

examination take place at a reasonable time and place that is convenient for both the taxpayer and the IRS.

Audit Strategy

The best way to prepare for an audit is to put oneself into the auditor's shoes. Take the perspective that you are looking for anything possible to increase the tax liability on the return. This is an area where a qualified tax preparer can be invaluable.

Pose tough questions and "throw out" any questionable deductions. Make sure any issue raised during an audit is something that has already been considered. If the pre-audit function is performed properly, the actual audit will be more comfortable, and you will be prepared for any negative adjustments.

Audit Video

The IRS has created a video web page to assist taxpayers preparing for a small business audit. Go to the IRS website at www.irs.gov/audit.

Requesting a Different Auditor

A taxpayer or taxpayer's representative has the right to request a different auditor if the current one seems uncooperative, too busy, or too inexperienced to properly consider the issues under examination. The request should be made to the auditor's supervisor by phone or in writing and should include a detailed explanation of the reasons for the request.

Take It Seriously

Any comments made to an IRS employee that could be interpreted as a threat against the employee will be taken seriously and fully investigated. Advise clients not to joke around with IRS employees during an examination.

Repeat Examinations

If a return was examined for the same items in either of the two previous years, and no change was proposed to the tax liability, contact the IRS immediately and the examination will likely be discontinued. This policy is in accordance with IRC section 7605(b), which states that no taxpayer shall be subjected to "unnecessary examinations."

Contact Us

There are many events that occur during the year that can affect your tax situation. Preparation of your tax return involves summarizing transactions and events that occurred during the prior year. In most situations, treatment is firmly established at the time the transaction occurs. However, negative tax effects can be avoided by proper planning. Please contact us in advance if you have questions about the tax effects of a transaction or event, including the following:

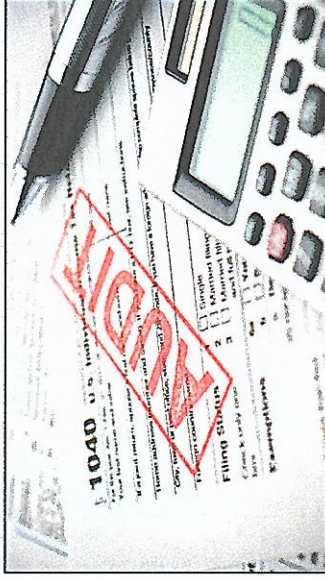
- Pension or IRA distributions.
- Significant change in income or deductions.
- Job change.
- Marriage.
- Attainment of age 59½ or 70½.
- Sale or purchase of a business.
- Sale or purchase of a residence or other real estate.
- Retirement.
- Notice from IRS or other revenue department.
- Divorce or separation.
- Self-employment.
- Charitable contributions of property in excess of \$5,000.

This brochure contains general information for taxpayers and should not be relied upon as the only source of authority. Taxpayers should seek professional tax advice for more information.

Copyright © 2015 Tax Materials, Inc.
All Rights Reserved

Audits

2016



7165 Getwell Rd. Bldg. D
Southaven, MS 38672

662-470-4132

www.griffithfirm.com