

# IRS Audit Survival Guide: *Six Steps to Prepare*



Getting a notice of tax audit from the IRS can be intimidating, but it doesn't mean you did something wrong. Sometimes, taxpayers are randomly selected when their returns are compared to statistical averages.

Other times, an audit may be intentional because the IRS finds issues in your return.

## Here are six key steps to take to protect yourself and respond correctly:

### Step 1 —

#### **Review the IRS notice to understand the scope of the audit:**

The IRS notifies you by mail, but the audit may be conducted by mail or through an in-person interview (at an IRS office, your home/business, or an accountant/lawyer's office). The IRS provides clear instructions in the letter you receive, and you must reply by the due date shown on your notice. If you have a CPA or used a tax preparation service to prepare the return in question, you should inform them immediately.

### Step 2 —

#### **Gather documentation to prepare your response to the IRS:**

The IRS provides a written request for the specific documents they want to see. Collect all documentation the IRS requests, such as receipts, income, expenses, itemized deductions, and bank statements. For an in-person audit, be prepared to discuss your finances directly with the IRS agent. Remember that it's recommended to keep all your records for three to seven years after filing a tax return.

### Step 3 —

#### **Consider legal guidance:**

A lawyer by your side can represent you during and after an IRS audit, negotiate with the IRS, and ensure your rights are protected. They can explain complex notices, review your documentation, and guide you through the audit process. Legal guidance may help you save time and money and, most importantly, reduce unnecessary stress.

### Step 4 —

#### **Respond to the IRS on time:**

Submit the requested documentation by the deadline. The IRS recommends requesting confirmation of mail delivery. If you need more time, you can request a one-time 30-day extension via fax or mail; if you received a Notice of Deficiency, it cannot be extended.

### Step 5 — Review the IRS outcome:

When the audit concludes, the IRS sends a report detailing proposed changes and your options going forward. There are three outcomes: no change (the IRS accepts your return as filed), agreed changes (you agree to adjustments), and disagreed findings (you don't agree with the changes). If you agree with the audit findings, you will be asked to sign the examination report, and if you owe money, payment options are often available.

### Step 6 — Appeal if you disagree with the outcome:

If you disagree with the IRS's findings, you can request a conference with an IRS manager, request mediation via alternative dispute resolution (ADR), or you have the right to appeal. You have 30 days from the report to request an appeal with the IRS Office of Appeals. Keep in mind that in mail audits, the letter proposing adjustments serves as the 30-day letter.

# How can your LegalShield® membership provide support during a tax audit?

Facing an IRS tax audit can feel overwhelming, but you don't have to navigate it alone! Your LegalShield membership gives you access to experienced lawyers who can review your audit notice, help you understand your rights, respond to the IRS, and protect your financial interests. All without the high hourly costs of hiring a lawyer out-of-pocket!

A LegalShield provider lawyer offers **legal advice, consultation, negotiation, and representation when you're audited by the IRS** on a personal income tax return. You can receive a set number of hours of pre-trial and trial time if you're sued by the IRS or when you sue the IRS after paying the disputed tax.

**With a LegalShield membership,**  
**you can speak with a provider lawyer who can review your situation,**  
**explain your rights, and help you decide how to move forward.**

**If you're not already enrolled in LegalShield,**  
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