

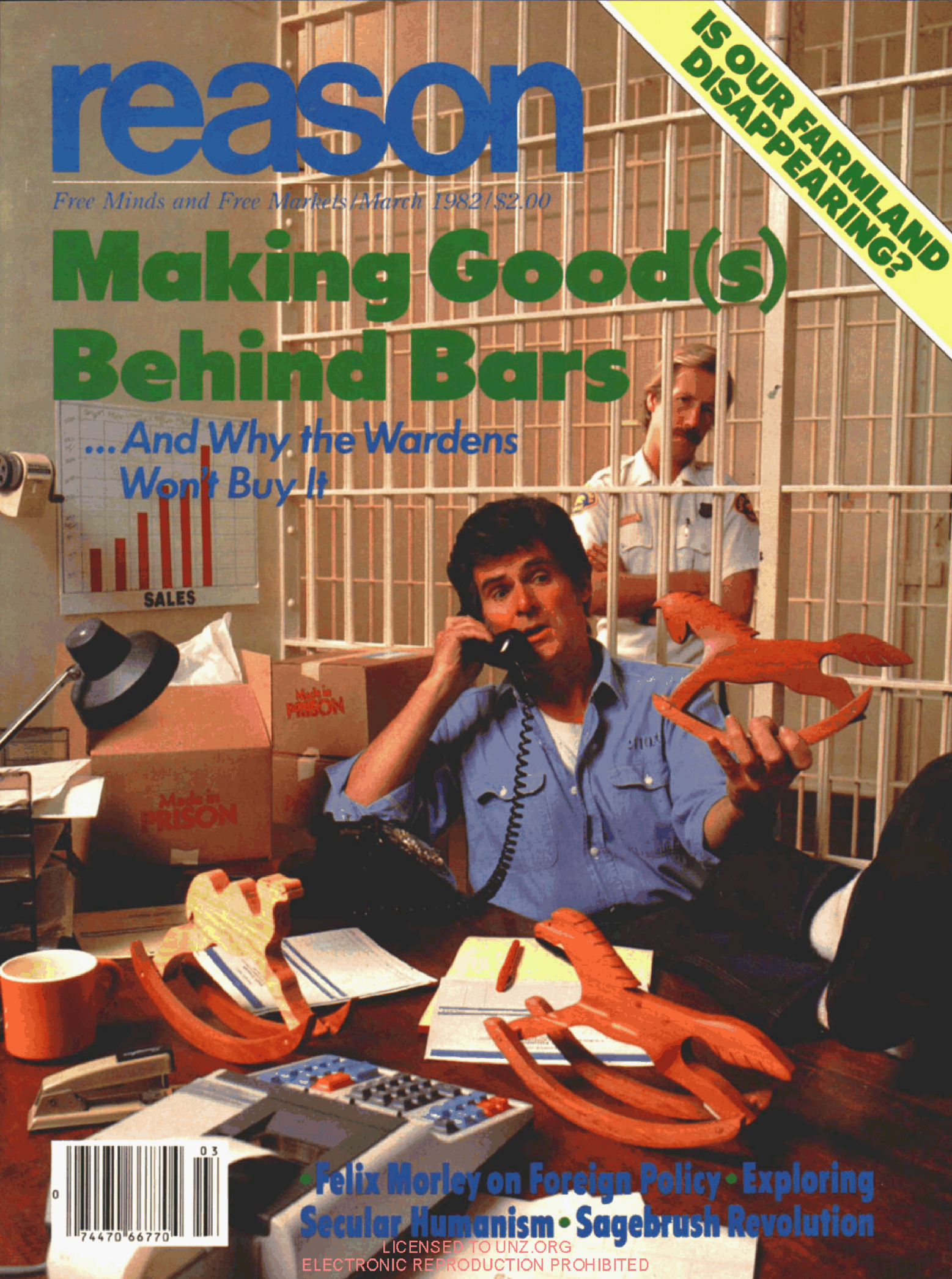
# reason

*Free Minds and Free Markets/March 1982/\$2.00*

## Making Good(s) Behind Bars

...And Why the Wardens  
Won't Buy It

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# 11 Questions on Tax Audits

How many of them can you answer?

1. What should you do if you're called on by an IRS "Special Agent"? (One thing — and one thing only. At once! See page 84 of *The Taxpayer's Audit Survival Manual*.)

2. True or false: the IRS has no good way of checking out those 1099's on your dividends, interest, etc. (The wrong answer on this could cost you. See page 29.)

3. The IRS sends you a form letter questionnaire on your return. Is this cause for alarm? (It may be cause for relief. But only if you handle it just right. See page 57.)

4. Should you take a professional to an audit? Who should do the talking? (It all depends. See page 76.)

5. Can your accountant be made to testify against you in a tax case? Your lawyer? (The answer to this may be a real eye opener. See page 142.)

6. Should you attach "explanations" to your tax

return? (Caution: they could bring on instead of preventing an audit. See page 193.)

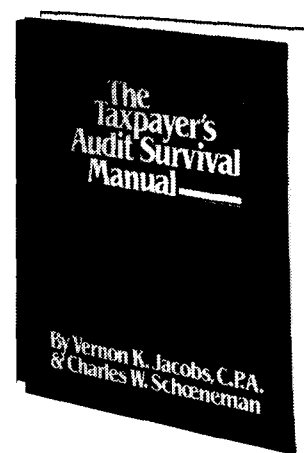
7. Should you "round off" figures on your tax return? (Don't do it before reading page 197.)

8. The tax auditor's in your office. Who should talk to him. Who shouldn't? (Spare yourself trouble. See page 88.)

9. Should you concede arguments early in an audit? If not, what should you do? (Save money. See page 93.)

10. An agent stops his audit without good reason — a sign he may suspect you of criminal fraud. Is there any way to guess at what he thinks you've done? (There may be — if you've taken one precaution. See page 133.)

11. What should you do if you're caught breaking a tax rule? What should you *not* do — ever? (This could be critical to your whole future. See page 93.)



If you don't know the answers to questions like those above (and few taxpayers *do*, even those who are otherwise sophisticated), then in today's tax climate, you're living dangerously.

Dangerously because you may unwittingly and needlessly be risking a tax audit. And dangerously because if you *do* get audited, you may unintentionally get yourself into much more trouble than you started out in.

How can you protect yourself? Now, help is at hand in *The Taxpayer's Audit Survival Manual*.

The authors of this book are two of the nation's top authorities in the field. Charles Schoeneman, formerly with the U.S. Tax Court, is now a Washington tax attorney (with an impressive client list). Vernon Jacobs is a CPA, and a nationally-known tax consultant. The author of *Taxpayers' Counterattack*, he is also the editor of the advisory service, *Tax Angles* — and thus expert on shrewd, yet legal techniques for cutting taxes to the bone, avoiding audits, and coping successfully with the IRS if you *do* get tapped.

These authors know the questions that worry you about audits. They know the answers, too. And they spell out the whole audit story for you in detail in *The Taxpayer's Audit Survival Manual*. You'll learn...

## How you're picked for audit — and how to minimize your chances.

- Things that flag the IRS computer. Pg. 22.
- Three things to always avoid like the plague. Pg. 199
- The one kind of return that's always screened for possible audit. Pg. 24.
- A simple way to make your return look more unchallengeable to IRS screeners. Pg. 191.
- How choosing the wrong tax preparer could bring you up for audit. Pg. 24.
- Why the way you list your job may increase your chance for audit — and how to list it so it doesn't. Pg. 197.
- The best and worst times to file if you want to cut odds of an audit. Pg. 197.

## How to protect yourself if you're picked

- The very first thing you should always do when approached by an IRS agent. Pg. 74.

- When it's probably O.K. if there's a second agent with your auditor. When it may mean *big* trouble. Pg. 84.
- What records to bring to a desk audit. What not to bring. What to do if questioned on the records you left home. Pg. 64.
- When to cooperate during a desk audit. When to stop cooperating. Pg. 81.
- 10 vital rules for any audit. Pg. 99.
- Should you take an IRS agent to lunch? "Tour" him through your business? Pg. 89, 91.
- 28 signs of possible criminal fraud. How an auditor acts if he's suspicious. Pg. 129.
- When you're required to show the IRS your records. When you're not. Pg. 88.
- A critical mistake that can instantly turn a minor civil audit into a potential criminal case. Pg. 76.

## How to handle the aftermath

- The agent's objectives in "closing" the audit. How not to get railroaded. Pg. 100.
- When to agree with an agent on the spot. When not to. What happens then. Pg. 102-5.
- What will happen if you *can* pay. 5 things to do if you can't. Pg. 152.

- The simplest, cheapest way to appeal (but you must act fast). Pg. 166.
- How to use a court suit to force the IRS to compromise. Timing's critical. Pg. 183.

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