

# 2021 Filing Season Kickoff and Ace Plus Tax Resolution Recommends - What to Do If You Can't Pay Off the Taxes

LOS ANGELES, CALIFORNIA, UNITED STATES, February 13, 2021

/EINPresswire.com/ -- As we enter the tax return filing season of 2021, there are several things to be aware of, as well as necessary actions to take if the taxpayer can't pay off the taxes he or she owes.

First of all, why was the 2021 tax filing season delayed? The IRS began accepting tax returns on February 12, instead of the usual time of January. The reason is that the IRS still has a backlog of 6.9 million individual and business tax returns from the last filing season. Additionally, the IRS needs to work on sending out another set of stimulus checks. With these factors blocking the processing flow, the IRS postponed the starting date of the 2021 filing season. However, the due date remains the same—April 15.



With numerous changes caused by a new Tax Act enactment on December 27, 2020, there are a few things to note when the taxpayers file their 2020 tax return.

If the taxpayers didn't receive stimulus checks or if they think they received less than they qualify for, they must claim the Recovery Rebate Credit when they file their 2020 tax return. Even if they aren't required to file a tax return, they must file a tax return to claim the credit.

Another update is that self-employed individuals can now claim their sick & family leave tax credits caused by COVID-19 on the new IRS Form 7202.

What to Do If You Can't Pay Off the Taxes

With the impact of Covid-19 still spiraling in place, it's important to take action now if they have taxes they can't pay off. Certified Tax Resolution Specialist, James from Ace Plus Tax Resolution denotes "you must seek to resolve your [tax problems](#) as soon as you can, before penalties and interest further sink you into trouble. If the IRS places a lien on you, you might suffer from credit issues or from not being able to refinance your home to a historically low rate. Things get worse when the IRS starts seizing your real and personal property. Time is not on your side when it comes to IRS tax problems".

#### Compliance Required by the IRS

To negotiate the back tax amount they owe to the IRS, taxpayers must be "current" with any filing and payment obligations. For filing compliance, taxpayers must have filed the six most recent tax returns, even if they didn't file for more than 6 years.

Taxpayers should also be compliant with the payment requirement. For individuals, if they're wage earners, they must be withholding a sufficient amount from their wages, whereas self-employed individuals must make estimated tax payments. Businesses must be paying the quarterly payroll tax deposits.

Even if they can't pay the taxes, James highlights that "they should still be filing their tax returns. Taxpayers are only increasing their tax bills by not filing and waiting, as they're charged with failure-to-file penalty". The IRS charges 5% of the amount due every month for failure to file for a maximum of 25%.

Once taxpayers are compliant with their taxes, then they're eligible to work on a resolution with the IRS programs with Ace Plus Tax Resolution. These resolutions may not be best handled or negotiated by the taxpayers by themselves.



Find tax relief with Ace Plus Tax Resolution



Resolve Your Back Tax Liabilities and Find Relief

## This Is How to Resolve Your IRS Tax Problems

There are several options to resolving their tax problems. If they qualify for an [Offer in Compromise](#), they're able to settle with the IRS for a substantially less than the tax amount they owe, based on their financial situation. Financial ability to pay is the most common reason an Offer is accepted. In this case, they must be able to prove that they don't have the ability to pay back before the expiration date with well-prepared documents. Keep in mind that the IRS can reject the offer if the financial documents are not professionally prepared or the taxpayer is not current with the filing and payment of taxes.

Another is the [Installment Agreement](#), where the taxpayer won't have to pay the full amount of taxes he or she owes by making monthly payments, if qualified. There is a limit to how much they can owe to qualify for the agreement for online application. If the taxpayers qualify for a "Partial Payment" Installment Agreement, they won't have to pay for the entire amount of back taxes, since any balance left at the end of the agreed payment term will be forgiven. To draw out the most affordable payment plan, they should consult with a tax relief professional.

Another method is to see if the taxpayer qualifies for a Currently Not Collectible status. To enter this status, they must prove that they have dire financial situation – no assets, no job or have very little income, and they survive mostly through welfare and the help of others. By declaring this status, IRS will delay the collection process until their financial situation improves. Note that this doesn't mean the back tax liability will disappear — the IRS can come back and collect their taxes years later. Also, penalties and interest on their tax bill can still grow.

Other solutions may include lien relief, release of wage or bank levies, penalty abatement, Bankruptcy Dischargeability Analysis, etc., depending on the taxpayer's situation.

Without these alternative solutions, the amount the taxpayer owes to the IRS can become overwhelmingly massive that he or she cannot pay off the amount. It's like this huge snowball rolling downhill, getting bigger and bigger with growing penalties and interest.

If you're struggling with tax problems, it is strongly recommended that you seek help from tax relief experts who can guide you through the most suitable resolution method and reduce the liability owed to the IRS to the lowest amount possible if you qualify. This can resolve your non-filing problems effectively and permanently. Not all CPAs are experts in tax relief, so find tax professionals who specialize in providing tax relief services.

JAMES CHA

Ace Plus Tax Resolution

+1 213-600-7388

james@aceplustaxresolution.com

Visit us on social media:

[Facebook](#)

---

This press release can be viewed online at: <https://www.einpresswire.com/article/535492821>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2021 IPD Group, Inc. All Right Reserved.