IRS Tax Debt â€“ Top 5 Myths Cleared

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Article published on April 20th 2012 | Finance

When dealing with IRS tax debt you must be in full knowledge of what you are doing. There are certain common misbeliefs that have done their rounds and people get the wrong information and start believing in them. However, when dealing with your own federal tax debt you must be fully aware of what you are doing and the steps you need to take to get out of it. Since it is your money it will also be your initiative to learn.

Take a look at the top 5 myths people believe in when it comes to IRS tax debts:

Myth 1: If you file tax extension, it will protect you from scrutiny: First thing that you must remember is that filing for a tax extension is not a relief option. It is only postponing of what is inevitable. You still need to pay off your tax debt â€“ Internal Revenue System but only that you may receive some extra time to file for your returns. Some people mistake this as extra time to pay while the truth is that it is only an extension of the time you get to file your returns.

Myth 2: You must pay your taxes in full: The IRS does need you to pay off your taxes but may not want you to pay off all at once. They have developed several methods to help struggling taxpayers with their tax debts. With an installment agreement you may be able to reduce the total amount of taxes that you owe. However, you may also require the help of a certified tax professional who is good at his/her job.

Myth 3: Procrastination is due to being lazy: Well, you may feel guilty for procrastinating your income tax filing because you think you are being lazy while the truth may be something else. You may have more federal income tax debt that you think you cannot handle which is why you may be delaying in the matter. If you feel cold feet at the thought of filing your returns seek professional help. It may cost you a little in the beginning but at the end you will see that your debt burden has gone down a lot with the help.

Myth 4: The IRs will forgive because you are broke and canâ€™t pay: While the IRS does offer a lot of help to those who may be struggling with paying their taxes, they really do not forgive the entire amount owed. They may even declare you uncollectible for some time if they find your financial conditions that grave but they may not forgive an entire debt. They may forgive some portion of the IRS tax debts that you owe to offer some relief but not all.

Myth 5: Hire an attorney only when there is big trouble: A lot of individuals with tax debt â€“ Internal Revenue System believe that they can handle their tax returns themselves but there are others who are not so confident no matter how much the debt is. The income tax process can be a complicated one and if you think you cannot handle it on your own get professional help no matter what the amount.

Article Source:
http://www.articleside.com/finance-articles/irs-tax-debt-top-5-myths-cleared.htm - Article Side

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Article Keywords:
IRS tax debt, federal tax debt, IRS tax debts

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