



Law Office of  
**KEVIN F. JURSKINSKI**  
& Associates

## **Abatement of Federal Income Tax Penalties**

**by:**

**Attorney Justin T. Mooney, LL.M.**

The Law Office of Kevin F. Jursinski and Associates often receives inquiries regarding income tax issues. Due to our firm's background and extensive experience in federal and state taxation, we are keenly aware of various issues that one may encounter.

### **Firm Background**

The Law Office of Kevin F. Jursinski & Associates is a 35-year-old, AV-Preeminent Rated firm. Attorney Justin Mooney has a Master of Law (L.L.M.) in Taxation. In fact, Attorney Mooney spent the beginning of his career as a tax controversy attorney working with clients to resolve tax issues with the IRS and state tax entities in Maryland, Virginia, Washington D.C., and Florida. As you read this article, we hope that the points addressed will assist you in your particular situation.

### **Penalties in General**

When ensuring compliance with federal tax rules, there are two primary concerns: timely payment and timely filing. Most taxpayers have sufficient income taxes withheld from their paycheck as employees. If you are not an employee, you likely satisfy the timely payment element by remitting quarterly taxes. For most taxpayers, they file their federal tax returns on or before April 15th, or by October 15th if an extension is timely filed.

If life gets in the way of timely filing your returns or timely paying your taxes, the IRS will assess an automatic penalty for those failures. These penalties are maximized at 25% of the unpaid tax liability. In addition, interest will accrue on both the unpaid tax and outstanding penalties.

### **First Time Abatement**

For taxpayers that are generally in compliance, the IRS provides a "get out of jail free" card known as the First Time Abatement ("FTA"). If in the previous three (3) years, a taxpayer has incurred no filing or payment penalties but does so in the following year, the IRS will abate the related penalties. Further, assuming the taxpayer incurs no penalties for another three (3) years, the taxpayer may be able to use the FTA again.

*Kevin F. Jursinski, B.C.S. Florida Bar Board Certified Real Estate Law, Business Litigation and Construction Law Attorney ©Law Office of Kevin F. Jursinski & Associates*

## **Abatement in General**

If you do not qualify for a FTA, the IRS provides that abatement may be granted where there was reasonable cause for the failure to pay and/or file. The IRS will review the facts and circumstances of each request to determine whether abatement is warranted. Such relief may be granted:

1. The taxpayer exercised ordinary business care but was still unable to comply with the tax rules;
2. The taxpayer was seriously ill;
3. There was a death or serious illness in the taxpayer's immediate family;
4. The taxpayer died;
5. A natural disaster or man-made casualty affected the taxpayer; or
6. The taxpayer relied on erroneous advice.

Please note that such abatements are not automatic and still subject to the IRS finding reasonable cause after its review of the relevant facts and circumstances.

## **Summary:**

This is an overview of minor tax issues of penalties that all taxpayers may face. If you have incurred federal tax penalties, we are here to help. Please feel free to call or email us and we can provide further information:

Law Office of Kevin F. Jursinski & Associates  
15701 S. Tamiami Trail, Fort Myers, FL 33908  
(239) 337-1147

- Justin T. Mooney, LL.M. – [Justin@KFJLaw.com](mailto:Justin@KFJLaw.com)

## **Disclaimer as to legal advice**

*Please consider the above article as a general discussion of issues surrounding taxation. Each particular client is unique. The information contained in this article is intended as general guide legal issues involving taxation.*

*This article should not be relied upon as legal advice on tax advice provided to the reader but only as general and not specific information.*

*Before making any decisions, it is suggested that the reader retain appropriate legal or tax counsel to provide specific advice on their particular issue and not intended to provide specific legal advice to any particular reader of this article on his/her specific situation.*