

What to do if you receive a letter from the IRS

by Annie Fischer

Each year the IRS mails tons of letters to taxpayers for several different reasons. I wanted to give some guidelines on how to handle them.

1. First of all – DO NOT Panic! Not all IRS letters mean an audit. Some are just informational, and others just need a simple response to take care of a specific issue and they tell you exactly what they need. They can be both favorable and unfavorable, meaning they could advise you of an error or credit that could trigger a refund, or it could be a notice where they say they found an error and you owe money.
2. Next, you should ALWAYS get a copy of the letter or notice to your tax preparer so we can see what changes or issues they are addressing and compare it to your tax return. NEVER just send money they are requesting, because not all IRS notices are correct. In fact, only a low percentage of IRS letters sent out are actually right. Many times, IRS notices are partially or totally incorrect.
3. Never ignore any correspondence from the IRS. If there is something that needs to be handled or addressed it needs done in a timely matter, especially if they are requesting more money or we do not agree with their changes and need to send documentation. If you do happen to owe more money due to a mistake, the sooner we can respond, the lesser the interest and penalties can accrue.

It is also important to remember that IRS never sends notices via email. They will always come through the mail. If you ever receive an email from the IRS, do not respond. It is a scam.

If you have any questions on this or any other matters relating to this, please let us know.

Thanks,

Annie Fischer

Income Tax Preparer