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**TAXES**

# Sioux City CPA Found Not Guilty of Filing False Tax Returns

"I'm looking forward to finally being able to move on with my life," said David Schmit, partner at King, Reinsch, Prosser & Co.

Aug. 01, 2022



Gavel on desk. Isolated with good copy space. Dramatic lighting.

A federal jury on Thursday found a partner at Sioux City's oldest accounting firm not guilty of filing false personal income tax returns and providing fraudulent information to IRS auditors.

David Schmit, of Sioux City, was tried in U.S. District Court in Sioux City on two counts of filing false tax returns for the 2012-14 tax years and one count of corruptly obstructing and impeding the due administration of the internal revenue code.

In a statement provided by his legal team, Schmit summed up the past half-decade and talked about the support he received.

“While I was confident in my innocence and had the support of those who know me well, fighting the resources of the federal government for the last five years and this trial were very difficult,” Schmit said. “I’m looking forward to finally being able to move on with my life. I’m most grateful for the jury’s careful consideration of the facts and also appreciative of my legal team’s expert guidance and my family’s unwavering support.”

Schmit, a partner at King, Reinsch, Prosser & Co., also known as KRP, was indicted in 2019. He had taken a leave of absence from the firm while dealing with his legal issues. The statement provided by his legal team did not say if he will remain on a personal leave of absence for the time being or when he will go back to work.

Schmit was charged with incorrectly reporting and overstating certain deductions by failing to reduce the purchase price by the value of a depreciated trade-in for farm equipment, resulting in under-reported income on his personal tax returns. He also was charged with providing fraudulent invoices/receipts to the Internal Revenue Service during an audit. The allegations did not pertain to any of his clients.

His attorney had said the allegations reflected “a good-faith tax disagreement” about purchases of equipment for Schmit’s family farm operations. After the verdict, Schmit’s legal team added that they believed he was “subjected to a rush to judgement by the IRS.”

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