



## I Just Paid Off a \$520,000 Federal Tax Lien: Part 2

Hosted by: Joe McCall

All right, guys, hey, Joe McCall here, REI In Your Car podcast. This is part two of my confession series of how I just paid off a five hundred- and twenty-thousand-dollar federal IRS tax lean and it's humiliating. It's embarrassing. It's hard to talk about. But I'm bringing it up for a couple of reasons. Number one, the biggest reason I think is so that it might maybe help some of you guys, you know, number one and one a would be it encourage you if you are facing tax problems like you're not alone, because I thought I was the only one and I found out later I'm not, but also one B. It's so that you can avoid the same mistakes I've made. OK, if you're in the business, whatever, if it's doing deals or selling cars or selling digital marketing, Internet marketing stuff, if you want to not be an idiot like me, then pay your taxes. Right. Simple as that.

The other main reason why I'm sharing this is just to you know, I feel like this is kind of weird and I don't know if this makes any sense. And I'm probably just this is self-serving and it's just my pride because I know it's not about me, but, yeah, I'm really embarrassed about it. And I kind of want to share it publicly before one of my haters finds out about it and shares it publicly. You know what I'm saying? Like, I'd rather reveal it now to the world, especially since I've paid it off. But I want to reveal it now and then, not later when somebody does an exposé on this quote unquote, guru, scam artist Joe McCall, you know, and that's something that honestly is something that I'm really frustrated with. You know, like sometimes what I do is in reaction to or in fear of what the trolls might do or say or think of me. Right. Like, you know, I shouldn't be worried or concerned about what people think of me. I really shouldn't. And when I first found out about this IRS, the serious tax problem that I had, you know, I was afraid of getting in, going to jail and what were they going to kick me out of my house? And like, I was afraid of all that. But I was also afraid of, like, what are people going to think of me? You know, what are my students going to think of me? What are my peers going to think of me? What are my enemies going to think of me? And like, what if somebody finds out? And it's so frustrating, like when I'm doing a live webinar and I'm worried about somebody seeing my, you know, or podcast or I'm doing because I do a lot of things



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live. And what if somebody sees the address of my home and then they look me up and they see that I have these IRS liens attached to my home? You know, in fact, somebody out there probably already has. You know, I'm almost positive of it. Like somebody already knows and they're like, nice enough not to tell the whole world about it, but. All right.

So anyway, I want to talk about in this podcast episode, some of my biggest lessons learned through all of this. And this is not in order of importance. This is just kind of at the top of my head as I was writing down some things that I want to share, what are my biggest lessons learned? And one of the top ones is don't mess with the IRS, OK? You I don't care if you're a libertarian, conservative, liberal Democrat. If you think you know that I heard that the IRS is illegal, and you shouldn't no one should have to pay taxes or we're paying too much taxes or we're not paying enough in taxes. Like most people listening to this probably don't think that. But there are some people that are that do. And but here's the thing. You don't want to mess with the IRS. They are all powerful next to God. There's like God and then the federal government, OK? And they have the right to take everything away from you if you don't pay your taxes. So you need to take it seriously.

You need to take it seriously. Which leads to my next big lesson learned is Profit First. Any of you guys that have not gotten that book yet and not just gotten it because I know some of you get it, you don't do anything with it or you read half of it like I did. You need to read the entire book, OK? And you probably if you're like me, you're going to think, well, I'll just do it myself. No, you need to hire a bookkeeper or an accountant to do it for you, to implement it for you. That book is so good because most of us operate like a checkbook business, like we just look at the checkbook and say, all right, well, this is what I have left. This is how much money I have. This is how much I can spend. Absolutely wrong it's false. You know, the whole premise of the profit first book is most people look at revenue minus expenses equals profit. And we need to reverse that. We need to look at revenue minus profit and then minus taxes, minus paying yourself. And then whatever's left over is what you have for overhead and expenses. And if you follow that model, your business will always be profitable. And so when I finally woke up and got slapped across the head a couple, three times before it finally hit me and dawned on me what my problem was, I'm like, OK, all right, all right, all right. I surrender, I give up, I'm going to do it. And so I read profit first again, but this time with the



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mind of I'm going to do it. And I realized I can't do this. I don't trust myself. I'm not good with numbers.

And I think the other big lesson in this is recognizing your weaknesses and what you're good at and what you're not good at. Right. So I immediately hired somebody and I paid her a lot of money and I said, I want you to implement this for me and don't let me even dissuade you otherwise. OK, so every dollar that started coming in, we would put it was almost twenty-five, thirty five percent to taxes and it was paying my current taxes. The next thing I did is I put myself on a payroll. So instead of just withdrawing money from my business whenever I needed it, I started putting myself on a paycheck. I didn't put myself on a budget necessarily, but I did spend a lot of time looking at my expenses and I cut out a ton of crap that I don't use or need anymore.

Got rid of it all and not all of it. But I got rid of a lot of stuff and every dollar that came in would go a certain percentage of it. I think it was like 10 or 15 percent. It wasn't a whole lot. Well, I mean, it is because it's the gross it's 10 percent of the gross or 12, 15 percent of the gross goes to your current taxes. And so I put myself on payroll. So I have an EZCORP and an LLC and I don't know how it works, but I get paid every two weeks. And so then every two weeks they take out the Social Security and federal taxes and state taxes out of my paycheck. But then I also have to send in a quarterly IRS payment. Oh, I don't know, 20, 30 grand a quarter or something like that. Maybe 40, 50. I don't even know. See, that's the thing. I don't know.

But I do know this. It's being taken care of because I've got somebody taking care of it for me. I just look at the end of the year and look at my taxes that I've paid already. And I tell you, it's a huge relief. And then it's the next minute it's oh, crap. That's a lot of money. What am I doing? But it's a relief in that. Oh, it's paid. I don't have to worry about it. Don't distress. Yes. I'm telling you, it's so nice to have it taken care of. My accountant bookkeeper lady also sets aside any money I owe in commissions to other people from deals or or affiliate commissions and stuff like that. So that's not money I have to take care of and worry about and stress when it's due like, oh my gosh, I've got to pay this person now. How am I going to do that? Or I got to pay the IRS. So it's just set aside and it's ready. It's there. The other thing is make sure you're paying yourself and then you're paying setting aside any



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money for profit? No, I barely put any, if any money into profit simply because I had this huge IRS lien over my head. So I paid that. But you've got to get priorities straight, OK? And then whatever is left over goes towards your business overhead and expenses. OK,

I'm just I can't stress and emphasize how important that is. So start implementing profit first and then find somebody to implement it for you. Read the book, get somebody to implement it for you. All right. So number one, don't mess with the IRS. They can take everything from you. Number two implement Profit First. And the next thing is the kind of related to what I was just saying. But if you don't know your numbers, you don't have a real business. Let me say that again. Write that down. If you don't know your numbers, you don't have a real business.

So this bookkeeper, accountant person needs to give you weekly reports, weekly reports of your cash flow, your balance sheet, your pencil, whatever your KPIs like in your business. What are the most important numbers that move the needle in your business? And it's not going to be 20 different things. It's going to be two or three different things. OK, for me, my real estate business, it's the number of the amount of marketing going out the door, the number of leads coming in. So basically my response rate by channel, how many offers and how many deals that we close. OK, so we can look at. All right. Well, if I want to do a deal, I know I need to spend X amount of postcards to do X number of hours of cold calling or whatever. The other numbers for me and my business is, you know, podcast subscribers and or YouTube subscribers, email options, people that opt in to get some stuff that I'm offering, you know, earnings per click. So some of my things that I do Facebook advertising for, I want to know, like, what's my cost CPM cost per something. I don't know what M stands for. It's like your cost per thousand views or something like that, I think of your ad or whatever, so. Oh and then the earnings per click. So whatever it is for you guys. Right.

Our number of applications for coaching applications and the number of people that you convert into that you need to know your numbers and you need to have somebody tracking those numbers every week for you and giving you a report. Maybe it's once a month. You sit down with your bookkeeper, accountant, run through the numbers. If your business is big enough, you need to hire a fractional CFO, somebody you can hire that can, you know, once a quarter, sit down with you



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and review your numbers and your long term like an accountant. Bookkeeper looks at the past. A fractional CFO looks at the future. And sometimes we're so deep into the weeds of our business, we have no idea what's ahead. We're not looking out far enough ahead. You need somebody with more experience than you to look at your business for you. And this is where fractional CFO comes in really handy.

A mastermind is really important. Somebody else that can, you know, kind of look at you business from thirty thousand feet view and say, hey, ding a ling. What about this? Have you thought about that yet? Well, if you haven't now you're going to soon. So wake up. You need those kind of people in your life and in your business to kind of direct you. And it's almost like when you're bowling, you put the bumper things, you know, so the ball doesn't go in the gutter. You need people in your life that will keep the ball in the center of the lane for you super important. OK, if you don't know your numbers, you don't have a real business. Oh, this is good. And I didn't understand this till later. It's not about how much you make. It's about how much you keep. It sounds awesome if you're making three or four million dollars a year. It sounds amazing. Oh, that's incredible. I want to do that.

But man, I'm telling you, when you make that much money, you're going to pay a lot of taxes. I won't say who this is. I think most all of you know this person, they had a huge oh, I don't even know if I can say it, but you're not going to know who it is now. You don't know who this is. One point four-million-dollar tax bill. All right. Now, I know guys that have a three hundred-thousand-dollar tax bill that are like I, I crap like I didn't I don't have the money for that right now. And so then they file extension, they file a couple extensions and then pay off, finally get the money to pay off the old tax bill. And guess what, they're halfway through the year and they haven't paid the current taxes yet. I'll figure that later. Well, that's not smart. It's not how much you make and how much you keep. And again, like I said, there's so many people. I bet you there's a lot of you listening right now.

I can totally relate to everything I'm saying. Some of you are like, oh, man, Joe's an idiot. OK, I get it. I am. I was. But it's going to happen to you if you don't pay attention to what I'm saying. You need to start getting smart about your taxes. I used to brag and say my goal is to pay a million dollars a year in taxes. I want to be a million dollars a year in taxes. Like you're an idiot, Joe. I get it. But yeah, the idea was I would be making four million dollars or three million dollars. Right. But it



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sucks to pay taxes. Now. We should. All right. I don't believe like here's the thing. When I was going through this, I was praying, God, you know, help me help me find the fish. You know, they had the gold coin that somebody owed taxes in the Bible and the Gospels and the temple tax or whatever. And Jesus told one of the disciples to go fishing and they found a fish and there was a gold or there was a coin in the fish's mouth. And they use that to pay the taxes. I was praying, God help me find, you know, five hundred thousand dollars to pay these taxes and never did like I had to work and sweat and blood and tears to pay it. But I did. It was all with God's help. Totally.

But so it's not about you make it's how much you keep. The next thing is, if you're in trouble right now, stop burying your head in the sand and praying that the problem will go away. Get some help right now. Do you hear me? Because, you know, we're all independent entrepreneurs, small business owners. We've done worked real hard. We've had some success. Or maybe you're struggling. Just get started. But pay attention to me because you're going to need to learn this soon. Don't be too proud to ask for help, OK? I was too proud for too long to ask for help. I was praying and hoping that I could just fix this problem before anybody knew about it. Finally, when I had that come to Jesus meeting, I was crapping in my pants and crying. Not really. I kind of was, but I wasn't crying. But almost like don't tell anybody anyway. I was.

I called some friends and I called some really well known friends, you guys know. And I was like, oh my gosh, what am I going to do? And it was amazing. They really they weren't like condemning me at all. None of them were like all you jackass, you idiot. What were you thinking? They were all like, Joe, you've got this. You know, I got your back. I'm going to I'm not I'm not going to help you pay for any of this. But, you know, if you ever need anything, I'm here to help you if you need a shoulder to cry on. But these friends that I had were successful businessmen and women, masterminds and other people that I know, just friends, you know, well-known in the industry and stuff. And I was able to call them and tell them. And they were like, all right, let's fix this together. We're going to help you. They gave me advice.

They told me to stop doing certain things. They told me to start doing other things. A lot of that is what I've already been sharing here, so, listen, if you are in the situation where, you know, it's already halfway through the year and you've not



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paid or set aside any money for taxes yet and you've not paid last year's taxes yet, get help now. Right. And just start asking go to the IRS and say, listen, I want to take care of this. I want to pay it and I need your help. What do I do? They're going to tell you. All right. Probably they're going to say and I'm not giving you tax legal advice here, but probably going to say get current on your current taxes. That's number one most important, and then start paying your other taxes. I was paying with installment taxes. I mean, it's ridiculous. I'm not going to tell you how much I was paying a month in taxes to get caught up because it's pretty crazy.

Which leads me to my final point here. But like, it was a miracle. I only God could have done this and only God could have given somebody as dimwitted as me the ability to make that much money. And then on top of my normal living expenses, which are pretty, pretty nice. But anyway. All right, so you know your numbers, you don't know your numbers, you don't have a real business and then get help if you feel like you're in the situation. And when people give you advice like I'm giving you now, don't ignore it. Pay attention to it.

OK, then the other big thing, the final thing I want to talk about is this tithe. I can't explain it. You know, I am a deep religious Christian and I love God. But I've read this book, *The Blessed Life*. I read this about four or five years ago, and *The Blessed Life*. It's one of the best books I've ever read. I highly recommend it written by a pastor out of Texas called Robert Morris. And he's not a prosperity gospel guy. OK, so don't think prosperity televangelists, guys, it's not like that at all. We don't give to get from God. We get to give. And when we give, God blesses us every single time. I mean, it's a solid principle, a law of nature, just as real as gravity when you give to God the first the best of your produce, the Bible talks about I'm not going to remember the verses right now, but like, you know, it talks about give to God the best of the first of your produce, you know, and he'll bless you. And he even says to test him in this. Well, I take that seriously. I take it literally.

And so through this, we actually got more serious when this happened. We got even more serious, and we doubled down on our tithe and we started giving to God ten percent of the gross, not ten percent of whatever's left over ten percent of the gross before taxes. I mean, you got to look at this. Do you want to you want to gross blessing or a net blessing? You know what I'm saying? And so we got really disciplined with this and we started giving tithe number one, and then we started



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giving extravagant offerings. And I'm not going to tell you how much, you know, but like is significant. It was a stretch. We were stretched and we were really praying. Like, I was wondering, God, is this really for real? Like, are you serious? Should I really do this? Like, I don't know. I had a lot of doubts and I had a lot of fears. But looking back, I don't I don't think it took us we were supposed to with the plan that we had the installment plan. We have the IRS.

It was supposed to take us fifteen years I'm sorry, five years to pay it all off on top of staying current with our current taxes. And 2020 was my biggest year ever making more money than I ever had in 2021 will be a little less. But yeah, I made a lot of money last year and subsequently we tithed it a lot and I paid this tax laying off in two and a half years, paid it off in double the time. And looking back I'm thinking Holy smokes, God thank you. I don't look back and think, man, I worked really hard. I don't I'm not patting myself on the shoulder and thinking, man, I did it. No, it's like, God, you did it. You helped me. Thank you so much. I owe him my life. Right. We all do. But there is something principle. There's a principle in the spirit in the natural physical world. I'm telling you, this is real.

When you give and you tithe to help to the church, to help the poor, to serve other people, you will get that money back in many different ways. It may not even you're not getting money back, maybe necessarily in money, but you're getting it back in spiritual blessings, in wisdom, maybe eternal rewards. So, yeah, man, I just want to I just want to encourage you guys, if you've not read that book with the Blessed Life, go get that book. If you not read the Bible, go read the Bible. The Bible talks more about money than it talks about heaven or hell. There's a lot to be said in the Bible about this stuff. And you need to take it seriously and you need to. Yeah, tithe. I'm just telling you, tithe. Even guys I know that are not like solid Christians who write business books talk a lot about this.

You look at some of the most successful people in business and they were very charitable and they gave away a lot of their money. I mean, you brought nothing into this world. You'll bring nothing out of it either. And I don't want to die. With, you know, a trillion dollars in my name, right, I, I want to you can't pull a U-Haul in your hearse when you when you're going to die, right. You can't pull it. You can't take any of that with you. So why not use what God's giving you to be a blessing, to be generous so that when you do get to heaven and spend the rest of eternity in



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heaven, you're going to have, you know, rich rewards there. So I think like this place here on Earth is like a testing ground. And so, you know, by God's grace, not because of anything special that I am, but I God gave me the help and the wisdom to take care of all of this. And, yeah, it's by his grace. And he you know, if I would have listened to him at the very beginning, I would have avoided all of this. But it's not you know, sometimes he lets us make mistakes and he lets us trip. And but I look back and think, man, you know, he was still with me. He was still helping me.

And I've learned a lot of lessons. And maybe it's a lesson now that I'm sharing with people, it's going to help many more people avoid these same mistakes. All right. So listen, I appreciate you listening to all of this and letting me kind of bare my soul and confess my sins to you. But I appreciate all of you guys. I appreciate all you listeners of this podcast and everything that you mean to me. And you guys. I appreciate you very much. And that's it. So I'm going to be checking out of here. I'll see you guys later. Bye bye.