



ALLIED
TAX ADVISORY GROUP

**THE TAXPAYER BILL
OF RIGHTS DURING
AN IRS AUDIT**

Knowing the Taxpayer Bill of Rights and Your Rights During an IRS Audit

In the event of an audit, you could easily be haunted by the stereotypes that all IRS audits notoriously hold. Audits can absolutely feel like a breach of privacy, but the IRS wants taxpayers to know their rights. For this reason, the IRS created the Taxpayer Bill of Rights. If you are a taxpayer, then you have rights that cannot be taken away. If you are being audited, it's extremely important that you are aware of your rights as outlined in the Taxpayer Bill of Rights. In this guide, we're going to explore and break down each portion of the Taxpayer Bill of Rights.

1. The Right to Be Informed

If you have been notified of an audit, then the IRS isn't going to come in and take over your records. Instead, they are going to give you a clear list of documentation required to support a specific deduction, credit, or piece of income you've supplied on a specific return. In the Right to Be Informed, taxpayers are given the right to know precisely what they are required to do to make sure they are in compliance with the tax laws. Every single IRS publication and form has very detailed information and instructions, and that's all part of the Right to Be Informed.

2. The Right to Quality Service

We all know the IRS has a certain reputation, but the truth is that they are upheld to offer quality service. In the Right to Quality Service, taxpayers are granted the right to receive "prompt, courteous, and professional assistance in their dealings with the IRS". In addition, IRS representatives are required to explain things in a way so that taxpayers clearly understand, and if a taxpayer receives less-than-par service, they also have the right to speak with a supervisor for further assistance.

3. The Right to Pay No More than the Correct Amount of Tax

The IRS is held to a standard of fairness. You are required to pay only what you owe to the IRS and no more. In the event of a late payment, of course, the IRS reserves the right to collect penalties. If you are being audited, however, be aware that you will only be required to pay any amount that is legally due. This includes interest and penalties but not a penny more.

4. The Right to Challenge the IRS's Position and Be Heard

During your audit, if you feel that your case isn't being handled properly (an improper amount due, for instance), then you have rights. It's important to know that you have an objection, you can raise this issue with the IRS and provide the supporting documentation to prove your case. Within the Right to Challenge the IRS's Position and Be Heard, the IRS is required to consider your objection fairly and let you know why it is or isn't valid.

5. The Right to Appeal an IRS Decision in an Independent Forum

If you disagree with a decision that's been made regarding your audit, you do have the right to appeal. For instance, you can appeal penalties if you believe they are over the legally prescribed amount. In addition, the Office of Appeals is required to provide a written response of their official decision. If you choose to take your case to court, you can do so with the Right to Appeal an IRS Decision in an Independent Forum.

6. The Right to Finality

This is a particularly important right to be familiar with in the event of an audit. The Right to Finality grants you the right to be informed of the maximum allotted time to challenge the IRS's decision. In addition, the IRS must make transparent the maximum amount of time they have to audit a specific tax year and the amount of time they can collect a tax debt. When your audit is officially complete, the IRS is required to tell you via the Right to Finality.

7. The Right to Privacy

Audits can be worrisome because you might be concerned about security and privacy issues. Through the Right to Privacy, the IRS is required to comply with the law in terms of inquiries and enforcement. The IRS can't be intrusive when not prescribed by the law, and they are required to offer due process rights for all matters. A collection due process hearing is required when applicable. If you are being audited, know that you have these rights to privacy.

8. The Right to Confidentiality

While security and confidentiality might seem interchangeable, they are not exclusive to one another in the eyes of the IRS. However, the IRS is required to never disclose taxpayer information unless

authorized by either the taxpayer or the legal system. Anyone who wrongfully discloses taxpayer return data will have action taken against them.

9. The Right to Retain Representation

If you are being audited, then this is a right you should absolutely act on! If you are being audited, you have the Right to Retain Representation, which could be anyone you choose to represent you in your dealings with the IRS. If you cannot afford representation, the IRS grants you the right to find assistance from a Low Income Taxpayer Clinic.

10. The Right to a Fair and Just Tax System

None of us enjoy paying taxes, but they are a legally prescribed part of living in our country. To that extent, we do have a fair tax system. The Right to a Fair and Just Tax System guarantees this by putting forth guidelines for the IRS to weigh out all of the facts and make fair decisions. You also have the right to gain assistance from the Taxpayer Advocate Service in financial difficulties.

When you're getting audited, remember that your rights are the balancing weight when it comes to IRS requests. You always want to furnish everything on deadline, but also know that your rights are a priority. Contact our team today to learn more about your rights during an audit.