

The Newsletter



FAUCHER LAW

TAX & BANKRUPTCY

A Timely Election-Season Look at U.S. Governance

The IRS' Mail Backlog & the Government

INSIDE STORIES

- It's Apple Pie time!
- Four Lanterns Viognier
- Sebastian the Feline Paralegal on the IRS

When the pandemic hit in March, the IRS shut down until July. Unlike many businesses, IRS employees can't work from home. The sensitive databases employees rely on can be accessed only from IRS office computers. Implication? When millions of 2019 tax returns and checks arrived this spring, there were no employees to open or process them. **The IRS now has a backlog of millions of pieces of mail.** It will take months or years to get through this backlog. So what?

One result of the backlog is that the **IRS is sending late notices to taxpayers who filed or paid by mail and check (not electronically), even though most mailed their return and check on time!** These notices, which also claim the taxpayer owes interest and penalties, are generated automatically. The IRS won't shut off the process that generates them. If you mailed your payment by July 15, but received a notice of penalty, don't panic. And don't stop payment on that check! The IRS says it will credit your check to the date it was mailed – whenever it's finally opened.

Meanwhile, you may get more snarky letters from the cranky computers sending the notices. If you receive more than two or three notices, give me a call. With the check number of your payment, I can get a freeze on your account that will stop the notices. Of course, you can call the IRS and ask for this yourself, but you're likely to wait longer to get through to an agent than I do. **I pay a monthly fee to "cut" in the line of people waiting to speak with an IRS rep. What?** No equal access to IRS reps? Unfortunately, the wait to get an IRS rep has become so long that entrepreneurs started services to wait on hold for clients like me. This leads to my second, more philosophical point.

When we decide a function will be handled by government, the government should handle that function efficiently and effectively. I want our army to be strong; I don't care whether it is the strongest in the world, but I want it to be strong enough to de-

feat whatever enemy we face. I want the Post Office to deliver mail accurately and quickly.

Although I fight the IRS professionally to protect clients from its power, **I want a strong tax-collection agency.** I may cheer when a client has a tax liability extinguished by the statute of limitations, but I also sigh for US taxpayers collectively because the IRS didn't have sufficient manpower to collect. The IRS should collect what it is due and catch scofflaws who don't file or report income. And surely no one likes to feel like a schmuck because they paid their taxes, but their neighbor didn't and got away with it.

There is probably no set of laws, except traffic laws, that touch more people's lives than tax law. The US has high tax compliance but, if the IRS cannot enforce tax laws competently, then compliance will erode. And that erosion may extend to other areas: citizens feeling less inclined to follow other laws, and less bound to each other as members of a common enterprise, our country. Congress has cut the IRS's budget by 30 percent in 15 years, while the number of returns filed has gone up by almost as much. IRS personnel has been cut from 110,000 to 75,000. It's difficult to reach an IRS agent by phone, and resolution of audits and other disputes can take years. Increasingly, the IRS appears to be failing.

We have a constitution that limits and balances the powers of our elected leaders. It is a government designed to make change difficult. That's good: we don't want leaders to get too far ahead of the people. But the Constitution doesn't mandate government incompetence. When leaders determine government should do a function like collect taxes, there's no reason to hobble the agency tasked with that function. So, please consider asking your legislators to increase funding to the IRS. And don't forget to VOTE! **JDF**



Gift Suggestion: Four Lanterns Wines

A college classmate, Steve Gleason, and his wife Jackie, own a terrific winery in Paso Robles. Four Lanterns wines are reasonably-priced, and they offer a wide selection. Although Karen and I generally prefer red wine, Four Lanterns *Lamplight* Viognier has become our house white. It goes great with turkey. And it is a nice addition to a wine gift basket. Among reds, I'm particularly fond of Four Lanterns Cabernet Franc. The winery is open for outdoor tasting and, if you haven't been wine tasting in Paso Robles, treat yourself and get out of the house for a weekend! You can reach them at fourlanternswinery.com.

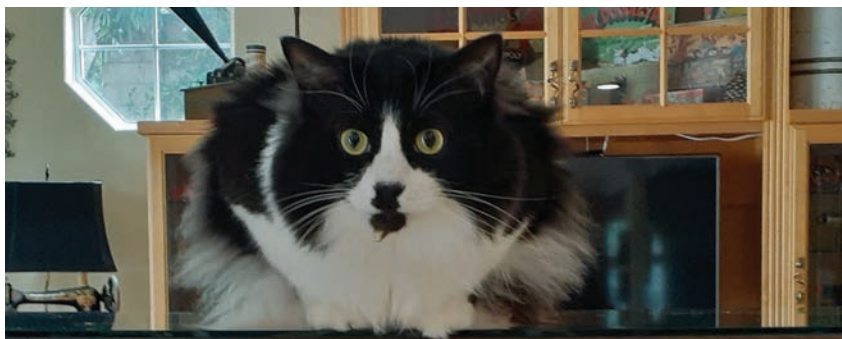


My star Paralegal, Sebastian, has his paws in all aspects of tax and bankruptcy. Follow his musings on Instagram @sebastian.the.feline.paralegal



Covid Can't Cancel Halloween at Faucher Family Farms!

Thank goodness this truly scary year is almost over... I may not trick or treat anymore but the hens are considering it! After all, they won't catch or spread Covid. Meanwhile, Sebastian contemplates what to be for Halloween while looking menacing without a costume. Boo to you and yours.



WORTH A THOUGHT...

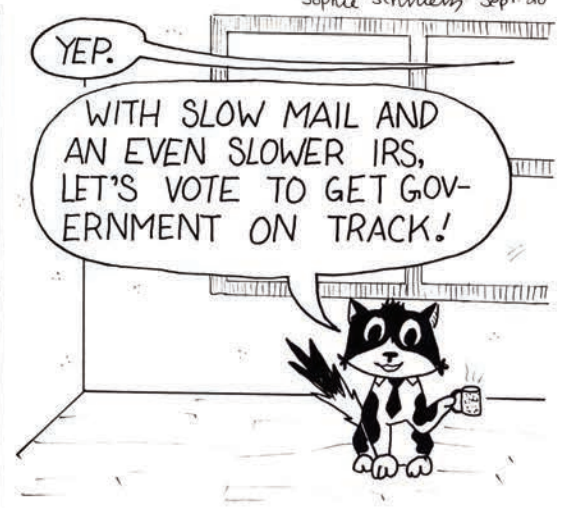
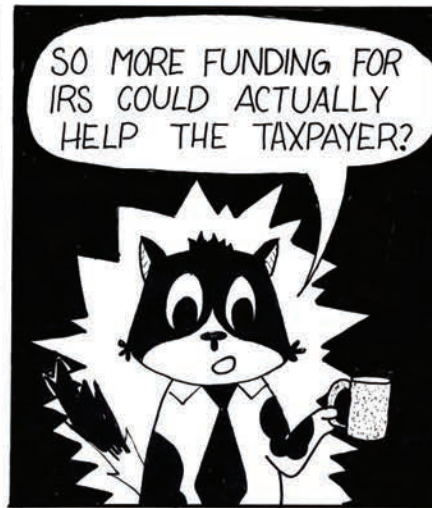
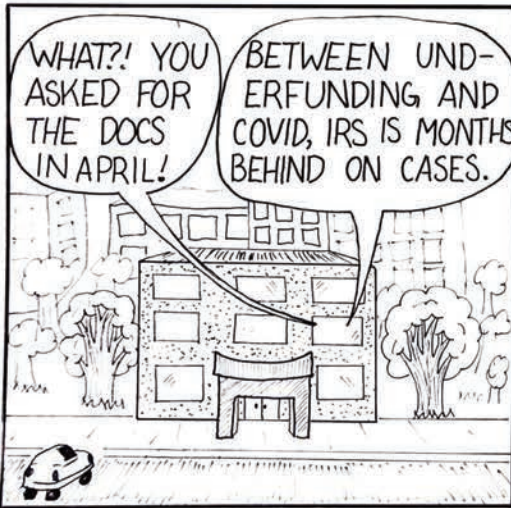
"Don't be distracted by emotions like anger, envy, resentment. These just zap energy and waste time."

-Ruth Bader Ginsburg





Sophie Schmitt Sept. 20



Celebrate the Harvest Season with Apple Pie

There are few things in life I love more than Karen's homemade apple pie! It requires time and work, but it's worth it. Of course, the "work" involved for me is lifting fork to mouth...

1. To make crust, place flour, sugar, and spices in a food processor; add Crisco/lard and butter. Process until mixture resembles a coarse meal. With machine running, slowly add ice water through the feed tube until dough gathers into a ball. Remove ball from food processor, flatten a bit into a round disc, wrap in plastic, and refrigerate for 1 hour.
2. To make filling, toss apples, sugar, lemon juice, spices and cream together. Preheat oven to 450 degrees.
3. Divide the dough into roughly 1/3 and 2/3 portions. Roll out larger piece on lightly floured surface to 11-12 inch circle. Carefully lift circle of dough onto a 9-inch pie plate (I prefer glass pyrex) and center, leaving edge untrimmed and extending past lip of pie plate. Spoon filling into the pie shell. Roll out smaller ball of dough to 10-11 inch circle. Carefully place on top of filling and center. Crimp bottom and top crusts together. Cut four 2-inch steam vents into top crust. (Next step can be skipped but I like the shine egg wash puts on the pie: Beat egg; using a paper towel dipped in the egg, gently brush pie surface and crimped edges. Lightly sprinkle decorative sugar on the top.)
4. Bake for 20 minutes at 450 degrees. Reduce heat to 375 degrees, bake another 40 minutes. **Serves 8-10.**

For Pastry:	For Filling:
1/3 cup Crisco or lard, cold & cut into small pieces	3.5 - 4 lbs Granny Smith apples, peeled, cored & cut into 1/2 inch slices (I like a pie bursting with apples)
3 TBS sugar	1/2 cup sugar
1 3/4 cups unbleached all-purpose flour	1 TBS lemon juice
6 TBS butter, cold & cut into small pieces	1/2 cup heavy or whipping cream
Ground spices: 1/4 tsp salt; 1/4 tsp cinnamon; 1/4 tsp all spice; 1/4 tsp clove	Ground Spices: 2 tsp cinnamon; 1/2 tsp nutmeg; 1/2 tsp cloves; 1/2 tsp ginger
4-7 TBS ice water	1 egg (optional, for glazing the top of the pie)

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.

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IRS Sends Late Notices Even If Tax Return Mailed on Time!

A Look at the IRS' Mail Backlog



With the recent snafus at the US postal service, and tons of mail-in ballots in the system, I'm hoping this issue of **The Newsletter** makes it to you before Christmas!

Speaking of mail, the **IRS is sitting on a huge, Covid-triggered backlog of unopened tax returns.** And sending late notices and assessing penalties, even to people who mailed their return and check on time! The main article explores what to do if you get this notice, and discusses U.S. governance (it's election season, after all).

Also inside are my favorite **apple pie recipe**, a **Viognier** wine recommendation (just in time for seasonal meals and gift-giving), another highly-sought-after **Sebastian the Feline Paralegal** cartoon, and a look at Halloween at **Faucher Family Farms!**