

July 4-10, 2009

TheSouthAsianTimes.com

'Audit-Jihad on America to collect tax dues'

By Prakaash M Swami

New York (SATimes): Year 2009 will be remembered for the brutal economic bloodshed that affected every business, employee and retiree. Many industries, not to talk of corporations shall cease to exist and the pain and agony would continue in 2010. The country will see some fresh air only in the second quarter of 2011.

Addressing a gathering organized by Hindu Community Outreach at Saraswati Hall of the Hindu Temple in Flushing, Queens on "The Stimulus Package: Strategies for Survival", Sushil Kumar, CEO of Trinity Tax & Fin Solutions, certified public accountants and wealth builders, New York, said, "We are in the midst of an era of public sector, rising socialism and government with tough laws and increased enforcement. The country is witnessing tougher SEC guidelines, Treasury, IRS, FDIC, OSHA & EPA laws. The IRS has started an "Audit-Jihad on America" to collect the last dollar. There is under reporting of income to the tune of \$ 345 billion to bridge the gap in the federal budget, which is to the tune of \$ 1.8 Trillion! Using GPS tech-



Ms. Sushma Kotahwala, president of Association of Indians in America (AIA) New York chapter presenting a hamper to a winner in the raffle draw while Sushil Kumar looks on (Photo: Prakaash M Swami)

nology, the government may be snooping on you and if you add additional constructions to your home, you may get an increased property tax notice with the photo of your home taken from Satellite."

Also offshore accounts are going to be targeted as a source of income. It is going to be impossible to escape the US financial system, he added.

"Burglaries are on the rise and prison systems are overflowing. Do not leave your jewelries in the

banks and if you are, make sure that banks exist. Burglars know that the Indian community is the only ethnic community that is in possession of a lot of gold and expensive jewelry."

For job seekers, he said, the new sectors where positions would become available will be energy and green sector, repairs maintenance and construction besides the government sector. It is easy to start a business now and put together a plan as finance is a secondary issue.

Generation of an idea and marketing is the key. Several non-profits are looking for business graduates and job hunting expenses can be deducted in the next year's tax return.

In 1980 approximately 20 percent of the employment was created with Fortune 500 companies but in 1990 it shrank to 10 percent and by 2000 it has fallen drastically. Small businesses have always been the engine of both revenue and employment in the US.

He said those who are being fired can negotiate for severance package and immediately start networking for jobs, not run up on debts and take odd jobs for cash. It's better to have bare bones budget, he added.

Talking on survival plans for an employee, he said, "Get into business while you are working as the best time to build a business is now. Banks shall lend money against the business when one has a job. It's better to give up the credit card that promises to accumulate miles. They will expire very soon and even the airline may not exist to honor the points. It's advisable to get a new card that gives cash back." Always have a CPA as a

trusted advisor by your side and it helps in the long and short run he advised.

Touching upon the topic of the housing sector, he said house prices have declined considerably and a homeowner should talk to a property or a contingent lawyer and get property taxes re-assessed.

He said house prices in Florida have fallen by 40-50 percent. The home prices in Florida never appreciated since the last 20 years and it's not advisable to buy property there as an investment. Moreover the condo associations do not have the money to pay the maintenance of the buildings and garbage pickups resulting in landlords passing on the responsibility to the tenants to pay the condo fees in addition to the rent. For consumers, he said renegotiate like never before with all vendors including telephone, cell phone, cable and utility companies for better rates. Review all insurance policies but do not cancel any of them, he suggested.

"What worries me about the credit crunch is that if one of my checks is returned stamped "Insufficient funds", I don't know whether that refers to my funds or the bank's," he said amidst laughter.