

ANGULAR FINANCIAL INC.
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What is a Tax Audit?

A **Tax Audit** is the investigation of a taxpayer or business return by the IRS or state tax authority. Terms such as audit, examination, review and notice are used interchangeably by the IRS to refer to the implementation of tax laws and filing rules. Tax agencies use electronic systems and various other methods to identify incorrectly filed tax returns and resolve tax related issues.



What are the chances of getting audit?

Tax returns are selected for audits based on several factors.

** Sometimes, the IRS selects returns as a result of a statistical formula; in other words, these returns are selected randomly via computer screening.

** Returns may also be selected if they deviate too widely from other returns from the same zip code or income bracket.

** If taxpayers happen to be associated as a business partner or investor with other taxpayers whose returns are audited, his or her return(s) may be audited as well.

It is a widely held belief that an IRS audit is the result of inaccuracies in a return. While glaring inconsistencies or mistakes, such as inconsistent W-2s or 1099s in a return make it more likely to be selected for an examination, audits are not always limited to such cases.

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Can the IRS audit a taxpayer whenever they want?

**The IRS has a three year window (open years) after a client file their taxes to audit and request information regarding your taxes (more years could be audited in specific cases).

**If the client do not provide the required information within the deadline requested by the IRS, penalties and late fees will be calculated dated back to the time a taxpayer originally filed his/her taxes on top of the amount the IRS calculated owe.

What happens if I ignore the IRS request?

You are lawfully required to obtain the past three years (“open years”) of records to prove items reported on a return in case the IRS does conduct an audit on your return. Since audits can be complex and lengthy, it is in a taxpayers’ best interest to obtain professional assistance if his/her returns are selected for an examination by the service (IRS).

**If you do not respond to the IRS letter within the time limits giving to you, the IRS has the rights to:

- a) Take future taxes you file including the late fees and penalties applied.
- b) Automatically take the amount they believe you owe from your pay check without your permission.
- c) And/or take the amount out of any accounts with your name on them such as checking or savings accounts.
- d) Take any assets you own (house, cars, etc.).

What rights do I have as a taxpayer?

As a taxpayer, you have certain rights in case your return is audited. You have a right to professional and courteous treatment by IRS agents. Also, you have the right to privacy or confidentiality; the right to know why the IRS is requesting information from you and what it intends to do with the information furnished by you. You also have the right to know what will happen if you do not provide the requested information to the IRS. You have the right to retain professional counsel and the right to appeal disagreements before the IRS and the courts.

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Audit Insurance:

Let Angular Financial help you in the case you are audited by the IRS. Our representatives will help you in understand why you were audited, what information is requested, and how to respond to the IRS.

Dealing with the government can be frustrating, lengthy and confusing. Angular Financial makes it easy for you. Simply provide us with a copy of the letter sent to you and we will help you respond in a timely manner.

The form below must to completed and returned prior to filing of taxes. Audit fee will be deducted from your tax refund.

Please check one:

Add audit insurance assistance to my fee (3 years coverage for this year's taxes filed only).

I decline audit insurance assistance

I understand that Angular Financial and its representatives do not provide legal assistance or legal advice. I also understand Angular Financial and its representatives cannot provide any guaranteed results from the IRS.

Print name: _____

Signature: _____

Last 4 digits of social: _____ Date: _____