Eliminating Debt and Combating Poverty

IRS and Child Support Arrears

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ABA: -Standing Committee on Legal Aid and Indigent Defendants
    -Liaison Commission on Homeless and Poverty
    -Liaison Coordinating Committee Veterans Benefits and Services
Combating Poverty: IRS Tax Issues and Child Support Arrearages

- If you are low income/poverty, there can be barriers to successfully maneuver through these agencies
- IRS and Courts/Department of Child Support (DCSS) are large intimidating agencies
- These types of debts have serious and profound consequences ... Pushes/keeps individuals into poverty
IRS Tax Debt

- IRS is in the business of Collection
- Collection Power
- Wages, Assets, including Social Security Benefits
- Notice of Levy
IRS Tax Remedies

- **Offer in Compromise**
  - Offer an amount less than what is owed
  - Based on Hardship/Equity

- **Innocent Spousal Relief**
  - Spouse not liable based on equity

- **Non-Collectible Status**
  - Suspends collection
  - Interest and penalties still accrue

- **Payment Plan**
  - Monthly periodic payments

- **Statute of Limitations**
  - 10 Years from date of Assessment

- **Tax Court**
Earned Income Tax Credit (EITC)

- Provided great relief to low wage tax earners
- However, high percentage of Audits
- Low-income taxpayers greatly affected if not able to overcome audit. Pushes/keeps individuals into poverty
Low-Income Taxpayer Clinics

- Located in every state
- Provides **free** assistance/representation to low-income taxpayers
- Taxpayer Advocate Service (TAS): Also provides free assistance to taxpayers
Why Address Child Support Arrearages?

- Orders may not be sustainable/payable
- Affects ability work: suspension of driver’s license, credit reports
- Barriers to Custody and Family Unification
- Forces to live under radar
- Creates Loss of Incentive to Work
- Pushes individuals more into Poverty
Why is addressing Child Support so daunting?

- Intimidating
- Lack of resources
- Court process is difficult
- Public Policy of Child Support payments and dead beat syndrome
Addressing Child Support Arrearages in a Meaningful and Innovative Manner

- Veteran’s Child Support Summit: Goal and Purpose
- Brought together important collaboratives
- Federal Department of Child Support Services
Putting the Puzzle Together

- Meaningful assistance to the low-income community requires in-depth assistance and finding the right resources

- ABA: Commission on Homeless and Poverty; Coordinating Committee on Veterans Benefits and Services; Standing Committee on Legal Aid and Indigent Defendants
Why are we Here?

• We must look to find innovative ways how to eliminate debt to help combat poverty
• It takes all of us!
• Take away from the conference and be Active!
THANK YOU!

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