

How To Handle IRS Auditors

The taxpayer's worst fear is an [IRS audit](#). You'll begin to wonder if you did your taxes correctly, even if you paid them honestly. The idea of penalties, levies, and even jail come to mind. But be aware that you are safeguarded by laws in an Internal Revenue Service audit before you panic.

The third installment of the Taxpayer Bill of Rights (TaBOR) was passed in 1998 after numerous Americans lobbied Congress regarding the abusive behavior of IRS agents. With this bill, the IRS are required to truthfully inform taxpayers of their rights and what type of action they can expect from the IRS.

While the audit is a process that's normally envisioned by people as a regular meeting between the taxpayer and an agent working for the IRS, this is generally not the situation. Generally, the taxpayer merely receives a notice asking for documentation to strengthen specific claims on his tax return. If the taxpayer has maintained considerably organized records, then most of these kinds of audits are usually resolved in a speedy manner.

The IRS may also feel that they'd want to only audit a part of your [filed tax return](#), or in a few situations, they may want to examine the entire return. Make sure that you only provide the section that the examiner requests for if only a part of your tax return is audited. The IRS end up auditing a wider scope of the tax return when well-meaning taxpayers provide more documentation than needed. They will get inquisitive and request for more information. This is absolutely not what you want.

In an IRS audit, it is always advised to enlist the assistance of a CPA, [tax attorney](#), or other tax advisors because you are not fit to deal with the IRS. The actual professional who prepared your tax returns can also contribute because he can handle the IRS more effectively as he is aware of the particular problems of your return.

You will be informed of the irregularities uncovered on your tax return as the audit is resolved. The IRS will contact you of penalties, debts, the rare refunds, or any financial adjustments necessary.