

Victory Tax Lawyers Analyze 2024 U.S. Tax Debt Trends in New Report

Tax gap reaches \$696B as IRS resumes collections. Victory Tax Lawyers highlight relief programs and the dangers of self-representation.

CA, UNITED STATES, May 23, 2025 /EINPresswire.com/ -- The top tax law firm Victory [Tax Lawyers](#) presented their full analysis about U.S. tax debt conditions today which demonstrates alarming data about the expanding tax crisis affecting millions of Americans as of 2024.

Alarming Resumption of IRS Collection Efforts in 2024

The IRS reinitiated its collection procedures in 2024 following a two-year hiatus because of the pandemic by using a staged method to send out previously suspended collection notices. [Taxpayers](#) struggling with unpaid balances may be encouraged to consider options like installment agreements to manage their tax debt responsibly. The IRS maintains its partnership with private collection agencies to manage inactive tax debts across the nation through its work with three designated companies.

Tax Debt Statistics Reveal Growing Crisis

The latest IRS data indicates that taxpayers paid \$696 billion less than their true tax liability in 2022 which constitutes the annual gross tax gap. The tax gap keeps expanding, although enforcement measures increased as the IRS managed to collect over \$5.1 trillion in taxes and \$98 billion from enforcement activities throughout fiscal year 2024.

The statistics uncover significant deficiencies within the tax gap calculations.

Nonfiling: Tax filers who miss their deadlines leave behind \$63 billion in tax payments that go unpaid.



VICTORY TAX LAWYERS, LLP

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We've seen countless cases where taxpayers inadvertently increased their liability or missed legitimate relief opportunities by attempting to handle IRS matters without professional guidance."

Amir Boroumand

Underreporting: Taxpayers who filed their returns on schedule reported \$539 billion less tax than what was actually owed.

Underpayment: The IRS documented \$94 billion in tax liabilities that taxpayers reported on time, yet failed to settle their payments within the required timeframe

A voluntary compliance rate of 85.0% leaves 15% of taxpayers who face serious repercussions from tax debt, including wage garnishment and asset seizure.

Recent Changes to Legislation Deliver a Mix of Benefits and

Difficulties for Taxpayers

The IRS declared in December 2023 that about \$1 billion in automatic penalty relief would be granted to 4.7 million taxpayers and businesses with returns impacted by pandemic disruptions from tax years 2020 and 2021. However, this relief came with important caveats:

Taxpayers with assessments of less than \$100,000 received limited relief.

Failure-to-pay penalties resumed on April 1, 2024

Taxpayers remain obligated to pay their remaining tax liability, which can often be managed through installment agreements, offers in compromise, or penalty abatements.

Professional Solutions for Tax Debt Relief

Victory Tax Lawyers inform taxpayers with IRS debt that they have access to legitimate relief programs yet professional advice remains necessary to effectively work through these intricate options.

1. The IRS Fresh Start Program provides multiple debt resolution options through Offers in Compromise (which allow settling for an amount less than owed), Installment Agreements (which establish manageable monthly payments), and Penalty Abatement (which eliminates additional debt penalties).
2. Knowing that the IRS has a 10-year time limit from the assessment date to collect unpaid taxes helps taxpayers create effective tax debt resolution strategies.
3. Enforcement revenue growth leads to more taxpayers being subjected to audits. Taxpayers benefit from professional representation as it safeguards their rights while avoiding unintentional self-incrimination which could escalate their situation.

The Dangers of Self-Representation

The firm warns against handling tax matters on your own because you may encounter multiple

common problems. Taxpayers struggle to navigate their tax responsibilities because they cannot keep up with the complexity and constant changes in tax laws.

Missed deadlines that can eliminate relief options

Inadvertently providing information that triggers a broader investigation

Failure to properly document financial hardship claims

Taxpayers frequently overlook valid deductions and credits that would lower their financial liabilities. Through expert representation, Victory Tax Lawyers has achieved over \$72 million in tax relief for their clients, which includes settling a \$138,296 tax debt with an [installment agreement](#) of \$25 monthly.

About Victory Tax Lawyers

Victory Tax Lawyers operates as a national law firm focused on complex tax solutions for both individual and business clients. Victory Tax Lawyers provides free initial consultations to clients seeking tax debt relief, including options such as installment agreements and demonstrates its ability to negotiate favorable outcomes with the IRS that minimize tax liabilities and reduce penalties and interest amounts.

To explore tax relief options and arrange a complimentary consultation, please visit victorytaxlaw.com or dial 866 720-6099.

Legal Disclaimer

The information contained in this press release serves solely educational purposes and does not provide legal counsel. Each tax situation requires unique professional guidance because general advice cannot address all individual scenarios. Self-representation in tax matters carries significant risks. Victory Tax Lawyers offer no guarantees for particular results because outcomes rely on personal situations as well as tax authority assessments.

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