

### **What are Your Chances of Being Audited by the IRS?**

The Treasury Department has issued a report about the number of audits conducted for the tax year 2007. The report details the areas that the audits are focusing on.

For the tax year 2007 the audit rate for individual returns was up 7%. In additions, audits for business returns increased by almost 14 % over the prior year. This means that your chances of being audited are growing every year. This makes it more important to be honest on your return and accurately report your income and deductions.

Of the returns audited during 2007 hear are some interesting facts.

- A majority of audits are conducted through correspondence.
- The IRS increased audits of individual returns with income of \$100,000 or more by 13.7%.
- Audits of individuals with incomes over \$200,000 were up 29.2% from the prior year.
- Individuals with incomes of \$1 million or more were more likely to be audited during 2007. There was an 84% increase over the prior year; leading to one out of 11 individuals facing an audit.
- S-Corporations and partnerships saw the greatest increase in business audits. Increasing between 25-26% over the prior year.

If you would like to learn more about this report or would like to know what you can do to reduce your chances of being audited please give The Ruboyianes Company a call and we can discuss your personal tax situation.