



Law Office Of J. Thomas Black, P.C.

Woodlake Plaza • 2600 South Gessner Road • Suite 110 • Houston, Texas 77063-3214

Telephone 713-772-8037 • Toll Free 877-597-9358

Web Site: www.jthomasblack.com • Email tom@jthomasblack.com

APRIL 2016 NEWSLETTER

DEAR FRIENDS AND COLLEAGUES: TAX RETURN DUE BUT DON'T HAVE MONEY TO PAY IT? SHOULD YOU FILE THE RETURN OR WAIT UNTIL YOU HAVE THE MONEY?

YOUR DECISION CAN SAVE - OR COST - YOU A LOT OF MONEY!

We often receive this question around tax time, "Should I file my tax return without the money to pay the balance due, or should I wait to file it until I have the money to pay it?"

The answer is very simple. File it as soon as you can! Why? Because one of the highest penalty rates that the I.R.S. has is for non-filing of tax returns. For not filing a tax return on time (without reasonable cause), the Internal Revenue Service will assess a penalty against you of 5% per month, up to a maximum of 25% of the tax due but unpaid on the due date of the return. That can be a lot of money!

So we always recommend you file your tax return timely, and also pay as much as you can on the due date, to save as much as you can on the penalty.

It's true, there is a downside to filing your tax return without paying the balance due; if you file sooner, the I.R.S. will start the collection process sooner. But without filing your returns, you are not considered "in compliance" and the I.R.S. will not enter into an installment agreement or offer in compromise to settle your tax debt.

There are even other reasons why you want to file your tax returns on time. If you don't file your returns, the I.R.S. can prepare returns for you called "Substitute for Returns." And they don't prepare these in your best interest! They don't give you credit for deductions and exemptions that you may be entitled to receive, when they prepare an SFR for you. So you owe more than you should.

Why do they prepare SFR's anyway? They must do it so that they can obtain an "assessment" to have the right to begin enforced collection actions against you such as liens and levies.

If you owe taxes, the I.R.S. can file notices of federal tax lien (FTLs) in the county records, which is public knowledge that you are indebted to Uncle Sam. This can wreck your credit and prevent you from selling or borrowing against your property.

The I.R.S. can even seek a court order to sell your homestead, and their collectors (Revenue Officers) can seize most other kinds of property without a court order.

Don't let it come to this. If you owe taxes or have delinquent tax returns, and you either can't deal with it yourself or just don't want to deal with the I.R.S. (who does?) contact a tax professional such as myself to help you deal with your tax situation. It's almost never as bad as it seems! ■



Eva Peron's Tomb, Bueno Aires, Argentina

Mr. Black attended the 13th Annual International Bankruptcy Law Seminar in Buenos Aires, in March 2016. Eva Peron was a First Lady of Argentina that fought for women's suffrage and improving the lives of the poor. She is still venerated in Argentina many years after her death in 1952. We visited her tomb among many other sites. Hundreds of people visit her tomb every day.

Quotes:

It matters not how much we have or how little. We can still be grateful for what we do have.

---Nina Amir

Don't mistake politeness for lack of strength.

--- Sonya Sotomayor

The problem is not that there are problems; the problem is expecting otherwise and thinking that having problems is a problem.

--- Theodore Rubin

We are a federally designated Debt Relief Agency under the United States Bankruptcy Laws. We help people find answers to their debt and credit problems, including, when necessary, helping them file bankruptcy under the U.S. Bankruptcy Code.

A LITTLE HUMOR – the “bull by the tail” edition

An old rancher filed a lawsuit against a railroad company when his prize bull went missing because a train damaged a section of his fence. The rancher only asked to be paid the fair value of the bull.

A date for the hearing was set, and the railroad sent a slick lawyer to represent it. Just before the hearing began, the railroad attorney approached the rancher and started to pressure him to settle the case immediately. After a few minutes, the rancher gave in, agreeing to half the money he was asking for.

After signing the settlement papers and handing over the check, the lawyer said, “You know, I have to admit, you would have won this case. The engineer was asleep and the train was going too fast when it passed your farm.”

The old rancher shrugged. “I was a little worried myself. The darned bull came back this morning.”

Lending money to adult children? Be careful

From time to time we have bankruptcy clients that have gotten into financial trouble at least partly because they are too “big-hearted.” They have helped their children or other relatives with loans or cash gifts, to the point where it has gotten them into financial trouble themselves.

Your children may have outgrown their allowance, but their money problems don’t automatically end when they grow up. Lending money to adult children can end badly if you’re not careful, though. Follow this advice for maintaining a good relationship when your grownup kids or other relatives hit you up for a loan:

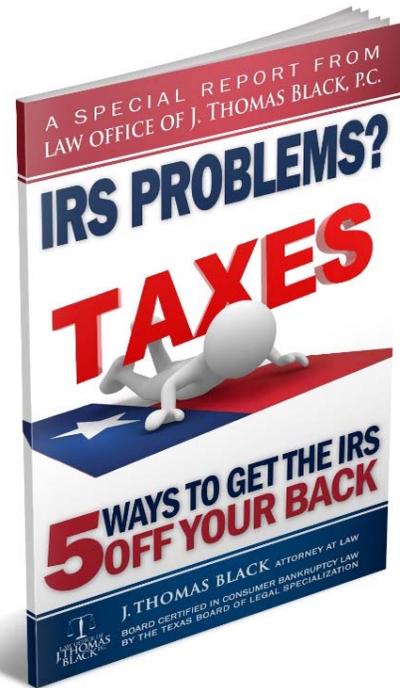
- **Don’t lend more than you’ll miss.** Risking financial instability for the sake of your children will put your relationship in jeopardy if they can’t pay the money back on time. Don’t be more generous than you can afford, even if you expect to get the money back.

- **Find out how they’ll use the money.** Instead of paying off their student debt, your child buys a sports car. Feel betrayed? Before handing any money over, make sure you know exactly how they’ll use it. You can avoid surprises by lending them smaller amounts over time instead of a large lump sum all at once.

- **Put everything in writing.** A handshake and a promise only mean so much. Set down the details of the loan in a clear document that spells out how much you’re lending, when you expect it to be repaid, and what will happen if either of you violates the agreement. There are services such as

Lending Karma that can help you prepare a promissory note and track repayment.

- **Please don’t co-sign loans, especially student loans.** We call co-signers “fools with pens” because of all the trouble it causes. If the child or other relative can’t qualify for the loan with their own credit, there is a reason - they are not a good risk. Don’t co-sign a loan unless you are prepared to pay the loan back yourself. You may have to. ■



Are you in trouble with the I.R.S. and not sure what to do? Request a copy of Mr. Black’s Special Report “I.R.S. Problems? 5 Ways to Get the I.R.S. Off Your Back.” You can download it at jthomasblack.com or pick one up at the office.

Thank you for your referrals! We accept cases in the following areas-

Bankruptcy.
Debt Collection Defense.
Debt Collector Harassment.
I.R.S. Collection Defense.
Stop Foreclosure and Repossession.
Student Loan Help.
Wills and Trusts.

ARE YOU IN CHAPTER 13 NOW?

Always keep the law office updated with your current address, telephone numbers, and email address. We may need to reach you quickly. You can check on the status of your Trustee payments, how much you still owe on your case, etc., by going to www.ndc.org to set up your user ID and password.

Plan payment too high? Lose job or overtime? It may be possible to surrender property or if your situation has changed to lower your payments. If this is your situation, contact our office for an appointment to prepare a Motion to Modify.

J. Thomas Black was licensed as an attorney in Texas by the Texas Supreme Court in May, 1982. Mr. Black is Board Certified in Consumer Bankruptcy Law by the Texas Board of Legal Specialization.

We are a federally designated Debt Relief Agency under the United States Bankruptcy Laws. We help people find answers to their debt and credit problems, including, when necessary, helping them file bankruptcy under the U.S. Bankruptcy Code.