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THE TAX LAWYER

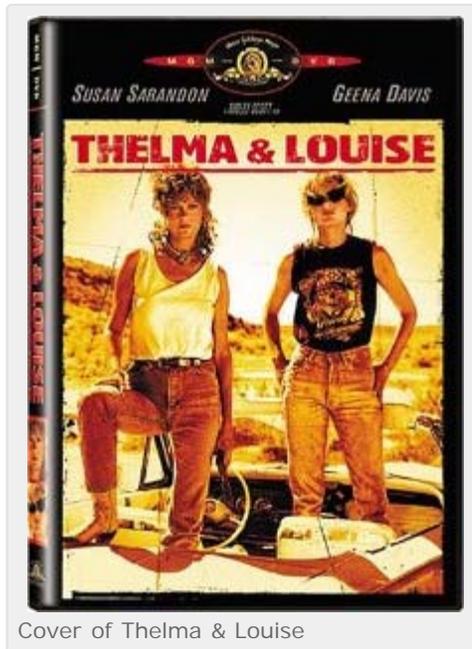
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### Lindsay Lohan's Thelma & Louise Crime Spree Trumps Tax Claims

[Lindsay Lohan](#) was mediocre in [Liz & Dick](#), but in real life she can play Thelma & Louise all by herself. Her latest is a New York third degree assault charge stemming from an alleged club brawl. Four charges in two states on one day? That's a lot even for Charlie Sheen. See [Lindsay Lohan faces four criminal charges in LA and NY on same day](#).

The icing on the cake is that Lohan is still on probation for felony jewelry theft. It makes her tax problems seem miniscule. But let's not forget that Al Capone was brought down by milquetoast sounding tax evasion, not murder, graft or racketeering.

Lohan's tax mishaps involve a [\\$94K tax lien](#) for 2009 and [another lien](#) just under \$150K for 2010. Charlie Sheen coughed up [\\$100,000 to help cover her tax debt](#). But unless Sheen's \$100K was a loan, more taxes may be due from Sheen or Lohan. When someone pays your debt the IRS treats it as income. See [Ten Things To Know About COD Income](#).



Cover of Thelma & Louise

Sheen may have meant it as a gift to his pal, but then might have to pay gift tax. He can give \$13K to anyone free of gift tax each year, but to give \$100K he'd either have to use his lifetime credit (if he hasn't already) or pay gift tax. See [Grab The \\$5M Gift And Estate Tax Perk: It's Gone In 2013](#).

As for Lohan, these are hardly Al Capone tax charges. In fact, they are not charges at all but merely civil bills. Sure, it's embarrassing to have the IRS file public documents indicating you're a tax deadbeat. See [Lindsay Lohan — IRS Cracking Down Over Massive Tax Debt](#).

Tax liens hurt credit ratings and prevent real estate closings, but they are a blip on Lohan's radar. Most people shouldn't let their tax situation get to the lien filing stage if they can prevent it. Take tax notices and letters seriously. See [Got A Tax Notice? Here's What To Do](#).

Lohan will need to deal with the tax notices, but her biggest tax problem may be how to deduct all her legal fees. See [The Only Good Legal Fees Are Tax Deductible Legal Fees](#). Many celebs argue their legal fees are deductible because of their reputation. [When High-Priced Celebrity Lawyers Are Tax Deductible](#). Consider:

- [Winona Ryder](#), over alleged shoplifting.
- [Robert Blake](#), accused of killing his wife.
- Telephone-brandishing supermodel [Naomi Campbell](#).
- [Martha Stewart](#) over obstruction of justice.

Still, the granddaddy celebrity legal fiasco was Michael Jackson's molestation trial. Some estimate the King of Pop spent \$20 million on legal fees. I don't know if he deducted them. See [When High-Priced Celebrity Lawyers Are Tax Deductible](#).

But ironically, Dr. Conrad Murray could probably deduct his fees for being prosecuted in connection with Jackson's death. See [Michael Jackson Death Doctor Can Deduct His Legal Fees](#). After all, he was treating Michael Jackson and being paid for it. Whether he was facing a civil malpractice trial or a criminal trial, his legal expenses related to his trade or business. That's so even though he was convicted.

It's true that expenses must be [ordinary, necessary and reasonable](#) to be deductible, but standards are fairly modest. See [Stars And Their Legal Fees: Another Red Carpet?](#) For Lohan, unless Sheen steps forward again, she could use the help.

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