

Attorney General Bruning issued an this tax season, encouraging consumers to be wary of companies promising tax debt reduction or elimination—especially with fees.

Regardless of what tax-relief companies may promise, total federal tax-debt forgiveness is rare.

In very limited circumstances, the IRS may offer a reduction, or abatement, for penalties due in special hardship situations. However, reducing the amount of interest owed on back taxes is almost never an option. And, it's best to work directly with the IRS to negotiate a payment plan for unpaid tax debt.

According to the IRS, there are legitimate options offered for those with unpaid tax debt:

- An installment agreement is generally available to people who can't pay their tax debt in full at one time. The program allows people to make smaller monthly payments.
- An Offer in Compromise (OIC) lets taxpayers permanently settle their tax debt for less than the amount they owe. Eligibility is only considered after all other payment options have been exhausted.

Consumers may also contact the Taxpayer Advocate Service at 877-777-4778. The service provides free guidance to people experiencing financial difficulties or those who need help resolving a problem with the IRS.

Tips for those with tax-debt:

- Review and keep all notices from the IRS.
- Discuss collection alternatives with the IRS directly or an authorized tax professional.
- Ignore promises claiming to know who is qualified or eligible for tax relief programs.
- Don't pay up front for unknown results.

For more information visit irs.gov. For information on consumer-related scams, contact the Attorney General's Office Consumer Hotline at (800) 727-6432 or visit www.ago.ne.gov.