

### This Month:

- Unable to Pay?
- Statute of Limitations
  - Employer Alert!
- Should I Panic if I Receive an IRS Notice?

### Unable to Pay?

April 15th, 2019 is the official filing deadline for Form 1040, U.S. Individual Income Tax Return. Whether you submitted a return or filed an extension, many taxpayers find they cannot pay the full amount of taxes owed. You also should contact the IRS to discuss your payment options, such as a **short-term extension to pay**, an **installment agreement** or an **offer in compromise**. In some cases, the IRS may even be willing to waive penalties. Remember though, no matter what option you choose, don't ignore your tax obligations; they won't go away but will likely get worse, resulting in tax liens or garnishment of wages. Remember, the IRS is far more willing to work with you if they believe you're making reasonable efforts to resolve the issue on your end!



### Statute of Limitations



After you file your taxes, you'll have many records that may help document items on your tax return. You'll need these documents should the IRS select your return for examination. Generally, this means you must keep records that support items shown on your return until the statute of limitations for that return runs out.

The statute of limitations is the period of time in which you can amend your return to claim a credit or refund or the IRS can assess additional tax. Generally, this is the later of three years from the date the return was due or filed. The statute for claiming a refund is the

later of three years from the date the return was filed or two years from the date the tax was paid, if no return was filed. Returns filed before the due date are treated as being filed on the due date.

## Employer Alert!

As of January 2019, the Social Security Administration (SSA) will once again be sending out mismatch letters to employers who incorrectly reported their workers social security number (SSN). This practice was "paused" several years ago, but it is back in an attempt to enforce immigration laws. So, how can you avoid these notices?

- Be sure to have Form W-4 for each employee and/or Form W-9 for each independent contractor on file **before** you pay them! Also, confirm with the employee/contractor annually the information on these forms is still accurate and update for any changes.
- Take advantage of the Social Security Number Verification Service (SSNVS). This is a free online service that will verify the name and SSNs of employees using SSA file records. Alternatively, use the automated telephone service, Telephone Number Employer Verification (TNEV). These two verification services can only be used for confirming wage reporting issues, not to verify work authorization.

While often the mismatch is a simple mistake that can easily be corrected, we recommend responding timely since both the IRS and the SSA will be involved. If you would like to discuss your hiring procedures, please give us a call.

## Should I Panic if I Receive an IRS Notice?

No, absolutely not! Each year, the IRS sends millions of letters and notices to taxpayers for a variety of reasons. Many can be dealt with simply and painlessly. Here are some tips:

- Notices may request payment of taxes, notify you of changes to your account, or request additional information. The notice will likely cover a specific issue about your account or tax return and provide specific instructions on what you're asked to do to satisfy the inquiry.
- If you receive a correction notice, you should review the correspondence and compare it with the information on your return. If you agree with the correction, then usually no reply is necessary unless a payment is due or the notice directs otherwise.
- If you don't agree with the correction the IRS made, it is important that you respond as requested. You should send a written explanation of why you disagree and include any documents and information you want the IRS to consider, along with the bottom tear-off portion of the notice. Mail the information to the IRS address shown in the upper left-hand corner of the notice. Allow at least 30 days for a response.
- Most correspondence can be handled without calling or visiting an IRS office. However, if you have questions, call the telephone number in the upper right-hand corner of the notice. Have a copy of your tax return and the correspondence available when you call to help them respond to your inquiry.
- Always keep a copy of the notice (and any correspondence) for your records.

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