

Doctor Fader Has A Question:

"Steve, I went to the bank and it seems that all my accounts are frozen by the IRS. How shall I live? Can you help me, please?"



Video:

Click Here to go to YouTube.com: <http://youtu.be/HrrNRzHIvXg>

Audio:

Click Here to go to Soundcloud:

<https://soundcloud.com/irs-radio-hour/the-irs-radio-hour-december-14-2014#t=27:59>

Audio/Video Transcript:

[Click Here to move to Transcript text within this PDF](#)

Transcript:

Pursuant to Internal Revenue Service guidance be advised that any federal tax advice contained in this program is not intended to be used and cannot be used by any person or entity for the purpose of avoiding any tax penalties that may be imposed by the Internal Revenue Service or any other US Federal taxing authority or agency or promoting marketing or recommending to another party any transaction or matter addressed in the show the opinions expressed by the host and the guests are their own and may not be used as authoritative advice any use of this material without the written consent of the host is strictly prohibited

Steve:

Welcome Back. I am your host Attorney Steven Leahy and this is the IRS Radio Hour on AM 560 The Answer.

Jim:

Well Steve, here is a question that comes from one of my drinking buddies Dr. Richard Fader and he said "Steve, I went to the bank and it seems that all my accounts are frozen by the IRS. How shall I live? Can you help me, please?"

Steve:

This is what we call a levy. They freeze my bank account, they levy my bank accounts. They can levy my wages also. And you can get the levy removed, but again what if I haven't filed my taxes and I can't stop the levy? Sometimes I work with the IRS and, you might be surprised to learn, that some of them are pretty unreasonable. And they won't listen. Even though, again, the rules are "hey if I can prove a hardship, they are supposed to stop the levy." And, I have proven a hardship for people, but they won't stop the levy. And it makes it very difficult.

Jim:

Are you saying you can't help Dr. Fader?

Steve:

No. I can help. But often times, most of the time the answer is - we can go to the IRS and stop the levy. Most of the time. Sometimes you can't. Sometimes they just won't stop it. Either they had some grudge against you. And that happens, where they have tried to work with you and maybe you haven't responded. And then they start taking action against you.

But I have had people where that wasn't the case, but they still seem to have some hard - they were just hard against the guy. One guy in particular that I am thinking of - we showed he had a hardship. I believe they should have stopped it. Again, I can go to tax court, but by the time tax court comes, he has already missed his rent payment. If he misses his rent payment, he is going to be in trouble.

Jim:

The Iron Lung has to be moved.

Steve:

That's true. You have to pay the electric bill. But, you know sometimes the IRS doesn't care. Again, most of the time we can work with the IRS and they will stop the levy. You generally have a time between the time you receive notice that your bank accounts are frozen and the time the bank actually sends the money to the IRS. Generally, it is 21 days. So, that gives us a little bit of a window to work with the IRS to stop the levy.

Now, what happens if they don't stop the levy? What if they won't stop the levy? What if you are not in compliance and they will not stop the levy?

Well, then sometimes you have to turn to the only organization that is stronger -

Jim:

The Mafia? There is no mafia. I'm only kidding.

Steve:

They are not stronger than the IRS. Ask Al Capone. Of course he is not with us any longer. But, right. How did they get Al Capone? They got him on tax issues.

Jim:

He was the only one, the first one.

Steve:

They couldn't get him on anything else, but they got him on tax issues. But, the only organization that is really stronger than the IRS is the Federal Court System. And this where bankruptcy sometimes comes in. There are different strategies that come about filing bankruptcy whether it is a Chapter 13 or whether it is a Chapter 7.

Sometimes it takes a long time to get the -

Jim:

Wheels in motion

Steve:

To gather the information necessary to do a bankruptcy filing. But, here is the good news.

Jim:

Let's hear it.

Steve:

There are five sections in a bankruptcy petition. The first section is just general information. The second section are the schedules, which is A-J and this is where you list all the pertinent information. Who you owe money to. What you owe. What your

income is. What your expenses are. This is what takes time to gather. It takes time to gather that information.

The third section is the Statement of Financial Affairs. And there are questions in there - you have to list anyone who is suing you, if you closed any bank accounts, things like that.

And the fourth section is called, it depends what chapter you file, under chapter 7 it is called the Statement of Intentions. If it is Chapter 13, then you have to do a plan - and then there is the calculated monthly income section which is about the means test to see if you are over or under the means test. And to complete that whole petition, takes a lot of information. And it takes time to gather that information.

But the good news is, to get protected by the federal courts under the bankruptcy law you need only file that first section - so just your name, your address, your social security number. You can do that in a day, in a couple of hours.

Jim:
They don't even need you.

Steve:
No. They do need me, because...

Jim:
I'm just kidding.

Steve:
Most people won't even know this. Except, I just told them. OK

Jim:
Forget everything I just told you.

Steve:
But it is, No, but that is important, because now you will have 14 days to gather the rest of the information. And it gives you some breathing room. And the good part, the best part is once you file that petition with the court, you are automatically protected. And that means the IRS has to stop any levy. Now. Today.

Jim:
Oh, really. Then you can go to the bank and get your money from the bank.

Steve:
Now you can go to the bank and get your money

Jim:
Take it all out and hide it in your drawer.

Steve:

Don't ever do that. That's called tax evasion, you can go to jail for that. Don't try to evade your taxes. Again, ...

Jim:

That's very good advise

Steve:

Now you are protected by the federal court system. And the IRS has to listen to the federal court system.

Jim:

Except for Judge Sullivan, Sully we call him. Hasn't he been telling them.

Steve:

But that is where we have been getting all this stuff Jim.

Jim:

Yeah, but it is like 9 months later. Sully you are not looking so good here.

Steve:

What organization is that Fitton with - Justice, come on. Who is suing everybody. We are getting all this ..

Jim:

Oh, Judicial Watch.

Steve:

Judicial Watch. That is what I was thinking. Yes. So you know - The federal court system is the only organization bigger, badder, more powerful than the IRS.

Jim:

Judge Sullivan they are making sport of you over there at the IRS. I would be harder on them.

Steve:

So, there might be answers for you but you have to make the inquiry. That means you need to call me at 312-664-6649. You can visit us on the web at ChicagoTaxTeam.com. Call me and I will send you a free report of the four things you can do if you have unfiled tax returns and a copy of my book.

Jim:

What about our Facebook page? I guess I will tell you on the other side.