

## Six Things To Do If You Get Audited By the IRS

1. **Don't panic-** if you get a letter from the IRS or California Franchise Tax Board- it may not be an audit- it may be something specific they're asking for that can easily be provided to settle the issue quickly. Call us, send us the letter and we'll let you know.
2. **Figure out what they want-** sometimes it's just some of your tax payments that have been misposted on their computer- if you didn't write your Social Security number, the year and the form number, i.e. "1040" on your check then your payments may have been recorded incorrectly.
3. **Get help-** Sometimes the issues can be resolved with a letter. Sometimes it calls for a field audit (at your place of business) or an office audit (the IRS office). In any case you don't have to talk to the IRS by yourself. Actually you don't have to talk to them at all. You can get someone to represent you. Then the IRS must talk to your representative. Our clients never talk to the IRS. As with any adverse legal proceeding- you might say something that can be used against you. For a client who admitted to the IRS, before coming to us, that he shouldn't have deducted travel expense to his job, we presented evidence that he was on a temporary assignment and therefore, could deduct it.
4. **Gather your records-** Look at the notice and see what year it's for. Then get your records that you used to prepare that year's tax returns. Work with us or another tax professional to determine exactly what information you will give the IRS and how it will be presented. Start early in case you have to request copies of bank or investment account statements.
5. **Don't ignore the IRS-** It is never a good idea to ignore the IRS or other taxing authority. You or your representative should contact them as soon as possible and notify them that you are gathering your information. Usually you will be able to get a "hold on collection efforts" while you obtain your records and prepare your response. Again- it's better to have a tax professional contact them for you.
6. **Present As Much Information As You Can-** Even if you're missing some of your records present what you have to the auditor. Oftentimes he or she will let it slide that you are missing some of your documentation, especially if it appears that you have the majority of your records to support your deductions.