

Tax fraud and Internal Revenue Service (IRS) Tools

What is tax fraud, and how does our government control it? That's a really big question to answer, so let's break it apart and answer it in two different paragraphs. Tax fraud is the intentional avoidance of tax due by a taxpayer, corporation, or other legal entity. There is a vast difference between the opportunity to minimize your tax liability and the direct avoidance of any responsibility. The tax laws and regulations of the Internal Revenue Service are there for the benefit of the taxpayer. If there is a way to reduce or minimize the amount of tax due, legally, by all means citizens are encouraged to take the break. There are all sorts of ways to commit tax fraud, and many famous cases have been tried, such as Al Capone and Willy Nelson.

When, as a taxpayer, you seek whatever legal means possible to avoid tax liability, you are guilty of no crime. It is your given right to seek a means to minimize your liability, in order to keep more of your money. However, when companies, individuals, or any other legal entities attempt to avoid their legal responsibility, we as a country suffer. The government operates on tax dollars. Tax dollars that everyone who has been deemed liable must provide, and if not provided, penalizes everyone.

Tax fraud has been a part of society for as long as there have been societies. Even during Roman rule, there were tax collectors, and individuals who evaded their payment of taxes. This country was founded on the precept that England charged an unfair tax on tea (and other various assorted sundry) to the point that the colonists were unfairly taxed, without a voice in the government. The Internal Revenue Service is charged with overseeing the regulation and prosecution of any person or entity that avoids payment of taxes due, and can assess penalties for those who succeed.

What tools does the Internal Revenue Service (IRS) use to control tax fraud? There are actually several means by which the IRS can control tax fraud, once they discover the crime has been committed. How do they detect tax fraud? The IRS has some 2800 special agents that are trained to gather information that is used to detect tax fraud; they have unlimited access to tax returns, the power to issue summons regarding needed financial information, and the right to seize or freeze monies in the attempt to collect the necessary financial information.

Once the tax fraud has been detected, the Internal Revenue Service can levy tax liens, seize assets, freeze money in checking and savings accounts, and garnish wages. Any and all properties held by the individual taxpayer can be seized, and sold at auction if no attempt is made to repay the liability. Everyone that is determined to be involved in an evasive or fraudulent act of tax liability has the opportunity to be heard, to meet with the Internal Revenue Service, and receive a trial to determine if the accused party is guilty. It is generally in the individual's best interest to settle with the Internal Revenue Service if there is any possible doubt as to their innocence.

That's not to say that the Internal Revenue Service has always played fairly, or that they are free from mistakes. This is not so. There have been many instances of improper intelligence access, and errors on the part of the Internal Revenue. But, in the majority of cases, the tax fraud accusation was legitimate, and the individual charged was guilty. Many individual taxpayers rely on accountants and business managers to handle their financial affairs; in fact, many are not even aware of the status of their finances. It is however, ultimately, the individual taxpayer's responsibility to be held accountable for the information provided to the Internal Revenue Service. So, if you're going to be the one in front of the Internal Revenue, you should do yourself a favor and examine your return, understand what you're reading, and check the return for accuracy.

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About the Author: Hans Hasselfors is the founder of <http://www.SubmitYourNewArticle.com>. You may find varied tax fraud articles in our article directory.