

# Tax Resolution Times

*“Read About Taxpayers with IRS Problems & Find Out How to Solve Them”*



## *Software Company Owner will be Doing Hard Time in Prison*

The owner of a software firm in Carnegie, PA, Amarender Tiparthy, was sentenced in U.S. District Court to two years in prison for payroll tax evasion.

Tiparthy pled guilty to collecting payroll taxes, including Medicare, Medicaid and Social Security from his employees from 2010 to 2013 totaling over \$2.2 million but didn't turn any of the money over to the IRS.

While Tiparthy's attorney argued that he paid some of the money back, U.S. Attorney Mary Houghton disputed that, saying that Tiparthy had been the subject of IRS collection efforts for 15 years, and during that time built a \$500,000 house which is considered lavish in Western Pennsylvania. Tiparthy's attorney also requested that he be given home detention, which was rejected by the judge, as attorney Houghton stated, "The \$2.2 million dollar back taxes case makes this the largest payroll taxes case in the district and that by giving Tiparthy probation would send a horrible message to other tax cheats."

In addition to prison time, the judge ordered Tiparthy to pay the full amount owed to the IRS.

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"That was devious and despicable ...  
keep up the good work."

## **Utah Man Thinks the Laws Don't Apply to Him**

For two decades Judge Paul Parker tried working with Dennis Kay Iverson, a man from Utah who owed back taxes, when the Judge finally had enough and issued a bench warrant for Iverson's arrest. Ten days later Iverson was taken into custody.

Iverson owes the state of Utah \$25,062 in back taxes, interest and penalties. He represented himself in court and argued that the tax laws were not applicable to him. Judge Parker sentenced Iverson to seven 1-15 years, and six 0-5 years, in prison on 13 felony tax evasion convictions. The terms will run concurrently, which means he will serve all of the sentences at the same time. At his sentencing, Iverson told Judge Parker, "This is an emergency war powers court and I order you to release me. I will accept no form of punishment."

## Be a Snitch and Earn Millions!

The IRS Whistleblower Program, which rewards tipsters who turn in tax cheats a percentage of the money collected by the IRS, had their biggest year for rewards ever in 2018.

The IRS collected \$1,441 billion in taxes, penalties and interest on information provided by whistleblowers, which paid out \$312 million in rewards.

Whistleblowers receive an average of 21.7% of the amount collected from the tax cheat they reported.

One tipster, who wishes to remain anonymous for obvious reasons, was awarded approximately \$100 million for turning in a multi-national corporation.

The largest award ever went to a former private banker for UBS AG for turning the bank in, which admitted it encouraged U.S. taxpayers to hide assets abroad. Although he was convicted for the same crime and spent 30 months in prison, he was awarded \$104 million in 2012.

## IRS Details Car Wash Owner's Taxes

A couple from Missoula, MT pled not guilty to 13 counts of conspiring to defraud the federal government. Joseph Baumgardner and his wife, Traci Baumgardner, along with their accountant, Daniel Burke of Florence, MT were accused by the federal government of skimming money from two businesses and failing to report that income on their tax returns.

The Baumgardner's owned the Splash Car Wash and Pro Sweep Plus, an industrial maintenance company and Burke, a CPA prepared their tax returns. The indictment alleges that the Baumgardner's skimmed cash from the car wash and with their CPA's assistance, did not report the cash on their corporate or individual returns.

Although earning over \$5 million for the years 2011 through 2013, the total income tax paid for the same time period was \$10,066. They also incorrectly identified personal expenses, such as a 2004 Freightliner motor home (calling it a trailer), a Nordic Heat ski boat (calling it a sweeper) and family trips as businesses expenses.

If convicted, the defendants face a maximum of five years in prison, a \$250,000 fine and three years of supervised release.

## Thank you!

Thanks to YOU, the word is spreading. Thanks to my clients and friends who graciously referred me to their friends, clients and relatives last month! I enjoy building my business based on the positive comments and referrals from people just like you.

*I just couldn't do it without you!*

This month I would like to thank Frank Young, CPA for his referral to one of his former clients AND family friend. I consider it the highest honor when a skilled professional, such as another CPA, trusts us to take care of someone he cares about.

## Dentist Gets Drilled by the IRS

A dentist from La Crosse, WI, Frederick Kriemelmeyer, was indicted by a federal grand jury on charges of tax evasion, but not for the first time.

In 2007, Kriemelmeyer was found guilty for failing to pay federal income taxes and was sentenced to three years in prison and ordered to pay \$135,337 to the IRS for back taxes.

By December 2012, the IRS had assessed Kriemelmeyer more than \$450,000 in back taxes, penalties and interest. It's alleged that he took a number of actions to evade payment of this assessment. The indictment charges that Kriemelmeyer failed to file tax returns for the years 2013 through 2015 and took actions to evade paying taxes due on his income and conceal earnings from his dental practice, by directing patients to pay in cash or with personal checks that left the payee line blank. He would also pay business and personal expenses with cash or third party checks.

If convicted, Kriemelmeyer faces a statutory maximum sentence of five years in prison for each count of tax evasion.

## Are You My Next Client of the Month?

Every month I choose a very special *Client of the Month*. It's my way of acknowledging good friends and saying "thanks!" to those who support me and my business with referrals, word of mouth and repeat business.

This month's *Client of the Month* is Randy Widera. *I have been taking care of Randy's and his family's taxes for several years. Over the last few months Randy has been the victim of an unwarranted IRS audit. He trusted me to represent him and he showed remarkable grace and humor when the Revenue Officer tried to make his life unmanageable. But he didn't worry and as a result the IRS ended up writing HIM a check for \$45.00!*

You might be my next *Client of the Month* too! Watch for your name here in an upcoming month.

## Top Four Frivolous Reasons for Not Paying Taxes

**>Filing taxes is voluntary, and I don't care to volunteer.**

These people think because they see the word "voluntary" in the instructions for form 1040 they are allowed to decide to pay or not. But in this case, "voluntary" means you can figure your own taxes, rather than having the government figure it for you. Payment isn't voluntary, nor is compliance with an IRS summons.

**>There's no gross income when I exchange labor for money, so I owe no income taxes.**

"Gross income" means all income from whatever source derived and includes compensation for services.

**>Federal Reserve notes aren't real currency, so if you get paid in dollars, you don't owe taxes.**

The IRS says this is wrong. This argument misinterprets Article 1, Section 10 of the United States Constitution. The courts have rejected this argument on all occasions people use this excuse.

**>"The United States" consists only of federal lands, like the District of Columbia; federal territories, like Puerto Rico and federal enclaves, like military bases and does not include "sovereign" states.**

The Internal Revenue Code imposes a federal income tax upon all United States citizens and residents. The Supreme Court has "recognized that the sixteenth amendment authorizes a direct non-apportioned tax upon United States citizens throughout the nation, not just in federal enclaves."

### Tax Joke of the Month

A taxpayer received a strongly worded "second notice" that his taxes were overdue. Hastening to the collector's office, he paid his bill, saying apologetically that he had overlooked the first notice. "Oh", confided the collector with a smile, "we don't send out first notices. We have found that the second notices are more effective."

### Thank you for the Kind Words...

Santa Cruz Tax Relief saved my family over \$1,500 in penalties last month. God bless them!

### I'd Like to Hear From You!

If you have an IRS issue, or just want to refer a friend, relative or client, we'd love to hear from you. We can provide a no-obligation confidential consultation to help you solve your IRS problems.

Email: [santacruztaxrelief@gmail.com](mailto:santacruztaxrelief@gmail.com)

## Your IRS Questions Answered Here...

**Question:** *I own a small business and in order to keep afloat, I did not send the IRS my employee's withholding (941) taxes for a few years. How much trouble am I in?*

**Answer:** Owing 941 payroll taxes is very different from owing personal income taxes. Not only can the IRS padlock the doors to your business, they can come after you personally, levy your bank accounts, confiscate your receivables and seize your property. Scarier still is that it could turn into a criminal matter. Why? Because the money has already been deducted from your employee's payroll checks; so **it's not your money to begin with!** The IRS will look at it as if you stole their money. Payroll tax delinquency is the IRS's number one enforcement priority.

You need to get help from an experienced professional who deals with the IRS every day. We can assess your situation and figure out the best way to protect you, and will take over all dealings with the IRS so you don't have to. Don't let them take everything you've worked so hard for; call us today!

We at Santa Cruz Tax Debt Relief are experts in tax resolution and help taxpayers with their IRS Problems every day.

Call us today at **(831) 471-5110**