



Audit Defense

A tax audit may be an intimidating experience as you must be prepared to explain the nature of your income and substantiate the expenses and deductions claimed on your tax return. It is likely that the examination of one tax return may lead to other tax years being opened for audit. Additionally, in order to properly defend yourself, you may be required to have an extensive knowledge of the tax codes and regulations.

However, you should always keep in mind that you do have rights as a taxpayer.

Under the Taxpayer Bill of Rights:

- A taxpayer has the right to be represented by a tax attorney, enrolled agent, or CPA during the audit.
- The taxpayer does not have to be present at the audit interview unless an administrative summons has been issued.
- A taxpayer may request that the audit interview be suspended in order to consult with a representative.
- A taxpayer has the right to know why the IRS is requesting a specific piece of information.
- A taxpayer has the right to make an audio recording of the audit interview if advance notice is provided.
- The IRS may conduct only one inspection of a taxpayer's books unless the IRS provides written notice.

If you receive notice from the IRS stating that your return has been selected for an audit, it is time to seek help from a tax professional. If you have already been through a tax audit which resulted in additional taxes, penalties, and interest being assessed, you do have options besides paying the tax liabilities in full.

These options include filing an appeal, audit reconsideration, and/or an offer in compromise.