

Audits - are you ready ?

I am seeing a significant increase in audits during the last couple of years. This includes income tax audits by IRS and NYS. If you run a business, sales tax audits are increasing at an even faster rate.

I see this trend continuing as both IRS and NYS are adding more auditors to the workforce. Revenues are declining so government needs to find income that may not be reported correctly.

Are you prepared ? I always attempt to do the best job possible based on the information provided. I will be asking even more questions to be sure we prepare the most accurate return.

You should do the following:

1. Keep accurate and complete records. This includes copies of 1099's, receipts for expenses, a log if you incur deductible mileage or travel expenses. All income and expenses on your return should be well supported. Records should be kept a minimum of 3 years after return is due or filed and longer if for a business.
2. Let me know if there are any changes from the prior year and review the questionnaire I send out annually.
3. Review your return after it is prepared. If anything does not look correct, ask me about it. If you do not understand any of the items on your return, ask me. **Remember, I am assisting you in preparing a return but you are still responsible for the accuracy of the return.**

I am not trying to scare you but just making you aware that there is this audit risk and you want to be prepared. If you are selected for any audit or get a notice from IRS or NYS, let me know as I am here to help you through the process.

Richard D Recor
Enrolled Agent