

Don't Panic if You Receive an IRS Notice

Article Highlights:

- Letter May Be In Error
- Let Your Tax Professional Respond
- Procrastination Leads to Bigger Problems
- Change of Address Complications

If it is not your refund check in the mailbox, that letter from the IRS will probably increase your heart rate a little. Don't panic; many of these letters can be dealt with simply and painlessly.

Each year, the IRS sends millions of letters and notices to taxpayers to request payment of taxes, notify them of a change to their account, or to request additional information. The notice you receive normally covers a very specific issue about your account or tax return. Each letter and notice offers specific instructions on what needs to be done to satisfy the inquiry.

However, the letters also must advise you of your rights and other information required by law. Thus, these letters can become overly lengthy and sometimes difficult to understand. That is why it is important to either call this office immediately or forward a copy of the letter or notice so it can be reviewed and handled accordingly.

Do not procrastinate or throw the letter in a drawer hoping the issue will go away. Most of these letters are computer generated and, after a certain period of time, another letter will automatically be produced. And, as you might expect, each succeeding letter will become more aggressive and more difficult to deal with.

Most importantly, don't automatically pay an amount the IRS is requesting unless you are positive it is correct. Quite often, you really do not owe the amount being billed, and it will be difficult and time consuming to get your payment back. It is good practice to have this office review the notice prior to making any payment.

Unfortunately, many taxpayers are issued these letters and don't know it because they have moved and left no forwarding address. Even though the IRS will register your address change when you file your annual tax return, that may not be timely enough, especially if your return is on extension or you are behind in your filings. It is always better to notify the IRS, and your state if applicable, that you have a new address, just as you would your family and financial and business affiliations. You may not want to receive correspondence from the IRS, but it is easier to deal with the first notice. The complications can only increase as the notices go unanswered. The IRS provides Form 8822- Change of Address for taxpayers who have relocated between tax filings.

It is important for any IRS correspondence to be dealt with promptly and correctly. This office can handle these matters for you; so please call for assistance.