

CIRCUMSTANCES THAT INCREASE THE LIKELIHOOD OF AN AUDIT

Chances of being audited by the IRS are greater under the following circumstances:

- (1)** You have large amounts of itemized deductions on your tax return that exceed IRS targets.
- (2)** You claim tax shelter investment losses on your tax return.
- (3)** You have complex investment or business expenses on your tax return.
- (4)** You own or work in a business which receives cash and/or tips in the ordinary course of business.
- (5)** Your business expenses are large in relation to your income on your tax return.
- (6)** You have rental expenses on your tax return.
- (7)** A prior IRS audit resulted in a tax deficiency.
- (8)** You have complex tax transactions without explanations on your tax return.
- (9)** You are a shareholder or partner in an audited partnership or corporation.
- (10)** You claim large cash contributions to charities in relation to your income on your tax return.
- (11)** An informant has given information to the IRS re: unreported income.