

THE IRS TATTLER

IRS FUNDING INCREASING. COLLECTION INCREASING?



TRAVIS W. WATKINS

TAX RESOLUTION AND ACCOUNTING FIRM

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- Tax Collection for CBD
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Featured On: Se Habla Español

TAX COLLECTION —for CBD— DISPENSARIES



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As marijuana becomes legal throughout the United States, the state of Oklahoma is no exception. In fact, CBD stores are popping up and thriving all over Oklahoma. The problem, however, is that the local government hasn't quite caught up to these stores when it comes to taxes. As with other CBD stores throughout the nation, the stores in Oklahoma only take cash (soon they will additionally accept debit cards, but only in \$5 increments), which can be a big problem when it comes to paying taxes.

According to Oklahoma State Question 788, the Medical Legalization Initiative, that is slated for June 2018, is to once again determine whether medical marijuana should be legal in the state. In the meantime, dispensaries are licensed, open, and selling CBD products via cash. Now, it is only a matter of time before the Tax Commission (OTC) collects due taxes.

What does this mean for CBD business owners and how should they prepare when the tax man comes calling?

Did you know that CBD dispensaries are far more likely to get audited by the IRS than other business? Why? First of all, because the federal government still considers marijuana illegal and therefore falls under the tax code, Section 280E. This section governs how taxes are collected, including the fact that CBD businesses can't deduct expenses like other businesses. For example, they can't write off rent, payroll, and marketing. This, in turn, makes their taxes even higher.

The fact that CBD business are cash only (banks are too afraid to get involved due to the federal illegal status of marijuana), also raises red flags when it comes to the IRS, and it doesn't stop there. Local tax collectors in Oklahoma may certainly look at this cash business as suspicious. Are business owners skimming off the top of profits? Are they under-reporting profits?

Protect Your CBD Business with a Qualified Tax Attorney

Before the OTC comes to collect taxes from your CBD dispensary business, it is best to be prepared. The only way to really do this, to know that you're following the laws and that you're not getting taken advantage, it's best to have an experienced and qualified tax attorney representing your business. Before it's too late, establish a relationship with an Oklahoma tax attorney to make sure you pay only what you need to pay for your dispensaries' taxes and avoid a tax audit in the future.

Because the Oklahoma OTC has to collect taxes at some point, dispensaries will owe money for each quarter they were in business. This can surely add up to a hefty sum. And how will your business pay this tax? With cash? Most likely since CBD businesses are still not allowed to use credit card transactions, debit card transactions, write a check, or deposit their cash profits into financial institutions. Really, no one is interested in being part of a federally illegal substance that could cause them to be accused of money laundering.

Besides the questions of when and how to pay, along with what can and can't be written off, you need an experienced tax attorney who handles the IRS/OTC on a daily basis and knows the ins and outs. To find out more, contact a local tax attorney in Oklahoma today. Travis W. Watkins Tax Resolution and Accounting Firm can be reached at 800-721-7054 for your Free consultation or visit TravisWatkins.com

BASEBALL STAR RUNS INTO MORE TROUBLE

Pete Rose baseball's all-time hit champion, continues to be a high-rolling gambler, according to his ex-wife Carol Rose. Along with his remaining gambling addiction, he has repeatedly failed to pay support on time and the IRS.

He received a lifetime ban in 1989

while he was the manager of the Cincinnati Reds for placing bets on MLB games. All of his appeals for reinstatement have been denied.

According to Carol, she claims that her estranged husband makes more than \$1 million per year from autographs and endorsements. She asked the court to clarify

his financial situation so a settlement can be concluded.

She also alleged the baseball star continues to wager large amounts of money and owes large sums of money to casinos and the Internal Revenue Service. Pete Rose claims his estranged wife is being "unreasonable".



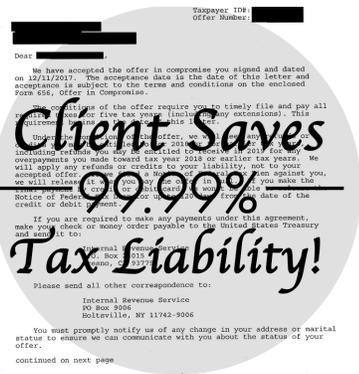
Photo: Suhl, David. "Pete Rose's Estranged Wife Alleges He's Still Gambling with His \$1M Annual Income." USA Today, 21 Apr. 2018.

Gardner, S., Perez, A., & Peter, J. (2018, April 24). Pete Rose's estranged wife alleges he's still gambling with his \$1M annual income. Retrieved from <https://www.usatoday.com/story/sports/mlb/2018/04/23/pete-rose-gambling-1-million-annual-income-irs/544056002/>

OFFER IN COMPROMISE SETTLED FOR \$5.00!

A recent client of ours ran into trouble with his retirement fund when he decided to cash out money. The IRS distinguishes this as income, in which you are liable to pay your taxes. With his disability, he desperately needed the compensation and didn't know how he was ever going to pay the tax debt. Once the IRS got wind of his tax liability they issued him a tax burden of an outstanding amount of \$25,569.62. We were able to successfully negotiate an Offer in Compromise and lower his insurmountable tax debt to just \$5.00! That's 99.99% of the total tax liability!

If you haven't paid your taxes or you haven't filed, this could happen to you. If you have received a Notice and a Demand for payment from the IRS, don't ignore it or think it will go away. What began as an innocent mistake or a difficult financial decision when money was tight has now become a huge liability, a huge problem. Call Travis W. Watkins Tax Resolution and Accounting Firm today for your Free consultation at 800-721-7054 or visit TravisWatkins.com.



Offer Accepted For \$5.00 On A \$25,569.62 Liability!

MEET OUR TEAM



-Tiffany Cotto, Relations Coordinator

Tiffany Cotto is Relations Coordinator at Travis W. Watkins Tax Resolution and Accounting Firm. She is a Texas native and graduated from Birdville High School in North Richland Hills, TX. She then, transferred to Texas

State while dancing for the San Antonio Spurs. After the Spurs, she moved to Oklahoma to dance for the OKC Thunder and finished her education at the University of Central Oklahoma with a Bachelor's Degree in Psychology.

Tiffany has experience in accounting/payroll and several years in legal assistant work. Her hobbies include going to the gym, dancing, outdoor activities, and she is completely obsessed with her Great Dane, Harvey.

Have a Tax Lien?



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Credit Score Low?

Have you checked your credit score lately? If a tax lien had made its way onto your report, a new policy may have recently bumped your score up.

What Is a Tax Lien?

A government (at the federal level, the internal Revenue Service) will sometimes place a claim on an asset of a person who failed to pay taxes. The effects can be hard to handle. A homeowner might need to sell or refinance, and be blocked from doing so before making good on the lien against the property.

Of course, some kind of consequence will follow non-payment of taxes. Sometimes, though, people who timely filed and paid all their taxes discover some mystery tax lien impacting their credit score.

Do Errors Lurk in Your Credit History?

Mistakes in credit reports happen to a lot of people. In 2012, the Federal Trade Commission found errors in more than a fourth of credit reports.

After focusing a study on public records data, the Consumer Financial Protection Bureau uncover issues with the way Experian, Equifax, and TransUnion processed documents such as Notices of Federal Tax Liens. Cases of mistaken identity were not uncommon.

What is Changing Between Tax Debts and Credit Scores?

Last year, the credit bureaus began following new rules on entering tax liens onto consumer credit reports.

And from April 16, 2018 on, all three companies will remove any remaining tax lien information from consumer credit reports. Although everyone is not affected in the same way, the new rules have changed some 5.5 million credit reports.

No, the liens themselves are not erased. But the credit bureaus stopped using them to lower credit scores.

Support for Disputes

Do you have a tax or credit dispute? Both? Consider hiring a tax attorney to help resolve it in the best way possible. A tax lien may make it very difficult to apply for a credit card, car loan, home equity loan or to refinance. Even though it may not affect your credit score, a tax lien is still public record. By that point, lenders are hesitant to loan you any money. A well-informed tax law professional can help you achieve lasting improvements in your financial health.

If you've had a lien placed on your property already, or if you've been served a Notice of Federal Tax Lien and you know that trouble's just around the corner I may be able to help. Call Travis W. Watkins Tax Resolution and Accounting Firm at 800-721-7054 today for your free no-strings-attached consultation.

STARTING A BUSINESS? WHAT'S NEXT?

It's vital to have a comprehensive plan for your business. Formulate a mission statement, clarifying the business's purposes, goals, and methods.

Decide what type of business entity you will be. This should be one of the first decisions you make, prior to almost everything else, because the type of entity your business is will determine how it is treated for tax and legal purposes. There are many viable choices, each with unique tax and legal implications. So this is a decision that should be given intense thought and care. You could operate as a Sole Proprietorship or Partnership, with taxes and liabilities passing through to you as an individual. Or incorporate into the Standard C Corporation and pay a lower tax rate, but perhaps face double taxation. Or set up as a Limited Liability Company, with the flexibility to be any one of a number of types of entity for tax and legal purposes. There are many other possible options. Which is best for you?

It's also very important to set up your bookkeeping and payroll systems in a systematic and advantageous way right from the start. Timing of payments for maximum benefit, efficient cash management and investment are critical. You also want to ensure that you are following all proper reporting procedures. Outsourcing your bookkeeping or accounting functions can be a very efficient, affordable option. Travis W. Watkins Tax Resolution and Accounting Firm has accountants on staff to assist with starting your business and maintain a thriving one.

The best strategy is to get tax and legal experts on board from the very beginning. The good advice and guidance received more than pay for themselves in the long run. In the modern business world. It is almost impossible to be an expert at everything. Most startups are rightfully focused on business fundamentals. Your new business startup may be the most important time ever to seek expert advice! Surround yourself with trusted and reliable professionals who can assist you with a startup as well as staying compliant as your business develops. Call Travis W. Watkins Tax Resolution and Accounting Firm at 800-721-7054 or visit TravisWatkins.com for more information.



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IRS PROBLEMS?

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WE PROVIDE TROUBLED TAXPAYERS WITH A CUSTOMIZED, ACTIONABLE PLAN TO FILE OLD RETURNS, NEGOTIATE WITH THE IRS AND STOP IMMEDIATE THREATS TO THEIR LIVELIHOOD, SO THEY CAN GET A GOOD NIGHT'S SLEEP AGAIN.

TRIVIA QUESTION:

WHEN DID THE FIRST US INCOME TAX START?

A) 1898

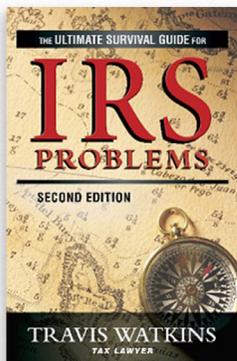
B) 1862

C) 1904

PREVIOUS QUESTION/ANSWER:

THE FEDERAL TAX CODE WAS 400 PAGES IN 1913, IN 2010 IT WAS HOW MANY PAGES?

A) 70,000



FREE IRS Survival Book

Redeem this coupon in one of our 4 locations for your FREE copy of The Ultimate Survival Guide for IRS Problems. You can also download your FREE version at TravisWatkins.com.

DEADLINES:

- May 10, 2018-Employees who work for tips. If you received \$20 or more in tips during April, report them to your employer. Social Security, Medicare, and withheld income Tax File Form 941 for the first quarter of 2018.
May 15, 2018-Social Security, Medicare, and withheld income tax if the monthly deposit rule applies, deposit the tax for payments in April.

