

The Gartzman Law Firm, P.C. October 2016 Newsletter

Attorney Spotlight

Atlanta Based Tax
Attorney and CPA
serving clients
throughout Georgia and
nationwide since 1982!



Jeffrey S. Gartzman, Esq.
Proudly serving clients throughout
Georgia and nationwide for over
30+ years!

Greetings!

We hope everyone is enjoying this beautiful Fall weather. We send any of our clients affected by Hurricane Matthew well wishes. **We want to remind everyone that if you filed a 2015 personal tax extension, the deadline to file your returns is October 17, 2016. Typically, the annual deadline for individual extension filers is October 15, 2016.** We request that our clients forward their applicable tax preparation information to our firm immediately, if they have not already. If you need to discuss your tax preparation information or have any questions, please contact our firm. We would be more than happy to assist you with getting ready for the upcoming deadline.

Please remember, we are a tax law firm and Mr. Gartzman is a tax attorney and CPA. Our firm prepares and files delinquent and current tax returns. However, we also deal with any outstanding balances that you may have due to the IRS, Georgia Department of Revenue or any other state tax authority. If you have an unresolved tax matter, please contact our firm to discuss how we can assist with this matter. With our assistance, we can help set you on the path to resolving any past issues as well as preparing you to plan properly for future tax years.

The Gartzman Law Firm, P.C., wants to remind you we are always here to help with any tax needs that you may have and we consider it an honor to work with you to resolve your tax matters.

Thank you for your loyalty and for allowing our firm to assist you with your legal and tax matters. You are the reason that we do what we do and we will continue to strive to make your legal and tax matters as painless as possible. Your business is appreciated and all referrals are welcome. Please mention our name to friends and family and please feel free to complete the attached evaluation form below and forward to us, so we can see how we are doing.

[Click here to provide valuable feedback!](#)

One of the greatest compliments you can give us is to allow us to continue to service your future legal and tax needs including preparation of future tax returns. Further, by referring your family and friends!

Sincerely,

The Gartzman Law Firm Team

Attorney Spotlight

Georgia State University Law
School graduate.



Oliver "Judson" Mallory
Associate Attorney with GLF for
over 5 years!

Staff Spotlight

Mercer University Graduate



Tabitha Relota
Client Service Manager & Legal
Assistant with GLF for over 5
years!

From our staff....Thank
you for the wonderful
opportunity to serve
you. Your business is
appreciated and your
referrals are
welcomed.

Please mention our
name to any friends
and/or family that may
need our services.

Knowledgeable, Determined and Experienced. IRS & State Tax Problem Representation Services Include:

Timely Tax Return Preparation
Delinquent Tax Return Preparation
Innocent Spouse Claims
Injured Spouse Claims
Offers in Compromise
Installment Payment Plans
IRS ID Theft Cases
IRS Penalties and Interest
State Tax Problems
Settle IRS Back Taxes
IRS Audits
Payroll Tax Problems
IRS Appeals
Foreign Bank Account (FBAR) Cases
Offshore Voluntary Disclosure Cases

Tennessee State Representative Blames His Accountant for Not Disclosing More Than \$300,000 in Earnings to the IRS

In a trial that began in early August, 2016, Tennessee State Representative Joe Armstrong is being tried for tax evasion stemming from not disclosing a gain of \$300,000 on his 2007 tax returns.

Prosecutors claim that Armstrong conspired with his accountant to hide proceeds from a scheme involving cigarette tax stamps. In 2007, Armstrong purchased \$250,000 of cigarette tax stamps just before the state legislature tripled the tax, only to resell them for a big profit.

Assistant U.S. Attorney argued in court that "Mr. Armstrong was motivated from the very start to hide this money. He said from the very beginning, 'No one can know about this. I can't be seen to profit from Big Tobacco' - his words."

Armstrong took the stand to blame his accountant for the failure to pay taxes on more than \$300,000 return on the cigarette tax stamp investment. His accountant pleaded guilty to federal charges and testified against Armstrong at his trial.

The jury found Armstrong guilty to one felony conviction for filing a false tax return. He faces a maximum of three years in prison and could also be fined as much as \$250,000 in restitution. Sentencing is November 2016. His felony conviction also disqualifies him from serving in the Legislature.

What Will They Think of Next? Another New Tax Scam

In yet another phishing attempt directed toward tax professionals, the IRS issued a warning to beware of receiving emails pretending to be tax software companies.

The emails come disguised as a software update in the form of an .exe file. But by clicking on the link contained in the email; embedded in the program is a keylogger, which allows the criminals to track the user's keystrokes, asking for information such as passwords, social security and credit card numbers.

Earlier this year, the IRS shut down its e-File PIN System after hackers used an "automated bot attack program" to access more than 100,000 returns.

Las Vegas Liquor Store Owners Gambled They Wouldn't Get Caught by the IRS

Jeffrey Novak, owner of Super Liquor which had three Las Vegas locations was found guilty of conspiring to defraud the United States and assisting in filing false corporate tax returns.

Novak's former business partner, Ramzi Suliman, pleaded guilty at his trial in July 2016.

Both Novak and Suliman were accused of skimming \$4 million during the tax years 2006 through 2008. The owners maintained three separate set of books; one with their true gross sales, one with the skimmed version that was sent to their accountant and the third compared the true sales versus the skimmed version.

The IRS maintains it lost over \$1 million due to false tax return filings. Both men are awaiting their sentencing trials.

Owner of Cyberschool Creates His Own Virtual Reality with the IRS

PA resident Nicholas Trombetta, founder of the Pennsylvania Cyber Charter School, pled guilty to tax conspiracy in a scheme to siphon funds from the school to other entities he created.

According to the plea, Trombetta admitted that from 2006 to 2013, he diverted over \$8 million from the school to his sister and four straw owners of a company he created, Avanti Management Group, to conceal the true amount of his income.

Trombetta set up the Avanti Management in 2008, which did contract work for the National Network of Digital Schools, which was a non-profit that Trombetta also established. The four straw owners he installed at Avanti had an agreement that Trombetta would later assume control and the four would receive \$500,000 each for reduced ownership.

Avanti Management Group made several land deals, including purchasing an apartment complex for \$276,000, which he later tore down and sold the empty lot to his non-profit, NNDS for \$900,000. Avanti and a related company, Palatine Development also purchased his former home in Steubenville, OH, his sister's home, a \$933,000 condo in Florida and a \$300,000 airplane.

Two of the straw owners became witnesses for the government and recorded their conversations with Trombetta. His sentencing trial is pending but could face up to 5 years in prison.

What is the "Jock Tax"?

Jock taxes have been around since the 1960's but the modern day version started after the Chicago Bulls defeated the Los Angeles Lakers in 1991 for the NBA Championship. The State of California informed Michael Jordan of the Bulls that he would owe state taxes for the days he played in California. In response, the State of Illinois said it would levy a jock tax on athletes from any state that imposed a tax on their athletes. The tax became known as "Michael Jordan's Revenge."

The theory behind the jock tax is that you are required to pay state income tax in the state you earn that income. There is a formula applied to calculate the percentage of income that is owed by the players.

Teams from Florida, Texas, Tennessee, Washington State and Washington D.C. do not pay jock taxes, as these states do not impose personal income taxes. Florida is home to five times more professional athletes than any other state.

Tax filing reminders

- October 17 - Deadline for filing your 2015 individual tax return if you requested an automatic six-month extension of the April deadline.
- October 17 - If you converted a regular IRA to a Roth in 2015 and now want to switch back to a regular IRA, this is the deadline to do so without penalty.
- October 17 - This is the last day to fund your Keogh or SEP plans if you requested an extension of time to file your tax return.

Note:

This newsletter includes general legal and tax topics of interest for a broad range of readers. It is not legal or tax advice that readers may rely on as a recommendation for their particular situation nor is it a promise or guarantee of a particular outcome or result.

-Free Telephone Consultation-

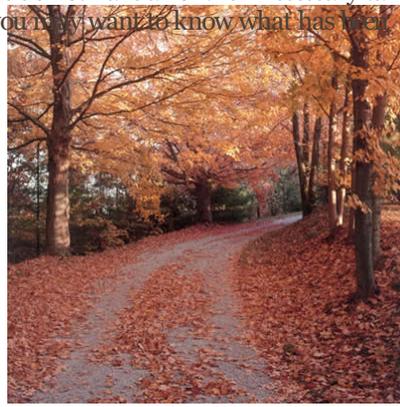
Mention this newsletter and receive a \$50 Discount off your Tax Return Preparation Services or \$100 Discount off any other Tax Service!

The greatest compliment you can give us is to refer us to family and Friends!



Transcript Review

We recognize that many people do not have all of their necessary tax preparation documentation, you may want to know what has been reported to the IRS for the current tax year or you may want to know what estimated tax payments have been applied to your account, that is why we recommend that our firm review your IRS transcripts yearly.



Our Price for Current Year Transcript Review:

\$150

Up to Two Past Year and Current Year Transcript Review: \$350

Full Compliance Check: \$650