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The Internal Revenue Service has announced the results of a national two-week education and enforcement campaign to combat employment tax crimes featuring visits to nearly 100 businesses showing signs of potential serious noncompliance and taking several dozen legal actions against suspected criminals.

Payroll taxes withheld by employers account for nearly 72 percent of all revenue collected by the IRS, making noncompliance and cheating in this area one of the biggest problems for the nation's tax system. Payroll taxes are a priority area for the

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IRS revenue officers visited nearly 100 businesses around the country suspected of having serious issues with employment tax compliance. Business owners were informed about ways to catch up with back payroll taxes, how to stay current and the potential for civil and criminal penalties. The Trust Fund Recovery Penalty is one example of the legal ramifications of not collecting, accounting for and paying payroll taxes to the IRS when required.

“Enforcement is never our first resort, but protecting this significant source of revenue to the nation deserves our best efforts, including reaching out to help businesses help themselves,” said Darren Guillot, Director of IRS Field Collection Operations.

On the criminal enforcement side, IRS CI worked with the Department of Justice Tax Division and U.S. attorneys around the nation to focus on about 50 law enforcement actions related to employment tax crimes.

During the two weeks, IRS CI indicted 12 individuals, executed four search warrants and saw six individuals or businesses sentenced for crimes associated with payroll taxes. In addition to these early numbers, roughly two dozen more enforcement actions are planned in the weeks following the two-week campaign as well.

“Employers know the rules—they must deposit and report employment taxes accurately—this is non-negotiable,” said Don Fort, Chief of IRS Criminal Investigation. “When employers fail to pay over the required employment taxes for whatever reason, they skip out on one of their most important responsibilities as a business owner. Not only are those employers cheating the system and their employees, they are cheating future generations relying on those taxes to help build the future.”

The IRS has several tools to bolster payroll tax compliance including educational

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