

# Tax battles can be won, says IRS-fighting lawyer

When Donald W. MacPherson dresses for success, he wears army fatigues.

MacPherson appears in full combat gear on the cover of his 1989 book, in his black-and-white glossy publicity photo, and maybe even in the Phoenix office where he practices law.

MacPherson, a West Point graduate, rose to the rank of captain during his 1½ years in Vietnam.

He's far from Vietnam, but MacPherson is still waging war – against the Internal Revenue Service in tax-protest cases.

His Vietnam experience, and his legal defense of taxpayers who have been criminally charged by the IRS, are described in his book, *Tax Fraud & Evasion: The War Stories*.

The book is not a “how-to” guide. But it does help, through descriptions of real cases, demystify the IRS, which MacPherson calls everything from a “bully with a soft belly” and a “coward” to a “paper tiger,” “beast” and “monster.”

The IRS purposely scares and intimidates taxpayers so they will pay without asking questions, MacPherson says.

But tax battles can be won, he says. “No longer be intimidated by fear of IRS prosecution – arm yourself with knowledge.”

MacPherson then debunks a few of the most common tax myths:

- **You have to have receipts in order to deduct.**

Wrong. The IRS prefers to have receipts but they are not absolutely necessary for allowable deductions, he says. Not having a receipt, for whatever reason, is no reason not to deduct an expense.

- **You cannot refuse an audit.**

Not true. Taxpayers have the option of arguing their case in tax court instead of being audited, says MacPherson.

His experience in tax court tells him: “The government is typically willing to settle.”

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- **Taxpayers who fight the IRS will be punished with future audits.**

Quite the contrary. “IRS agents by and large like to take the path of least resistance.” MacPherson, by the way, has never been audited.

- **You cannot discharge tax debts by filing a petition for bankruptcy.**

Oh yes you can. Macpherson says taxes can be discharged under Chapter 13 even if no return was filed, the return was filed late or a fraudulent return was filed.

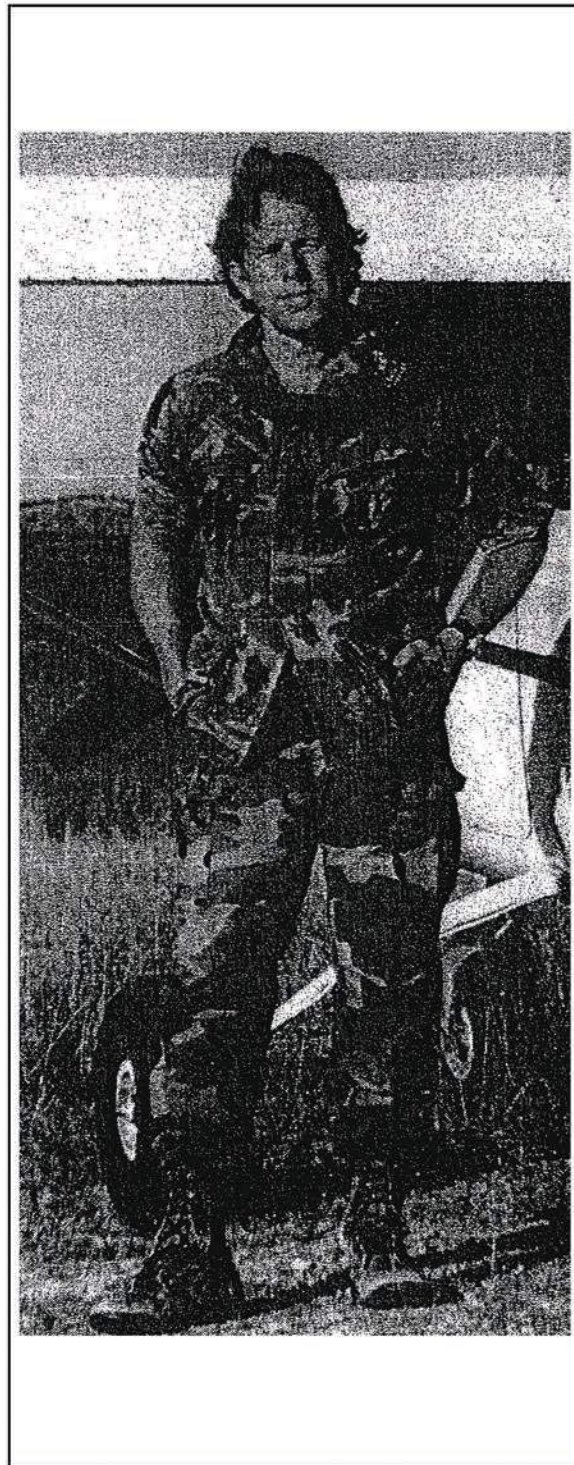
His clients may thumb their noses at the IRS, but MacPherson doesn't encourage them to go so far as to break the law. He just wants the laws to be enforced fairly and taxpayers to understand their rights.

Back in 1776, John Adams said, “Fear is the foundation of most governments.”

Fear remains the foundation of the IRS, MacPherson says, and it's time for structural changes. A sales tax or federal lottery, without loopholes for special interest groups, would be a better way to finance government, he says.

Garnering support for such a drastic revamping of the system won't be easy, but MacPherson doesn't seem to be daunted by tough, or even hopeless, causes:

He was an attorney for ex-Gov. Evan Mecham in his failed attempt to overturn the impeachment conviction.



**Combat-ready look sets stage for Phoenix lawyer Donald MacPherson's book on waging war against the Internal Revenue Service. (Photo: Ryan MacPherson)**