

Community Legal Aid

A non-profit law firm serving the legal needs of low-income individuals and families in central northeast Ohio



www.communitylegalaid.org

Low Income Taxpayer Clinic

What Is the Low-Income Taxpayer Clinic?

The Low-Income Taxpayer Clinic (LITC) gives low-income wage earners **free** legal assistance on federal tax matters.

We **never** charge a fee for our services. You may have to pay court costs and filing fees.

We are independent of the Internal Revenue Service and the Ohio Department of Taxation.
All telephone conversations and client interviews are confidential.

Most low-income taxpayers are honest and want to comply with the tax laws. Some tax laws change each year and some tax laws are hard to understand. If you have a problem with the IRS, you might need legal assistance.

Who We Serve

The LITC serves low-income taxpayers who have disputes with the IRS.

The LITC can serve taxpayers for whom English is a second language.

The LITC helps taxpayers who do not already have representation in their case and who cannot afford to pay for legal representation or tax assistance. We will not handle cases with more than \$50,000 in dispute.

In determining eligibility, we evaluate each taxpayer's situation individually. Among the factors we consider are:

- Whether English is a second language
- Current income and income on the return

- Domestic violence
- Physical or mental disability
- Number of family members
- Nature and complexity of the tax issue

Types of Cases We Handle

Liens and Levies

Have you received a notice that the IRS plans to file a lien on your property for past taxes, or a notice that it will levy on your property or garnish your wages? We may be able to STOP the levy and place your case in hardship status.

Negotiations and/or Settlements of Tax Debt

- Are you unable to pay your tax debt? We may be able to help you with the following options:
 - Enter into an installment or payment agreement
 - Stop collection activity if it would be a hardship to pay the tax debt
 - Place your account in currently not collectible status
 - Make an offer in compromise (settlement) which settles your debt for less than the amount owed

Innocent Spouse Relief Requests

Have you received a bill from the IRS for taxes on a joint tax return? Do you believe it would be unfair to hold you responsible for these taxes? Depending on your circumstances, your knowledge of the debt, current marital status, and other factors, you may qualify for relief as an innocent spouse.

We may be able to help you apply for innocent spouse relief or assist you if the IRS has denied this relief.

Injured Spouse Claims

Have your taxes been withheld to pay a debt your spouse had before you married, such as a tax debt or a defaulted student loan, or a recent child support or federal debt? If you filed a joint return, and you had your own income and tax payments on the tax return (tax withholdings or earned income tax credit), you may have some relief. The spouse who did not owe the debt may request his or her portion of the tax refund.

The Low-Income Taxpayer Clinic may be able to help you file the injured spouse claim and assist you if the IRS denies this claim.

Audits or Examinations

Have you received a letter from the IRS telling you that your tax return is being audited or examined? The letter may say that the IRS is reviewing your filing status, such as head of household, or certain claimed deductions or credits (dependency exemptions, business deductions, earned income tax credit, child tax credit or child care credit).

We may be able to prepare evidence requested by the auditor, file a request to reconsider, attend meetings with IRS employees on your behalf, or represent you during an audit.

Earned Income Tax Credit Appeals

The IRS audits many earned income tax credit (EITC) returns. Have you received a letter from the IRS that your earned income tax credit has been denied?

If the IRS determines that the error was reckless or intentional, you cannot claim the EITC for the next two years. If the IRS finds that the error was fraud, you cannot claim the EITC for the next ten years. We may be able to help you appeal the EITC denial to keep your right to claim the EITC in the future.

Deficiency Notices

Have you received a notice from the IRS that there is a “deficiency” in your taxes and that you have 90 days to file a petition to the Tax Court? If you do not file within that time, you lose the right to go to court without first paying the tax. We may be able to help you settle the matter or file a petition to Tax Court

Employee/Independent Contractor Disputes

Do you have a dispute about whether you are an employee or an independent contractor? You may owe a lot of self-employment taxes. We may be able to help you ask the IRS to change your employment status.

Other Things We Do

- Speak to groups such as social service agencies, churches, groups that work with immigrants, spouse abuse shelters, school-based family centers, and others.
- Prepare pamphlets about taxpayer rights and responsibilities.
- Advise organizations and train staff who work with low-income taxpayers.
- Refer clients to private attorneys, accountants, VITA volunteers, or agencies.

How to Get Help

To find out if we can help, call the **Legal Aid HelpLine** at **1-800-998-9454**. If you qualify for our services, your case will be referred to the Low-Income Taxpayer Clinic.

The Low-Income Taxpayer Clinic will contact you for more information, usually within 10 days of your application for service. We will ask you to provide copies of tax returns, IRS notices, IRS correspondence, and other documents about your tax problem.

If we cannot represent you, we will try to help you find an attorney, accountant or other tax professionals who may be able to help.

This article is meant to give you general information and not to give you specific legal advice. Prepared by Community Legal Aid Services, Inc. Updated May 2012.

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