

Questions Asked by the IRS in an Initial Interview Audit

Mandatory Statements/Questions by IRS:

IRS Agent /Officer Name?

Taxpayer Name?

Audit Date/time?

Do you have concerns regarding the audit process?

I have enclosed a copy of Pub 1 and Notice 609, which was included with your Internal Revenue Service (IRS) appointment letter. We will now briefly review the examination process. The IRS will examine your tax records. If they propose any changes to your return, they will explain the reasons for the change. If you agree with the changes, they will discuss payment options at that time. If you do not agree with the changes, you have the right to a managers' conference. If you still are not satisfied during the manager's conference you will have the right to an appeals conference. Do you have any questions about this process?

If the IRS needs to contact a third party for information, they will provide advance notice and a list of contacts to you.

Do you have any other questions about the privacy act notice?

Do you have any other questions about your appeal rights?

Do you have any other questions about innocent spouse?

Background questions:

Is the address on your tax return correct?

Does your spouse live at the same address?

What is your current telephone number?

What is your education level?

What is your Spouse's education level?

Where is your current place of employment?

Audit Interview Required filing checks:

Have all required tax returns been filed?

Have you filed an amended return for the tax year examined?

Did you prepare the tax return?

If not, who prepared it?

Were they paid to prepare it?

Have you been examined before?

If so, what were the result?

Have you received any correspondence from the IRS recently?

Do you have any household employees?

Audit Interview Income Probe:

How do you (and you spouse) earn a living?

Has all income and or deductions been reported on the tax return?

Are you aware of any changes that should be made to your?

Do you have any hobbies?

Do they generate income?

If so, was such income reported on the tax return?

If so, what type hobbies?

Do you engage in any bartering activities?

If so, what type?

Did you have \$10,000 or more cash transactions for this tax year?

Who did you bank with during the tax year?

Type of financial accounts:

Do you have any foreign bank accounts?

If so please, describe and identify foreign bank accounts.

Do you have a safe deposit box?

If so, describe the contents

Do you keep cash and/or securities in another location besides a bank, financial institution or a safe deposit box?

If so please describe?

Do you keep money in a hidden location, such as buried in the back yard, in a safe, in the freezer, mattress, wall, floor, etc?

If so, describe approx. amount kept

Did you have any non-taxable sources of income during the tax year

Audit Interview Other Sources of Funds Probe:

Loan Proceeds?

Repayments of a loan to you?

Inheritance?

Public Assistance?

Assistance from family/friends?

Life insurance from a death?

Non-taxable interest?

Gifts?

Other?

Did you receive any taxable sources of income?

W-2?

Rents?

Interest?

Dividends?

Taxable Refunds?

Alimony?

Sales of Stocks/Bonds?

Sales of Property?

Business Income?

Farm Income?

Partnerships?

Pension Distributions?

Lottery (gambling)?

Self-employment?

Property Transactions?

Prizes?

Awards?

Any other income?

Do you have any foreign income, investments, or transactions?

If so, please describe?

Audit Interview: Specific Issues

Schedule C – contact me for details

Schedule D - contact me for details

Schedule E - contact me for details