

The Newsletter



FAUCHER LAW

TAX & BANKRUPTCY

Audit Notice? Bad Audit Result? IRS lien or levy?

Top 5 Reasons to Hire a Tax Lawyer (Like Me)

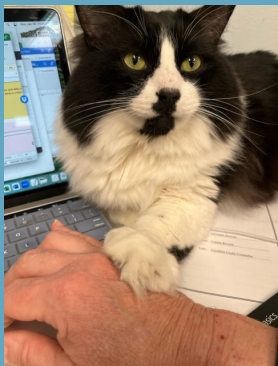
Reason #5: Avoid Wait Times. You can wait on hold for hours if calling the IRS, and still not reach an agent. Last year, only 10% of calls to IRS help lines were answered. Why? The IRS was severely understaffed before Covid, which only added to the workload. And work from home orders made agents useless because they couldn't access sensitive databases. The IRS is still struggling to catch up. I get around wait times with a service (CallEnQ) that waits on hold for me. Brilliant entrepreneurial idea, but also evidence of how bad IRS responsiveness has become. There's also a separate help line for tax professionals that's better staffed. **Hiring a tax lawyer almost always gets you initial answers faster than doing it on your own.**

Reason #4: Tax Lawyers Don't Take It Personally. Many people are surprised that the IRS and FTB have the legal right and power to demand taxpayers provide proof for almost every line on their tax return. Gross invasion of privacy? Maybe, but it's also the law. Becoming defensive and even angry when an IRS auditor starts questioning and demanding proof is never a good strategy for getting the best audit outcome, or trying to get rid of a lien or levy. Unresponsive answers suggest the taxpayer is hiding something, thus risking the opening of other tax years to audit. **IRS agent requests and demands aren't personal for me. They're simply part of my workday.**

Reason #3: Tax Lawyers Speak "IRS". Letters from the IRS are often hard to understand. Unless you see IRS forms regularly, most are hard-to-follow. One of the main things I do is interpret the bureaucratic language of the IRS into something civilians can understand. You cannot successfully respond to the IRS and plead your case if you can't speak their language. **Tax lawyers help make your most persuasive case to the IRS.**

Reason #2: Tax Lawyers Help Identify and Correct IRS Agent Mistakes. Lucky enough to reach an IRS agent? Great. Unfortunately, **the U.S. Tax Court has ruled repeatedly that taxpayers cannot rely on what IRS agents say; they must assume IRS employees could be (and frequently are) wrong.** Seriously. I cannot make this up. So, if we can't trust an IRS agent's answer, then who can we turn to? If you get an answer from the IRS you're uncomfortable with, or if you get two different answers to the same question from two IRS employees, then call a tax attorney or accountant.

Reason #1: Tax Lawyers are GPS for the IRS! Would you drive in a foreign country with bad signage and unfriendly locals speaking Klingon without GPS, or at least a map? I hope not. The same should be true of the IRS and the FTB - enormous bureaucracies with impenetrable rules and terms, sometimes-inept agents, and extreme power. I wish every taxpayer could navigate an audit, lien, levy, or repayment of back taxes on their own. But they cannot. Many need at least a bit of guidance understanding and navigating the IRS and FTB. **Tax lawyers, especially ones like me who used to work at the IRS, know what the solution to your problem looks like and how to get the desired outcome the fastest, easiest and cheapest.** Hiring a tax lawyer seem costly (and it often is) but it also could save you far more in taxes than what you spend to hire someone like me.



Sebastian Says Use Your Paw to Look Inside:

- Cost of a Faucher Family Farms Egg
- BEST Beef Bourguignon Recipe
- Sebastian gives "comic" guidance

What Does it Cost to “Raise” An Egg on Faucher Family Farms?

Variable Egg “Output”. The crazy \$8/carton cost of free-range eggs this winter makes me wonder: what does it cost me to “raise” an egg? Friends think I’m crazy when I complain about the price of eggs: **“Aren’t you egg-inflation-proof?”** they ask. No, I’m not. In winter, Karen buys eggs because the hens lay only one egg weekly each during cold, dark months, but up to one egg daily in warmer, sunnier months. This means we get 6-8 dozen eggs a week from late spring to early fall, and is the reason I give away so many that time of year.

What I’ve Spent on My Hens. Equipment for my hens has cost about \$2,000: a Snap-Lock coop and shaded dog run attached to the coop; water and feeding bowls; and heater lamps for chicks. I’ve had hens for 7-8 years, so the gear cost is just under \$1/day. A bag of feed costs \$25 and 16 hungry beaks peck



through it in 10 days. Karen feeds all our table scraps to the hens, but I’m still out of pocket about \$2.50/day feeding those ravenous birds. Finally, the egg-laying life of a hen is shorter than her eating-on-my-dime life. Chicks don’t mature into egg-laying hens until age 6 months, and egg-laying slows dramatically when a hen turns three. They often live 2-3 years longer. So, what I spend on hen food for egg production is doubled to about \$4-5/day to account for their non-egg-laying phases; add the \$1/day equipment cost, and it costs **\$5-\$6 a day to raise my own eggs.** This means winter eggs cost \$2.50 or so each (ouch!), while summer eggs cost 40-45 cents. Conclusion: over the course of my Egg Empire, I’ve spent slightly more on raising hens than I what I could have bought the eggs for. But my eggs are fresher. I also like watching the girls when my mind wanders from tax and bankruptcy. For me, raising chickens is worth it.

The Tax Angle. I recently asked an IRS auditor: **would you accept the cost of hen feed a tax-deductible, marketing-related expense because I give eggs to clients?** You could have blown a feather out of my cap: he said yes! Maybe raising my own eggs isn’t so expensive after all...

Karen’s Beef Bourguignon

This dish for a crowd even tastes better if allowed to sit 1-2 days. Make in advance, then put into the oven before guests arrive and you can focus on your company, not on cooking. We get rave reviews about this dish. Make it soon, or wait until the fall, because it’s a cold weather meal. Also, the better the wine you use, the better the dish, so no 3-Buck-Chuck! Spend around \$10-\$15 for the wine.

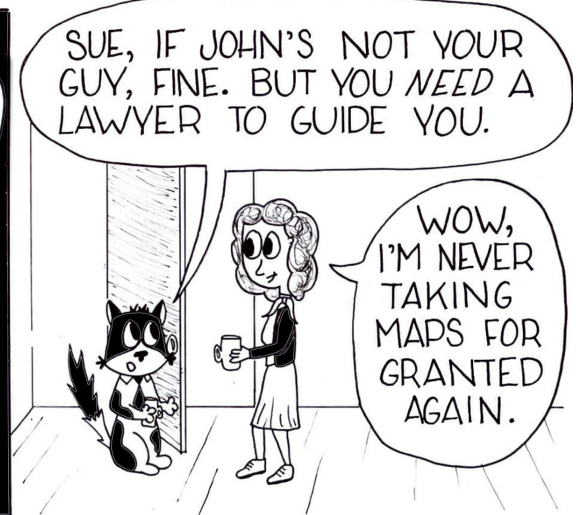
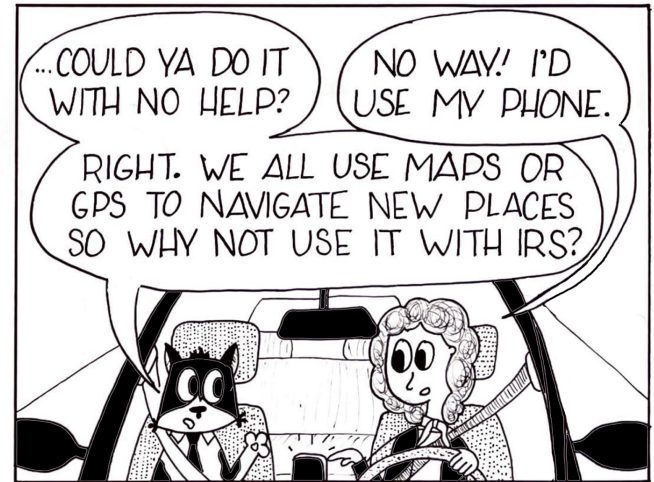


Ingredients:

3-4 lbs beef stew meat/top round, cut in 1-inch cube	1.5 lbs brown mushroom, sliced
1 lbs bacon, prefer thick cut, diced ½ inch pieces	1 bottle red wine (cab sauv, syrah, zinfandel)
4-5 TBS flour	3 TBS olive oil
2 large onions, diced	3 TBS tomato paste
2 TBS red current or orange jelly	1 32-oz container beef broth
10-12 carrots, sliced into ½ inch thick discs	1 bunch parsley, chopped
8 sprigs fresh rosemary chopped, about 4 TBS	12 sprigs fresh thyme chopped, about 2 TBS
1 orange, zested and juiced	1 tsp each: salt, pepper, paprika



Sophie Schmitt 02/23



Instructions:

- Pre-heat oven to 350 degrees. In 6-quart lidded, flameproof casserole or dutch oven (we use enameled cast iron), cook bacon until very crispy. Remove with slotted spoon & drain on paper towel, leaving as much fat as possible in casserole.
- In separate large pan, heat olive oil & cook onions over medium heat until translucent, about 9-10 minutes. Set aside.
- In large zip-lock plastic bag, combine flour, salt, pepper & paprika. Add beef & shake to coat beef in flour. This may need to be done in two batches; add more flour, if necessary.
- Fry floured beef in bacon fat left in casserole; make sure each cube touches dish bottom (beef may need browning in two batches; add oil for 2nd batch if needed). Fry over high-medium flame until cubes browned on 1-2 sides. I cover casserole & fry beef first on one side 5-6 minutes, then turn cubes to fry on other side about 5-6 minutes.
- Remove beef & any rendered liquid to a bowl, leaving caramelized meat & flour on pan bottom. Add ½-1 cup red wine to hot casserole, scrape bottom and sides of pan to loosen and deglaze the caramelized bits.
- Return beef to casserole. Add sauteed onions, cooked bacon, remaining wine, beef broth, orange zest & juice, rosemary, thyme, parsley, tomato paste. Bring to boil, uncovered, stir frequently to avoid burning bottom. Cover casserole, put in oven, bake 1 hour.
- Remove casserole, add & mix in carrots, return to oven, bake 1-1.5 hour or until meat very tender. Remove pan from oven, mix jelly into bourguignon. Add salt & pepper to taste. Serve in bowls over potatoes or rice, or by itself, with a baguette and a hearty red wine. Recipe easily doubles or triples.
- If making in advance: follow directions through first bake of 1 hour without carrots, then refrigerate, covered, up to 4 days. When ready to serve, follow previous step.

Serves 6-8

WELCOME TO FAUCHER LAW

John D. Faucher worked for 10 years as an IRS trial attorney and has been in private practice since 2008. He and his team speak the legal language. They know the **tax and bankruptcy systems** and can help you get the best result. Have other legal issues? Call us. We'll find the lawyer who's right for you, your friends, or family.

(818) 889-8080
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Do you drive in strange places without a map? Or GPS?

Top Five Reasons to Hire a Tax Lawyer



Ever wonder how I add value to clients with tax problems? Why can't they handle audits, levies and other tax matters themselves? In this issue of *The Newsletter* I overview the main reasons to hire a tax attorney. Sebastian the Feline Paralegal gets it right: **I'm like GPS for taxpayers trying to navigate the IRS.** Inside, I take on a timely issue given the extraordinary price increase in eggs this winter: **how much does it cost me to "raise" an egg** from my hens? Finally, there's a **beef bourguignon recipe** that always gets raves and is a great dish for large groups because can be made ahead of time, leaving you free to visit with guests.