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Dear IRS and Franchise Tax Board:

I'm enclosing my tax returns. However, I think my tax preparer made many mistakes in not showing my many expenses for 2012, and I will be having another tax preparation company redo these and resubmit them. The tax preparation company advised me to submit these returns, rather than file an extension.

Currently, my tax returns show me owing \$1799 to the IRS and \$6306 to the State of California. However, I am not in a position to pay either tax.

The high tax is because I sold my house, though I paid no taxes before due to high expenses for my business as a writer. I sold my house, because I was forced into defaulting on my mortgage, since three credit card companies – the Bank of America, Wells Fargo, and CitiCards – reduced my credit line by \$40,000, though I had been paying my credit card charges regularly for nearly 20 years. They reduced my credit line because they judged the loan ratio to value too high, since I had been borrowing on these cards to supplement the lower income I experienced for a few years due to the Great Recession. Then, just as I was starting to get back on my feet, I lost this access to credit and sold my house as an alternative to letting it go into foreclosure and filing for bankruptcy, while staying there as long as I could.

But now, just as I was getting ready to start over, I got a tax bill for \$8000, which could wipe me out and put me out on the street, since I am in a business that is very unpredictable. I work primarily as a writer, mostly of books, and the publishing industry has gone through a great upheaval. I had been planning to file for bankruptcy, since the mortgage meltdown resulted in my not being able to pay about \$90,000 in credit card debts. But now with the tax bill, I can't file for bankruptcy, since taxes can't be discharged for three years. And I can't afford to pay you now, since I am between clients and am earning less than the cost of my rent and other basic monthly expenses.

Once I have my tax returns corrected, it may be that I will not owe you anything. But otherwise, I can't afford an \$8000 payment for taxes now, since I am too close to the edge and need that money as a safety net to keep from falling off, until my business increases again to where it was before I lost my house.

Sincerely,

Gini Graham Scott