

## **What to Do When the IRS Comes Knocking at Your Door**

*Texas Society of CPAs Provide Ideas on Preparing for an Audit*

Besides the cold winter wind, there is one thing that can chill a taxpayer to the bone – The thought of an Internal Revenue Service (IRS) audit.

Texas Society of CPAs says you should respond quickly if you receive an audit notice from the IRS. If you need extra time to gather your files and documents, ask for a postponement.

According to TSCPA, the IRS can generally audit your return within three years from the date the return was due or when it was actually filed.

However, the statute of limitations extends to six years if you underreport your income and there is no statute of limitations when you fail to file a return.

One of the first things to do when preparing for an audit is to read IRS Publication 1, Taxpayer's Bill of Rights. This spells out how the IRS must conduct an audit and explains the rights of a taxpayer who is being examined.

Besides being aware of your rights, TSCPA recommends thoroughly reviewing your return to refresh your memory and to start collecting all the relevant records and documents you need to support income, deductions and credits.

In most cases, it's also a good idea to enlist the services of a CPA or other tax professional. He or she can help prepare you before you go to the audit, accompanying you, or by attending in your place.