



IRS

Myths & Facts

What happens when I owe to the IRS?

| Myths | Facts |
|---|---|
|  <p>The IRS will <u>not</u> take your home.</p> <p>The IRS hardly ever seizes people's property. They will never take your house that you live in. If you owe more than \$10,000, they may issue a Notice of Federal Tax Lien, which puts your debt on the public record, and means that money from selling your property goes towards your tax debt first.</p> |  <p>The IRS will take your future refunds.</p> <p>If you have a tax debt, the IRS will apply any refunds you are eligible for to the debt instead of giving them to you. Sometimes you can still get your refund if you have a financial emergency - consult a tax professional.</p> |
|  <p>You will <u>not</u> go to jail for owing taxes.</p> <p>You can never be incarcerated for being unable to pay your taxes (even if you owe a lot). Some crimes like tax fraud can carry prison sentences, but ordinary mistakes on personal income taxes aren't criminal.</p> |  <p>The IRS may take some of your future wages or social security income.</p> <p>If you owe a tax debt and the IRS believes you have the means to pay it, they have the power to "levy" a percentage of your wages or retirement social security income, or sometimes a bank account. However, they have to give you a written warning and a chance to appeal first.</p> |
|  <p>The IRS will <u>never</u> call you to demand payment.</p> <p>The IRS communicates with taxpayers primarily through mail. Unless the IRS told you to expect a phone call, any call claiming to be from the IRS is likely a scam, and you should make sure not to share any personal information.</p> | |

Where can I get help?

KYCC's Low Income Taxpayer Clinic helps clients understand and resolve issues with the IRS.

Services by appointment only.

Call: (213) 232 - 2700

Email: litc@kyccla.org