

What to Expect When You're Being Audited by the IRS

When it comes to dealing with taxes, the most dreaded part is facing an audit. Nobody looks forward to this happening. If it does, however, you must deal with it. An [IRS lawyer in New Jersey](#) can assist you during this governmental crisis.

An audit is an investigation into the taxes of a person or business; its purpose is to determine if the information given to the government is correct.

There are three types of IRS audits:

- The correspondence audit, which is an IRS letter that requests copies of your canceled checks and/or receipts so they can verify certain deductions on your return.
- The office audit, at which time you're asked to bring specific information to the IRS office for review.
- Field audit; this audit is conducted at your workplace.

While anyone can be audited, the IRS particularly focuses on corporations, abusive tax shelters, and taxpayers earning \$100,000 and more.

Regardless of the reason you're being audited and the type of audit you're facing, you'll need a [NJ Tax Lawyer](#) to help you.

When the IRS conducts an audit, they review four issues:

- Income: Your bank statements, state and federal tax refunds are carefully reviewed. Records from the sale of assets, documents for alimony, pension, and prizes are also reviewed.
- Past audits: If you've been audited before, IRS agents will review all information pertaining to it.
- Penalties: The IRS will learn if your past audit resulted in penalization.
- Other returns: There will be a review of whether you filed on time in previous years and if adjustments were needed.

IRS agents review your documentations to see if your business is based on personal interest. For example, if a person has a floral business that is hobby instead of a business, this is a violation.

Violations come with excruciating consequences. You could face a penalty of 20-75% and accumulating interest. In most serious cases, you could face prison time.

When you're facing stiff penalties, this is the time to contact a [New Jersey tax attorney](#).

Audits can last from 36 months to three years. A [New Jersey tax lawyer](#) can help you throughout this time to resolve this matter.

Audits can be long and stressful. The possibility of facing hefty fines or prison time is frightening. You could have sleepless nights from this, and this is understandable.

However, you can relax knowing that a [NJ tax attorney](#) can help you fight this stressful matter. We'll communicate directly with the IRS agent for you and make sure you have the right documents to help state your case.

The legal professionals of The Thorn Law Group will work on your behalf to resolve your auditing issues. Contact <http://www.newjerseytaxlawyer.com> for more information and help.
