

## TRUST FUND TAX OBLIGATIONS - 4/19/2014

A recent case illustrates the broad application of the trust fund penalty for responsible parties when it comes to employment taxes. In a district court case, several officers of a corporation were found to be responsible for the trust fund portion of the company's unmet payroll tax obligations, including obligations that accrued before the officers were even aware of the shortfall.

As the court noted, after the officers learned of the obligations, the subsequent failure to use available company funds to address the overdue obligations was enough to establish a willful failure to pay the obligations, and the officers were held liable for trust fund penalties that predated their actual knowledge of the company's failure to pay its payroll taxes.

If your company has unmet payroll tax obligations, please contact one of the tax attorneys at Fletcher Tilton for assistance.

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