

Disagree With The Results of an IRS Audit? Here's What to Do

The relationship between the IRS and taxpayers across the nation tends to be very one-sided, to say the least. That is why many business owners and taxpayers are surprised to learn that they *do* in fact have options when it comes to an IRS decision that they disagree with.

Today, we're going to talk specifically about the IRS audit process. Most people assume that, once they've been audited, they are on the hook for whatever the IRS claims that they owe. But in fact, taxpayers can appeal an audit determination in most cases—and they can appeal penalty and interest assessments included in an audit determination. Essentially the only time you *can't* appeal the audit findings are if your *only* reason for appealing is that you can't afford to pay. If that is your situation, you have additional options that include: various types of installment agreements, an offer-in-compromise, and many more. Contact me to learn more!

If you are going to appeal the findings of your audit, you'll need to meet or speak on the phone with an IRS official. Note: *we highly recommend* that you NOT do this on your own. Dealing with the IRS can be very difficult and intimidating, and anything you say can potentially be used against you. For that reason, it is critical that you speak to a qualified tax resolution attorney before you begin the process of appealing an audit decision. Depending on the dollar amount of your case, you may be able to settle your dispute with the IRS Appeals Office. Other times, especially if the amount in dispute is greater than \$25,000, you will often need to preserve your rights and argue your case by filing a petition in Tax Court. Once again, this process is very complicated and can be very stressful, so please do not "go it alone!"

One additional, important point to keep in mind – if the IRS suspects that you are simply trying to delay paying what you owe (what they call a "frivolous appeal"), you face stiff penalties. IRS documentation provides the following warning: "Frivolous Filing Penalty Caution: If the Tax Court determines that your case is intended primarily to cause a delay, or that your position is frivolous or groundless, the Tax Court may award a penalty of up to \$25,000 to the United States in its decision." If your only goal is to delay payment, an appeal is the wrong course of action!

If you disagree with the results of an IRS audit, the good news is that you do have options. However, it is critically important that you understand, *before* you begin the appeals process, that it is incredibly difficult to deal with the IRS. It is stressful. It is confusing. And it can be downright intimidating. The IRS knows that taxpayers are afraid of them, and they use this fact to their advantage. In order to maximize the chances of a successful resolution, it is important for you to engage an attorney that focuses exclusively on tax resolution. If you would like to learn more, please do not hesitate to contact us today!