Statement of Facts for Principal Residence Skits

1.        Joe and Nancy filed joint tax returns from the time they were married in 1992 until 2014.

2.        In 2014-present, they filed married filing separately.

3.        In 2015 and 2016, Joe failed to report substantial gambling winnings, which resulted in taxes owed in the amounts of $35,000 and $22,000 for each year respectively.

4.       Joe received a notice of deficiency determining deficiencies for $35,000 and $22,000 for 2015 and 2016, but he failed to filed a petition with the Tax Court to contest those determinations.  After the expiration of 90 days from the issuance of the notice of deficiency, the IRS assessed the deficiencies.

5. The IRS then issued a notice of the assessment and a demand for payment, but Joe did not make any payment.

6.        During 2015-2017, Joe also began to spend beyond his means, including expensive trips to Las Vegas and Macau and purchases of luxury cars.

7.        Despite receiving several more notices and demands, Joe did not pay the liabilities.  The IRS filed a notice of tax lien in the appropriate location identifying, as property owned by Joe and his wife, the residence that he and Nancy had bought together in 2015 (see below).

8. Within five days of the filing of that notice of tax lien, the IRS notified Joe in writing of the filing of the notice of lien.  Although Joe was informed that he could obtain a hearing with the IRS Office of Appeals by making a written request (and stating the grounds) for such a hearing within 30 days, Joe made no such request.

9.      Joe did, however, call the IRS and say that he wanted to enter into an Offer in Compromise or an installment agreement.  He was told to submit a request, but he never did so.

10.        As noted, Joe and Nancy Smith had purchased a home together in Dallas, Texas, in 2015.

11.        Joe and Nancy separated in 2017, but are not divorced.

12.        Joe moved out of the house and rents an apartment.  Nancy continues to live in the house with their two minor children.

13.      In addition to giving money to Nancy to help pay the mortgage and for childcare, Joe also pays for his mother’s assisted-living care.

14.      The IRS/DOJ seeks approval of an IRS administrative levy on the principal residence of Joe and Nancy Smith from the United States District Court for the Northern District of Texas.