence.

- ✔ **Key Takeaway:** Handled properly with professional guidance, IRS challenges become opportunities to organize finances, strengthen stability, and build lasting financial resilience. The path forward begins with taking prompt, informed action.

Contact our team today for a confidential consultation on your specific IRS situation.