

QUESTIONS ON THE UNITED STATES TREASURY

What are the penalties for tax evasion in the United States and how does the United States Treasury protect itself against people who try to get away without paying their share of taxes?

Tax evaders are dealt with severely and promptly by the Government authorities. Each case is handled individually. If there has not been a premeditated mistake, every effort is made to correct it. Deliberate evasions, on the other hand, draw a penalty of payment plus 50 per cent levy on the original tax. Tax evaders may also be sentenced to jail, depending on the severity of the case.

It is difficult for the Treasury to check every income tax from that is handed in each year — the figure runs into the tens of millions. Nevertheless to protect itself against people who do not pay their share of taxes, the government recently set up an audit program which selects a sample from every neighbourhood, every wage group and every profession — The tax people can also estimate pretty closely just about how much income tax should be paid according to job classification, manner of living and size of family.