Anneken, Huey & Moser PLLC
Certified Public Accountants
Engaged. Responsive. Future-focused.

Here's the Tax Beat broadcast for October 29

Subject Line: When the IRS Goes Out for Hot Dogs

What happens when the taxman stops taxing and starts grilling? No, this isn't a new IRS compliance program focused on "Ketchup Carryforwards." It's a real story from the latest federal government shutdown. A 31-year-old IRS attorney named Isaac Stein, whose day job involves tax rules surrounding employee benefits, found himself selling hot dogs on the corner of First and M Street to pay his bills. He's named his cart "Shysters," and calls it "the only honest ripoff in DC." His biggest seller is "The Correct Hot Dog and Drink," for $10, and includes a "steamed hot dog and buns served with spicy brown mustard and sauerkraut." Anything else is "the wrong toppings" and costs a dollar extra. It's great fodder for late-night comedians. But frankly, the consequences aren't all buns and giggles.

A shutdown means the IRS goes into a strange kind of hibernation. Tens of thousands of IRS employees are furloughed. The skeleton crew still working can only handle "essential" services, like taking your money. They're processing payments from taxpayers (after going paperless on October 1). But they're not helping resolve notices, answering phones, moving audits along, processing amended returns, or issuing new guidance. It's like running a restaurant where the servers are gone, the cooks are missing, and the only person left is the cashier. Who still wants money, even though you aren't getting fed?

That's the comical part. The serious part is what this means for taxpayers and the professionals who keep them out of trouble. When tax administration slows down, tax planning gets harder. Refunds can be delayed, which is especially tough for business owners who rely on cash flow. Tax disputes drag on long after patience runs out. That new piece of guidance you were waiting for? It's waiting in line behind a mountain of paper that's starting to look like the warehouse at the end of *Raiders of the Lost Ark*. (Who's going to handle your tax problem? *Top. Men*.)

Shutdowns cause uncertainty. And uncertainty is itself a cost. It forces business owners to make decisions with less information. That sometimes means paying more tax just to avoid future problems. Meanwhile, the rules still apply. Money keeps coming in, payroll taxes still hit, and gains continue to be realized. The IRS can't send you help today, but they can absolutely send you penalties tomorrow.

Sure, a lawyer grilling wieners for strangers is an irresistible visual. But the deeper lesson is this: When the IRS goes dark, the rules don't disappear—they just get harder to follow. And once the shutdown ends? All those stalled returns, notices, and audits roar back to life at once. If you enjoy the thought of excavators tearing into the White House East Wing, you'll love the sound of an IRS backlog waking up.

Someday this shutdown will end. The tax code won't. Nor will your obligation to pay what you owe (even after we worked our magic to minimize that amount). So what should you do while the IRS naps? Control what you can control. Review withholdings and estimated taxes. Clean up documentation you've been meaning to tackle. Take a proactive look at your business structure and the timing of income and deductions. Let us help you prepare for slower-than-usual responses from the government and give you a buffer before year-end planning gets rushed. Go ahead and enjoy a laugh while an IRS attorney flips hot dogs for tourists. Just make sure you aren't the one getting burned. The only thing worse than paying tax is paying unexpected tax.

And if the IRS ever does roll out a food truck, one thing is certain. They'll definitely want a tip.

Kevin