

Important Tax Dates and Information

- Fourth quarter estimated tax payments for tax year 2015 are due January 15, unless the tax return is filed and any tax due is paid by February 1.
- The personal exemption is \$4,000 for 2015. It increases to \$4,050 for 2016.
- The annual exclusion for gifts remains at \$14,000 for 2016.

IRS To Use Private Debt Collection Agencies



On December 4, 2015, President Obama signed into law the *Fixing America's Surface Transportation Act*, known as the FAST Act. It provides long-term funding for transportation projects. Buried in the bill is a requirement that the IRS must use private debt collection companies.

Starting this year, the IRS is required to use private debt collection companies to collect "inactive tax receivables" (i.e., any outstanding assessment that the IRS includes in potentially collectible inventory). Traditionally, this debt has been hard to collect tax.

When the IRS first began using private tax collectors, it assured taxpayers that they would know they are in the program before being contacted by a private collection agency. This way, taxpayers could be wary of any bill collectors who claim to be working on behalf of the IRS.

Private tax collectors will usually contact a taxpayer by letter. If the taxpayer's last known address is incorrect, the private collector searches for the correct address. Next, the private collector will telephone the taxpayer to request full payment.

If the taxpayer cannot pay in full right away, the private collector offers an installment deal for up to five years. Please note, private collectors cannot accept payments. Do not pay them directly! All checks will still be made payable to the U.S. Treasury—not to an individual or firm. The collection agency will provide the appropriate IRS mailing address for payments. The collection agencies will never request that cash or checks be sent to individuals.

There is some speculation that this requirement may result in additional attempts by fraudsters to collect payments. If you receive a letter or phone call, please do not hesitate to contact me immediately so that I can help you determine if this is a legitimate debt collection.

Did You Know?

There are 4,100 debt collection agencies in the United States, employing nearly 450,000 people. The industry expects to grow by as much as 26 percent over the next three years.

Quote Corner

"You are never too old to set another goal
or to dream a new dream."

~ C.S. Lewis