

“Tax Relief” Services Deceive Consumers

By CT Better Business Bureau

Dated: Feb 19, 2008

Better Business Bureau Gives “American Tax Relief” Failing Grade

Wallingford, CT - Helping Americans reduce back taxes, so called “tax relief” has become a lucrative industry, but consumers do not always get what they paid for and can be left to answer to the Internal Revenue Service without the expertise or relief for which they paid.

One example is a company called American Tax Relief, which promises to “settle tax debt for a fraction of the debt,” and “remove penalties, interest and tax lien.” More than 150 customer complaints have been filed against this company, which received an “F” from BBB. Two complaints against the company were filed in Connecticut since 2005.

Better Business Bureau urges consumers to be careful, since many taxpayers have been left with their original tax debt, along with additional interest and penalties.

According to Better Business Bureau Connecticut President Paulette Hotton, the so called tax relief companies overstate their ability to help clients.

“Consumers complain that many of these firms exaggerate or misrepresent their ability and expertise in effecting settlements and often promise much more than they can deliver,” says Hotton.

“They generally attribute their inability to obtain settlements on the fact that the customer provided inaccurate or incomplete information.”

In fact, none of the firms guarantee that anyone will be able to obtain a settlement of their tax debt. In one case, a consumer paid American Tax Relief \$3,900 and sent them a form giving the company power of attorney to represent her. When she checked, the I.R.S. had no record that American Tax Relief represented her, and the company refused to refund her money.

“We urge caution,” add Hotton. “Many taxpayers have been left with the original tax debt, along with additional interest and penalties. “

If you have a tax debt with the IRS, Better Business Bureau suggests you first seek the advice of an I.R.S. enrolled agent, CPA, or a tax attorney. You may also consult with the IRS to determine if you would qualify to file for an offer in compromise, or some other type of payment arrangement. The I.R.S. says only these professionals can represent you in tax matters.

To learn about the I.R.S. rules for an offer in compromise, visit www.irs.gov. You may check on the credentials of tax relief firms at the Better Business Bureau web site at www.bbb.org.

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Founded in 1912, BBB is an unbiased non-profit organization that sets and upholds high standards for fair and honest business behavior. BBB offers objective advice and a wide range of education on topics affecting marketplace trust. BBB also offers complaint and dispute resolution support for consumers and businesses. Today, 128 BBBs serve communities across the U.S. and Canada, evaluating and monitoring

more than three million local and national businesses and charities. www.bbb.org

Category	Consumer
Tags	better business bureau tax preparation tax relief complaints
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Website	http://ct.bbb.org
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