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## **What to do if You Receive an IRS Audit Notice**

If you receive a tax audit notice from the IRS, you need to know what to do. At times, you do not even need to see an IRS agent face-to-face. The IRS audited 1,581,394 individual income tax returns in 2010, out of which 1,238,632 of them were by correspondence. The rest of the audits (342,762 in number) were done through personal interview. On the other hand, among the corporate taxpayers, the IRS audited 29,803 returns and 1,202 of them were done by correspondence while 28,601 of them were done in the field.

However, this year your chances of receiving an audit notice would have risen seeing that the IRS has increased the number of IRS agents over the last 2 years – by 3% in 2009 and by 7% in 2010.

Here's what normally happens in a field audit. It begins when a Revenue Agent sends you a letter informing you that your tax return has been selected for audit. In addition, the letter will also contain the day and time the audit is to begin and the records the IRS Agent would like to examine.

What you should do is contact your tax attorney immediately. It is highly advisable that you do not attempt to handle your own tax audit. There are some technical issues that require a trained eye and knowledgeable mind to determine, such as whether the IRS is suspecting you of fraud in your tax return and other technical details. It is also important to know what to do under different circumstances. For these and other reasons, you need professional legal counsel. If you do not have your own tax attorney, call us at (813) 229 7100 for a free consultation.

Once you have hired your tax attorney, your attorney will fax a Form 2848, Power of Attorney and Declaration of Representative to the IRS Agent and usually follow-up with a phone call initially to discuss the starting date of the audit.

The IRS Agent will want to interview you. You should ensure your tax attorney is present and only offer relevant information during the interview and nothing more. It is a mistake to think you can talk yourself out of the audit by being overly chatty. The IRS Agent is looking for evidence of fraud and if he has reasonable grounds to suspect it, he will refer your case to the IRS Criminal Investigation Division.

Upon completion of the audit, the Revenue Agent will meet you to review the proposed adjustments. You should have your tax attorney with you at this meeting because your attorney will negotiate with the Revenue Agent on the proposed adjustments.