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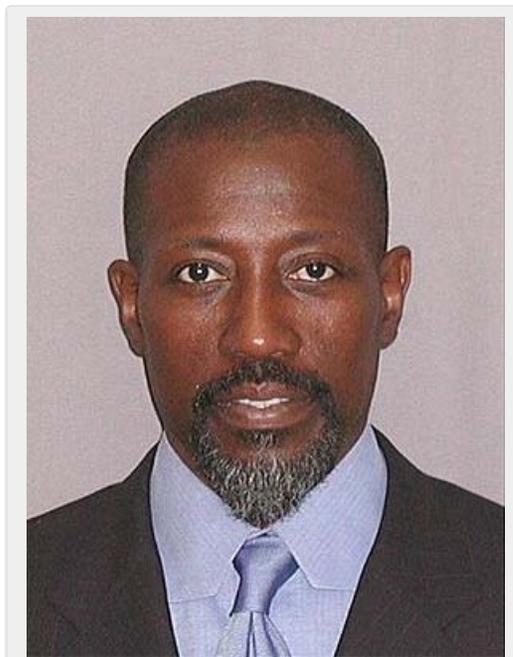
Wesley Snipes Turns 50 In Prison But Didn't File False Tax Return

Wesley Snipes just celebrated his 50th birthday—in federal prison. The film star remains there over tax charges. See [Actor's depressing 50th birthday](#). You may think Snipes was misled by advisers or just plain foolish to end up in jail over tax charges.

Maybe, but he's not alone and it could have been much worse. After all, Snipes was convicted of failure to file, a misdemeanor. Filing falsely is a felony. You can be prosecuted for failure to file or for filing falsely.

You must file a tax return each year with the IRS if your income is over the requisite level. Snipes is over, **way** over. As Snipes' misdemeanor convictions show, failing to file carries smaller penalties than filing fraudulently.

The U.S. taxes all income wherever you earn it. So forget arguing that only foreign-source income is taxable, making your domestic income exempt. There is a convoluted argument that foreign income is different, but don't bother making it.



Mug shot of Wesley Snipes. (Photo credit: Wikipedia)

In fact, a variation of this bogus theory is the one that got Mr. Snipes in trouble, consigned to three years in prison. Stay away from other crazy arguments too.

Example: You file your original return April 15 and state you aren't subject to income taxes because they are unconstitutional and you are not a slave to the federal government. You had better file an amended tax return properly reporting your income and paying your tax **before** the IRS contacts you to tell you they disagree with your original return. See [Ten Tax Protestor Claims To Avoid](#).

Once you've filed your return, you can't be prosecuted for failing to file an amended return, even though something may happen after you file that makes clear your original return contained mistakes. Yet if you knew the return was inaccurate when you filed it you should amend it to make it accurate without delay.

The IRS rarely brings up an originally filed return in audits or criminal prosecutions once the taxpayer comes forward and attempts to correct it by filing an amended return. But to take advantage of this rule you need to be proactive. You need to make the correction **before** the IRS finds your error.

In 2008, Snipes was [convicted of three misdemeanor counts](#) of failing to file tax returns. He reported to prison on December 9, 2010. He was initially sentenced to [McKeon Federal Correctional Institution](#), a medium-security prison in northwest Pennsylvania. He is now at the adjacent prison camp, a minimum security [Club Fed](#), where he is inmate number 43355-018.

According to [E! Online](#), this federal prison camp houses roughly 290 white-collar inmates. Remember Snipes in "[White Men Can't Jump](#)"? Perhaps in his new digs Snipes should start shooting a sequel: "While-Collar Men Can't Jump."

In his immensely successful screen life, Snipes normally cares about film release dates. But his next release date is more important: He's scheduled for a July 19, 2013 release. That means less than a year to go.

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Settlement Payments (4th Ed. 2009 with 2012 Supplement, [Tax Institute](#)), he can be reached at Wood@WoodLLP.com. This discussion is not intended as legal advice, and cannot be relied upon for any purpose without the services of a qualified professional.