

# 8 Reasons Why You Think You Can Fix Your **Tax Problem** Yourself [And Why You're Wrong]



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# 8 Reasons Why You Think You Can Fix Your Tax Problem Yourself [And Why You're Wrong]

## **REASON #1: “I got myself into this; I can figure a way out.”**

This rugged attitude can be a lifesaver in business. This perspective also makes intuitive sense. After all, you intimately understand your business and finances, and you may have already invested hours reading notices and communicating with the IRS or state taxing administration.

You may have used this philosophy elsewhere to great success -- to tackle marketing or personnel challenges. This attitude might also flow from your political persuasion (e.g. libertarian) or other deep beliefs about the importance of pulling yourself up by your bootstraps. Maybe you subconsciously believe, for example, that asking for help is a sign of weakness.

In any case, here are a few counter-arguments to consider.

Whether kismet, poor decision-making, incompetent partners or vendors or terrible luck got into this mess, you need to stop the slide. As the late, great Will Rogers once quipped, *when you're in a hole, stop digging*. Albert Einstein – the man whose name is synonymous with the word *genius* – likewise reflected that *problems cannot be solved with the same mindset that created them*.

Practical concerns with the “I got myself into it, I’ll get myself out” mentality include:

- **You might miss simple solutions or shortcuts** for solving your tax problems that you have no way of knowing about;
- **You’re busy running your company/home office and managing your life.** Even though your tax issues are obviously important, they’re not the alpha and omega of your existence. You have other fish to fry, and you need to preserve your time, money and attention for them.
- **You may be too close to the issue to think about it in a detached fashion.** It’s your life, your finances and your business at stake. Your ability to solve problems is proportional to your ability to relax and concentrate.
- **Doing the opposite of what caused your problem won’t necessarily fix it.** For instance, let’s say you crash your car on the freeway by driving at 90 miles per hour. You might swear then and there that you’ll never drive over the speed limit again. That’s great, but it won’t repair your totaled car, heal your broken leg, or resolve the personal injury lawsuit against you.
- **You don’t know what you don’t know.** Whenever you face a money or business problem, you must confront three types of challenges:
  - A. The knowns.** The elements that you already know are relevant. (e.g. “I owe the IRS \$54,000 in back taxes from two years ago.”)
  - B. The known unknowns.** The elements that you know you need to understand that you haven’t yet gotten a handle on. (E.g. “I know I probably owe interest on the debt, but I have no idea how much or how that number is calculated.”)

**C. The unknown unknowns.** The important elements that you don't even know are relevant. (E.g. "I had no idea that the IRS can grant 'hardship status' to certain individuals and defer collection for a year!") The only way to get insight into unknown unknowns is from other people or companies who know more than you do!

## **REASON #2. "My tax problem is not that bad/It'll go away on its own."**

Maybe the IRS froze your bank account, or maybe it's in the process of garnishing your Social Security or wages. Or perhaps it's actually not that bad... yet. Sure, you're in some pain, and you recognize the seriousness of the situation. But you have a business to run and a family to care for... you'll "get to the tax thing later."

Truth be told, it's almost never feels like the right time to address a tax issue, just like it almost never feels right to break up with somebody or fire an employee. Unfortunately, the longer you live with a chronic annoyance, like an unfairly structured tax repayment plan, the more you suffer. People refer to this concept as "[boiling frog syndrome](#)." Incidentally, this is the same basic reason that it's helpful to [fire bad employees quickly](#).

And it won't go away on its own. In just a short time, a tax debt can double, in fact. Right now, your problem might be easily handled with an affordable payment plan – a small price to pay to avoid getting a call later from your bank saying that the IRS has frozen your accounts. Almost every problem is easier handled earlier than later. A tax problem is no different.

### **REASON #3. “I don’t really trust other people or companies – particularly ones I don’t know – to handle my intimate and frankly embarrassing financial issues.”**

This concern is at the heart of why so many people don’t get timely tax help.

If you are in trouble with the IRS or state taxing administration, chances are that you’ve made some (perhaps many) mistakes:

- Maybe you a trusted vendor or employee let you down, and you’re kicking yourself for getting into the relationship in the first place.
- Maybe you borrowed too much or got behind on cash flow because you were way too optimistic about a marketing play.
- Perhaps a competitor entered your market and stole your lunch.
- Maybe a family member got ill and needed your help, but you didn’t have enough in reserves to take off the time that you did.
- Perhaps you had a bad hiring or outsourcing experience.
- Maybe you’ve hidden the severity of the problem from close family members or people in your company; you’re worried that if you do seek help, they’ll find out, and you’ll have serious explaining to do.

You need help. You need trustworthy help. You need to do your homework to find someone worthy of handling your problem confidentially, strategically, and in a caring manner. That way, you will have a partner in solving your problem. You’ll

be comfortable knowing that your problem is being given the attention it deserves. You'll rest easier, knowing that you are in good hands.

## **REASON #4. Working with someone else won't really change things; I'll still be basically on my own.**

Maybe you've already hired (and fired) a tax advisor, or maybe you're just dubious about tax resolution services in general.

This fear makes sense. In fact, many national tax resolution companies use a rotating cast of workers, and you never speak to the same person twice. Even after you provide background information about your case, these people can't answer what should be simple questions. And when you call back (because they will never call you), you must explain your situation again from scratch. It's maddening – like you're dealing with a [faceless, giant utility company](#).

The good news is that not all tax resolution specialists are like that – some actually remember your name as well as an intimate history of your situation. The good ones take your problem personally, and they're (almost) as happy as you when you put your problem behind you, once and for all.

## **REASON #5. I'm too scared and/or confused about my tax situation. I need to get a better grip on what's going on before I hire someone to help me.**

This argument makes sense, on the surface.

After all, you ideally want to be at least slightly familiar with your case and its potential consequences before you involve others.

But working through tax issues in isolation is only likely to make the fears and uncertainty worse. After all, you may have legitimate concerns that the IRS or

state taxing administration could take collection actions; seize your home, car or money from your bank account; shut down your business; or garnish your wages.

An experienced tax resolution specialist can eliminate this fear by questioning the IRS or state taxing administration, placing balances on a temporary hold or making it illegal for these entities to seize your property.

Plus, when you're working with someone you trust, you don't have to worry about saying the wrong thing, giving away too much information to the IRS or showing up for a meeting only to discover that it's about something else.

Likewise, even if you do due-diligence and a fair amount of research yourself, you may still be left with lingering confusion about burning questions, such as:

- *Will I have to go to jail over my tax issue?*
- *Will these taxes follow me around forever?*
- *Can I get a deal on my repayment or restructure it somehow?*
- *Will my tax issue prevent me from buying, selling, or refinancing my home?*
- *If I owe taxes, will I still be able to get Social Security?*
- And so on!

Left unanswered, these questions, doubts, fears and sources can make life unpleasant. So why try to solve them first and *then* get help??

In some ways, that's similar to saying the following: *Okay, I've just been in a car accident; I've broken my leg, and my car is totaled. First, I'm going to put my leg in a cast and repair my car, and then I'm going to see a doctor and a mechanic.*

Think about it.

## **REASON #6: I have some time and energy on my hands: I'll just take care of this myself.**

Again, on the surface, this idea might appeal.

However, you may be vastly underestimating how much time the tax resolution will take you. IRS hold times can last over an hour, and written correspondence processing times can take months. You could end up with an unaffordable payment plan. Or you might pay the wrong taxes or pay taxes in the wrong order. In either event, odds are good that you'll have to loop around to clean up the mess, which will cost you even more time, money and agony.

*There is a money value to your time.* For every hour that you spend doing busy work, sitting on hold with the IRS and filling out long and confusing forms, you could be building and growing your business, logging in more hours at work or just chilling out and being with your family.

## **REASON #7. I'm a quick study; I can learn what I need to know and do.**

Your tax problem is almost certainly not unique. In fact, odds are that it's a garden-variety tax problem that experienced tax professionals have solved many times in the past.

Experienced and skilled tax professionals know what numbers work best on IRS financial statements, whether to press an issue with a state taxing administration or not, how to help clients save thousands of dollars on next year's return, etc. Some tax professionals have put [10,000 hours](#) or more into helping people with tax problems.

By contrast, you probably have little experience or context for your issue. And that lack of knowledge has repercussions. Should you go for no repayment, full repayment or some tax solution in between? The answer depends intimately on the details of your situation, but if this is your first time dealing with something like this, how can you know? For instance, you might be able to save an enormous amount of money by paying the same amount to the IRS but just having the IRS apply those payments differently.

Bottom line: You are probably excellent at whatever your occupation is. Given your lack of training and limited knowledge, however, you are probably not excellent at tax problem resolution.

## **REASON #8: I get that I shouldn't handle my own tax problem, but I don't have the time to determine how to choose to right person or company to guide me.**

This problem is also incredibly common.

Thanks to the internet and TV, you can find literally thousands of potential companies or advisors to help you.

How are you supposed to tell these different businesses apart? How should you prospect and vet them? What should you do to work with them effectively and ensure a prompt, fair resolution to your issue?

These questions require deep consideration. Fortunately, we've written another report on just this topic! Download it here (link to location to for download), or call our offices at (800) 334-0255, and we will email you or send you a copy.

We hope that you found this report useful and that it's given you penetrating insights into your own business and psychology. And congratulations! You're now one significant step closer to putting your tax crisis behind you. If you have questions, please reach out to us for a free consultation at (800) 334-0255.