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HOW IRS AGENTS INTERVIEW TAXPAYERS DURING AN AUDIT

By Victor Sy, CPA

While my audit tips usually focus on you - the taxpayer, let's look at how IRS agents interview taxpayers under audit. Let's change roles and learn how IRS auditors work you over, I mean, work with you - from the agent's perspective. IRS auditors are trained to:

1. Establish rapport with the taxpayer.
2. Maintain a friendly and professional demeanor.
3. Maintain control of the interview. Establish pace and direction. Continually assess whether the taxpayer is giving relevant information or merely rambling.
4. Look for pertinent leads. Follow up any answer that is not complete or to the point.
5. Concentrate more on the answer than on the next question.
6. Ask questions that require narrative answers. Avoid "yes" and "no" questions whenever possible.
7. Avoid leading questions.
8. Recognize that an IRS audit is often once-in-a-lifetime experience for the taxpayer who may be may be tense. Give some latitude. Don't think that the taxpayer is nervous because he/she is "hiding" something.
9. Use an outline. Remember though that an outline should not keep you from spontaneous questioning. Provide enough leeway to cope with unexpected situations that may occur.
10. Develop leads that may arise.

There you are. Keep these 10 tips handy for your next audit....