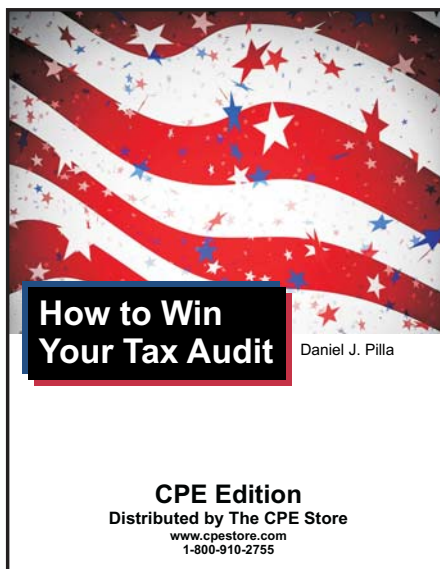


How to Win Your Tax Audit

Course Instructions and Final Examination



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How to Win Your Tax Audit

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Course Objectives

After completing this course, you will be able to:

- Pinpoint the manner in which the IRS believes most taxpayers cheat on their tax returns
- Recognize what the IRS utilizes to assess phantom income
- Select the innovation which laid the groundwork for an “up-front tax system”
- Determine what the taxpayer must prove to the IRS when an incorrect information return is received
- Identify the IRS’s primary motive
- Discern why the IRS spends little time seeking information from third parties about a taxpayer’s deductions
- Recognize what the IRS must claim about a tax return in order to issue a summons
- Ascertain why taxpayers are afraid of an IRS audit
- Identify the stated purpose of an audit
- Spot the percentage of taxpayers involved in correspondence audits who know how to respond
- Recognize examples of the most litigated tax issues
- Pinpoint an essential element of preparation for any business audit
- Identify the IRS method of flushing out unreported income which is used in the absence of any other information
- Ascertain the first step in audit defense preparation once an IDR is received
- Recognize the most common stance the IRS takes on a given deduction
- Determine what type of document a ledger or log is
- Spot the importance of the Cohan rule
- Discern which IRS tactic is expected to increase if taxpayers fail to provide requested data
- Pinpoint what can be tested with access to metadata
- Determine what the law requires of books and records sought under summons authority
- Ascertain what the IRS requires before it will discuss your matters with your representative
- Spot the action a taxpayer should take if an IRS agent desires a face-to-face conference and refuses a request for a correspondence audit
- Determine which party the repetitive audit rules apply to
- Recognize a situation in which a taxpayer should consider signing a waiver
- Pinpoint how many aspects of a taxpayer’s life the IRS can use when developing an economic profiles
- Identify an external data source the IRS utilizes during an economic reality audit
- Recognize interview techniques which are included in the IRS training aids
- Determine what a taxpayer must possess to shift the burden of proof to the IRS with respect to a claim of unreported income
- Spot the court case in which the IRS tried to manufacture income using Consumer Price Indexes
- Discern what indicates that a person has willfully filed a false information return
- Identify what is included in the tax code but is mostly disregarded by the IRS
- Recognize the first step a taxpayer should take to eliminate an attack on unreported income
- Pinpoint a situation in which it is critical that a taxpayer maintain an income log
- Identify a subjective element which demonstrates a business profit motive
- Determine what happens to business expenses which are currently nondeductible because the IRS found no profit motive
- Discern when it is best to appeal a tax audit decision
- Spot an alternative term used for a Notice of Deficiency
- Identify an advantage of an Offer in Compromise (OIC)
- Discern which IRS communication requires a response within 90 days
- Recognize an important goal which is met by establishing ground rules before attending a meeting with the IRS
- Spot an error which is consistently made by taxpayers when dealing with the IRS
- Identify the importance of IRS Form 8821
- Determine how the IRS obtains a tax assessment
- Recognize the purpose of any pre-trial negotiation
- Spot a situation in which a taxpayer’s OIC will be rejected
- Pinpoint the percentage of taxpayers who overpay taxes while utilizing professional tax preparers
- Recognize a sign of a technically incompetent tax professional
- Identify a problem with Refund Anticipation Loans
- Discern which IRS computer file maintains individuals’ tax return information
- Ascertain what enables individual taxpayers to access their tax return information contained in the IRS Master File
- Determine who may deduct the fees and costs of prevailing against the IRS in litigation
- Select the type of claim for fees and costs a taxpayer should initiate after prevailing in the Appeals Office

- Pinpoint the time period during which a taxpayer must file an administrative claim under code section 7430
- Identify factors used in the DIF scoring process
- Recognize a clear indication of a tax scam
- Determine what provides some insulation from a tax inquiry

Course Instructions

To fully benefit from this course, please follow all of the steps below.

1. Read each chapter in the text to get a good understanding of the material.
2. Answer the study guide problems which appear at the end of each chapter. After answering the problems, compare your answers with the correct answers to ensure that you understand the material.
3. When you feel that you have a good understanding of the material contained in the chapter, answer the questions on the final examination.
4. When you have completed the final examination, record your answers on the answer sheet provided and submit it for grading. A score of 70% or better is required to pass. Please also complete the course evaluation and submit it to us along with your answer sheet. Upon passing you will receive a Certificate of Completion stating that you have successfully completed the course and earned the continuing education credit.

Prerequisites and Advance Preparation

No prerequisites or advance preparation are required for this course.

CPE Credit

This course is recommended for 20 CPE credits.

Final Exam Grading

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The CPE Store's courses are developed to satisfy the continuing education requirements of the American Institute of Certified Public Accountants, each state's Board of Accountancy and the National Association of State Boards of Accountancy (NASBA). If your state requires registration of sponsors, our sponsor number will appear on your Certificate of Completion.

Our courses are designed to meet the continuing education requirements of accounting professionals. A great deal of care has been taken to ensure that the course material is both interesting and relevant to the practice of accounting. The information presented is, to the best of our knowledge, current and accurate. However, The CPE Store is not in the business of rendering legal, accounting or other professional advice and as such, the material presented in our courses is intended as an overview. If legal advice or other expert assistance is required, the services of a competent professional should be sought.

How to Win Your Tax Audit

20-Credit Course

Final Examination

A score of 70% or higher is required to pass the exam. If you score less than 70% on your first attempt, we will allow you to take the test a second time.

Chapter 1 – The Story Line

1. In what manner does the IRS believe most taxpayers cheat on their tax returns?
 - A. Not filing returns
 - B. Overstating deductions
 - C. Claiming erroneous tax credits
 - D. Underreporting income
2. In practice, what does the IRS utilize to assess phantom income?
 - A. Economic reality audit
 - B. Creative accounting
 - C. Self-disclosure
 - D. Enforcement procedures

Chapter 2 – The IRS Moves Closer to “Big Brother”

3. Which innovation laid the groundwork for an “up-front tax system”?
 - A. Information returns
 - B. Commercial software
 - C. Electronic filing
 - D. Data processing
4. What does the taxpayer have to prove to the IRS when an incorrect information return is received?
 - A. Matching
 - B. Good faith
 - C. A negative
 - D. Transparency
5. What is the IRS’s primary motive?
 - A. Voluntary compliance
 - B. Money
 - C. Less taxpayer burden
 - D. Efficiency

Chapter 3 – Preventing Contacts with Third Parties

6. Which code section grants to the IRS broad power to gather taxpayer information?
 - A. 7601
 - B. 7602
 - C. 6304
 - D. 7521
7. Why does the IRS spend little time seeking information from third parties about a taxpayer’s deductions?
 - A. Disallowing deductions takes more time
 - B. The IRS already has access to the information
 - C. The IRS must get taxpayer approval
 - D. The taxpayer has the burden of proof

Final Exam

8. Which of the following will be used by the IRS if it doesn't receive information it has requested in a timely manner?
 - A. Subpoena
 - B. Summons
 - C. Letter 3164B
 - D. Customer Comprehensive Report
9. What must the IRS claim about a tax return in order to issue a summons?
 - A. The IRS is aware of mistakes in the return
 - B. The return includes a potential error
 - C. The IRS wants to determine the return's correctness
 - D. The return likely contains discrepancies

Chapter 4 – Debunking Tax Audit Myths

10. In general, why are taxpayers afraid of an IRS audit?
 - A. They feel guilt
 - B. They have misinformation about audits
 - C. Audits are costly
 - D. Taxpayers are embarrassed
11. In 2013, what was the additional tax assessment on the average taxpayer going through a face-to-face audit?
 - A. \$7,917
 - B. \$3,700
 - C. \$16,255
 - D. \$14,050
12. What is the stated purpose of an audit?
 - A. Ascertain the correctness of the tax return
 - B. To catch tax evaders
 - C. Revenue enhancement
 - D. Taxpayer intimidation
13. Which of the following is included in the 30-day letter?
 - A. Tax assessment
 - B. Taxpayer rights and protections
 - C. Notice of Deficiency
 - D. Revenue Agent's Report
14. About what percentage of taxpayers involved in correspondence audits know how to respond?
 - A. 90%
 - B. 40%
 - C. 50%
 - D. 33%
15. Tax shelter investments are likely picked for audit using what criteria?
 - A. OVDP
 - B. DIF
 - C. NRP
 - D. CIP
16. The IRS attacks the business expenses of individuals identified in which CIP class?
 - A. Multi-level marketing
 - B. Employment tax enforcement
 - C. Flow-through entities
 - D. Offshore assets

Chapter 5 – How the IRS Attacks a Tax Return

17. Which of the following is not identified as one of the most litigated tax issues?
 - A. Charitable deductions
 - B. Depreciation of business equipment
 - C. Foreign tax credits
 - D. Dependent exemptions
18. Which classification does the IRS prefer with respect to payments to shareholders of regular corporations?
 - A. Gifts
 - B. Dividends
 - C. Salary
 - D. Flow-through profit
19. What is an essential element of preparation for any business audit?
 - A. Avoid face-to-face meetings with IRS auditors
 - B. Retain a tax professional
 - C. Adhere to the IRS mandate on recordkeeping
 - D. Consult the MSSP for that business
20. What is a common improper audit tactic with respect to bank deposits?
 - A. Re-deposits
 - B. Bank summons
 - C. Tracing
 - D. Crosschecking
21. Which IRS method of flushing out unreported income is used in the absence of any other information?
 - A. CPI
 - B. Weighted averages
 - C. Bank deposits
 - D. BLS

Chapter 6 – How to Counter the Attack

22. Once an IDR is received, what is the first step in audit defense preparation?
 - A. Analyze the notice and the IDR
 - B. Determine if proof exists for the items requested
 - C. Verify that the items were claimed on the return
 - D. Determine if substantiation of income and deductions is sufficient
23. What is the most common stance the IRS takes on a given deduction?
 - A. The law doesn't allow the deduction
 - B. There is lack of substantiation for the amount deducted
 - C. The amount deducted exceeds the average expectation
 - D. The IRS threatens general disallowance of deductions as a bluff
24. Which tax authority is not always correct?
 - A. Revenue Rulings
 - B. Treasury Regulations
 - C. IRS Publications
 - D. Title 26
25. A ledger or log is which type of document?
 - A. Primary
 - B. Non-contemporaneous
 - C. Secondary
 - D. Summary

Final Exam

26. What is a typical audit issue faced by a sole proprietor with a personal bank account and a separate business account?
 - A. Double-counting of income
 - B. Payment of business expenses out of the business account
 - C. Depositing personal income in the business account
 - D. The IRS doesn't accept bank records as proof of income
27. What is a typical problem with incorrect information returns?
 - A. Payee was not actually paid
 - B. Wrong Social Security number
 - C. Incorrect name
 - D. Income is overstated
28. What must the IRS have to accompany its claim of unreported income?
 - A. Sworn testimony
 - B. Extrinsic evidence
 - C. Proof of a negative
 - D. Corroboration
29. Which of the following is always true of tax deductions?
 - A. Taxpayers are inherently entitled to deductions
 - B. Few people are bluffed out of deductions
 - C. Burden of proof is always on the taxpayer
 - D. Taxpayers must prove at least three of the four basic elements of a deduction
30. What is the importance of the *Cohan* rule?
 - A. Provides that deductions are a matter of legislative grace
 - B. Allows the reconstruction of records
 - C. Outlines the information necessary to establish the factual elements of a deduction
 - D. Allows partial deductions for mixed-use property

Chapter 7 – The Information Document Request, QuickBooks, and Summons Enforcement

31. Which IRS tactic is expected to increase if taxpayers fail to provide requested data?
 - A. Subpoena
 - B. Disallowances
 - C. Summons
 - D. Economic reality audits
32. According to the IRS, what can be tested with access to metadata?
 - A. Credibility
 - B. Deductibility
 - C. Materiality
 - D. Sources of income
33. What does the law require of books and records sought under summons authority?
 - A. Associated
 - B. Essential
 - C. Relevant
 - D. Supportive

Chapter 8 – Understanding Your Essential Tax Audit Rights

34. What did the 2014 Bill of Rights add to existing taxpayer rights?
 - A. User-friendliness
 - B. Enforceability
 - C. Legal references
 - D. Nothing

35. When scheduling an audit meeting with the IRS, what should a taxpayer be?
- A. Submissive
 - B. Inquisitive
 - C. Agreeable
 - D. Assertive
36. What is required by the IRS before it will discuss your matters with your representative?
- A. Formal introduction by the taxpayer
 - B. Form 2848
 - C. Letter from the IRS granting permission
 - D. License to practice before the IRS
37. Which action should a taxpayer take if an IRS agent desires a face-to-face conference and refuses a request for a correspondence audit?
- A. Meet at the taxpayer's choice of location
 - B. Taxpayer must submit to a face-to-face conference
 - C. Mail the requested information
 - D. Argue with the agent about IRS Publication 1
38. To which of the following do the repetitive audit rules apply?
- A. Individuals
 - B. Schedule C (small business)
 - C. Partnerships
 - D. Corporations
39. If the IRS received your 2013 individual return on August 15, 2014, and no extension was filed, on what date does the statute of limitations expire?
- A. April 15, 2017
 - B. August 15, 2017
 - C. April 15, 2016
 - D. August 15, 2016
40. In which situation should a taxpayer consider signing a waiver?
- A. Solid evidence exists to support the case
 - B. The auditor is unreasonable and doesn't know the law
 - C. The assessment statute expiration date is very close
 - D. There is a desire to speed up the process
41. What is recommended to ensure a taxpayer's tax year will not be audited again?
- A. IRS's written acceptance of the return
 - B. IRS's verbal approval of the return
 - C. Execution of Form 872-A
 - D. Closing Agreement signed by the IRS

Chapter 9 – The Dangers of an Economic Reality Audit

42. Which type of audit focuses on the substantiation of a taxpayer's deductions?
- A. Economic reality
 - B. Verification
 - C. Investigative
 - D. Profiled
43. An IRS training aid identifies how many aspects of a taxpayer's life to use in developing an economic profile?
- A. 47
 - B. 12
 - C. 27
 - D. 33

Final Exam

44. Which of the following most accurately describes the coverage of an economic reality investigation?
 - A. Comprehensive
 - B. Serious
 - C. All encompassing
 - D. Vague
45. What is an external data source that the IRS utilizes during an economic reality audit?
 - A. Information returns
 - B. Currency transaction reports
 - C. SSA
 - D. Criminal investigations information
46. What tendency do many small business owners exhibit towards IRS threats?
 - A. Concerned
 - B. Cavalier
 - C. Conservative
 - D. Helpless
47. Which taxpayer interview technique is not included in the IRS training aids?
 - A. Be skeptical
 - B. Be observant
 - C. Appear interested
 - D. Be honest

Chapter 10 – Understanding the Burden of Proof

48. A taxpayer's burden of proof is true both in terms of the amount and _____ of the claim.
 - A. Time
 - B. Correctness
 - C. Legality
 - D. Documentation
49. What must a taxpayer possess to shift the burden of proof to the IRS with respect to a claim of unreported income?
 - A. Foundation of evidence
 - B. Proof of a negative
 - C. Extrinsic evidence
 - D. Presumption of correctness
50. If a taxpayer has disposable income of \$50,000, tax return expenses of \$35,000, and a BLS estimate of living expenses equal to \$60,000, how much total income will the IRS likely argue should be reported on the return?
 - A. \$45,000
 - B. \$25,000
 - C. \$10,000
 - D. \$60,000
51. Which of the following is a reason the IRS ignores its burden of proof rules regarding income?
 - A. Taxpayers don't understand the rules
 - B. The IRS has legal support
 - C. IRS agents are unwitting
 - D. The IRS does not have to test the reliability of the books
52. In which court case did the IRS try to manufacture income using Consumer Price Indexes?
 - A. *Portillo*
 - B. *Senter*
 - C. *Carson*
 - D. *Krause*

53. Which type of challenge must be brought by a taxpayer to invoke the protection of code section 6201(d)?
- A. Vague
 - B. General
 - C. Mere denial
 - D. Specific
54. Which of the following indicates that a person has willfully filed a false information return?
- A. The return is inaccurate
 - B. It was an intentional violation of duty
 - C. The filing was an inadvertent action
 - D. The filing resulted from a mistake

Chapter 11 – How to Neutralize the Economic Reality Audit

55. Other than the type of data requested in an IDR and the type of questions an auditor asks, what else signifies the beginning of an economic reality audit?
- A. Form 8300
 - B. Form 4822
 - C. A Revenue Officer is assigned to the audit
 - D. The auditor asks for metadata
56. What is included in the tax code but is mostly disregarded by the IRS?
- A. Limits on economic reality audits
 - B. Statute of limitations
 - C. Definitions of taxable income
 - D. Burden of proof delineation of income rules
57. What is the first step a taxpayer should take to eliminate an attack on reported income?
- A. Provide a reasonable indication of reported income
 - B. Provide affirmative proof of reported income
 - C. Establish sound reporting techniques
 - D. Engage a tax professional
58. If a taxpayer reports a \$10,000 gain from a stock sale, but an IRS auditor argues that \$16,000 of proceeds (based on bank records) are taxable, what is the auditor's likely error?
- A. Taxpayer engaged in a like-kind exchange
 - B. Taxpayer reports income on the installment basis
 - C. Stock basis of \$6,000 is not being considered
 - D. Taxpayer has an offsetting loss
59. In which situation is it critical that a taxpayer maintain an income log?
- A. Taxpayer has W-2 income only and possesses the W-2 form
 - B. Taxpayer receives 1099 income only and possesses the 1099 form
 - C. Taxpayer receives both W-2 income and 1099 income and possesses those information returns
 - D. Taxpayer receives 1099 income but does not possess the 1099 forms
60. What is the pitfall of a Personal Living Expense (PLE) statement?
- A. It relies on personal records
 - B. It contains estimates that are too high
 - C. The IRS has no legal authority to use it
 - D. It only reports the taxpayer's deductible items

Chapter 12 – How to Prove Your Business is Legitimate

61. What is the principal code section that authorizes business deductions?
- A. 183
 - B. 274
 - C. 162
 - D. 446

Final Exam

62. Which of the following is a subjective element demonstrating a business profit motive?
- A. Personal intent
 - B. Cutting costs
 - C. Emulating the practices of profitable businesses
 - D. Keeping careful books and records
63. If a taxpayer has \$1,500 of business expenses that cannot be deducted because the IRS found no profit motive, what happens to the \$1,500 disallowed expense?
- A. It is never deductible
 - B. It can be carried forward indefinitely to offset future business income
 - C. It can be carried forward for up to 3 years to offset future business income
 - D. It may be amortized over 5 years if the business has future income

Chapter 13 – Appealing Tax Audit Decisions

64. According to a recent GAO report, by what percentage did the Appeals Office cut the Examination function's claims?
- A. 71%
 - B. 60%
 - C. 99%
 - D. 57%
65. What is the best occasion to appeal a tax audit decision?
- A. It is always better to appeal an audit decision than agree to it
 - B. When the taxpayer has no undiscovered issues to reopen
 - C. There are no new issues that can be raised
 - D. Never, since it usually makes matters worse
66. Subsequent to submitting a protest, what will likely be the first contact a taxpayer has with the Appeals Office?
- A. IRS Letter 531
 - B. IRS Letter 950
 - C. IRS Letter 4141
 - D. Form 886-A
67. The Notice of Deficiency is also referred to as which of the following?
- A. Administrative determination
 - B. 30-day letter
 - C. Handshake letter
 - D. 90-day letter
68. After a substitute for return is filed for a nonfiling taxpayer, what is available to the taxpayer that subsequently permits the filing of an original return?
- A. Tax refund
 - B. Audit assessment
 - C. Audit reconsideration
 - D. Enforced collection
69. What is an advantage of an Offer in Compromise (OIC)?
- A. The case is worked expediently by the IRS
 - B. The statute is tolled
 - C. The liability can be reviewed by OIC after an Appeals Office determination
 - D. Sometimes the OIC case falls into a black hole

Chapter 14 – 16 Secrets to Effective Communication

70. Which IRS communication requires a response within 60 days?
- A. RAR
 - B. Notice and demand for payment of assessed taxes
 - C. Math error notice
 - D. Notice of Deficiency

71. If the IRS initially contacts a taxpayer with a phone call, which of the following is the likely content of the taxpayer's comments in a follow-up discussion?
- A. Inaccurate
 - B. Contradictory
 - C. Apologetic
 - D. Spontaneous
72. Which important goal is met by establishing ground rules before attending a meeting with the IRS?
- A. Eliminate surprises
 - B. Establish time and place of the meeting
 - C. Taxpayer can present requests ahead of time
 - D. One can inquire about the taxpayer's rights
73. Which error is consistently made by taxpayers when dealing with the IRS?
- A. They produce the wrong records
 - B. Ground rules are unclear
 - C. The taxpayer asks too many questions
 - D. The taxpayer offers too much information
74. What is the best way to bring about agreement in a tax dispute?
- A. Begin with the pivotal issues
 - B. Agree on the minor points
 - C. Begin negotiations by attacking IRS allegations
 - D. Create an adversarial environment
75. On what basis does the Appeals Office regularly settle cases?
- A. Nuisance value
 - B. Hazards of litigation
 - C. Potential costs of litigation
 - D. Negative precedent

Chapter 15 – 13 Bluffs and Intimidations and How to Counter

76. What is an integral part of IRS training and practice?
- A. Applicable law
 - B. Negotiation techniques
 - C. Bluff and intimidation
 - D. Burden of proof rules
77. Which of the following is the current IRS research audit program?
- A. Appeals review
 - B. TCMP
 - C. Repetitive audit
 - D. NRP
78. What is the importance of IRS Form 8821?
- A. Taxpayer's consent to release tax information to another person
 - B. Permits the IRS to assess tax and begin collection
 - C. Extends the statute of limitations
 - D. Discloses inconsistent treatment on the return
79. How does the IRS obtain a tax assessment?
- A. Prepayments of tax
 - B. Issues a Notice of Deficiency
 - C. Denies claims for refunds
 - D. Denies petitions to Tax Court
80. What is the purpose of any pretrial negotiation?
- A. Narrow disputed issues
 - B. Increase the inherent risk of litigation
 - C. Discourage litigation on legitimate issues
 - D. Settle on nuisance value

Final Exam

81. In which situation will a taxpayer's OIC be rejected?
- A. The taxpayer's liability has not been determined by the Appeals Office
 - B. The taxpayer is unable to pay the debt
 - C. The taxpayer has the assets to satisfy the debt
 - D. A federal court has not determined the tax liability
82. Which action rescinds a Notice of Deficiency?
- A. The IRS signs a rescission notice within 120 days of the Tax Court petition
 - B. Taxpayer files a Tax Court petition
 - C. Execution of Form 8626
 - D. All administrative remedies are not exhausted
83. IRS policy dictates that tax penalty provisions are intended for what use?
- A. Bargaining points
 - B. Raising revenue
 - C. Pressure taxpayers
 - D. Proper purpose
84. What function makes the IRS the most powerful government agency?
- A. Appeals
 - B. Collection
 - C. Criminal Investigation
 - D. Examination

Chapter 16 – How to Get the Most Out of Your Return Preparer

85. According to the GAO, what percentage of taxpayers who overpay taxes utilize professional tax preparers?
- A. 20%
 - B. 50%
 - C. 75%
 - D. 33%
86. Which of the following is a sign of a technically incompetent tax professional?
- A. Doesn't educate the taxpayer on the law
 - B. Uses a questionnaire
 - C. Nonresponsive to taxpayer questions
 - D. Recommends tax shelters
87. What is a problem with Refund Anticipation Loans?
- A. High interest charges
 - B. Must be paid back before the refund is received
 - C. Difficult to arrange
 - D. Borrowed amounts are normally larger than the refund amount
88. If the taxpayer sought advice from a tax advisor, which of the following is the key to success using a reliance defense?
- A. The advice was not challenged by the taxpayer
 - B. The tax issue was complex
 - C. The reliance was reasonable
 - D. The promoter was in fact not trained

Chapter 17 – Staying Ahead of the IRS

89. Which IRS computer file maintains individuals' tax return information?
- A. BMF
 - B. IRMF
 - C. TC
 - D. IMF

90. What enables individual taxpayers to access their tax return information contained in the IRS Master File?
- A. Internal Revenue Code
 - B. FOIA
 - C. Treasury Regulations
 - D. Disclosure Office

Chapter 18 – How to Recover Fees and Costs When You Win

91. Which of the following is an allowable deduction under code section 212(3)?
- A. Travel and entertainment
 - B. Medical expenses
 - C. Tax education materials
 - D. Depreciation expense
92. Who may only deduct (and not recover) the fees and costs of prevailing against the IRS in litigation?
- A. A prevailing party
 - B. One who establishes eligibility under the Equal Access to Justice Act
 - C. A taxpayer who has exhausted all administrative remedies
 - D. A person with a net worth over \$2 million
93. If a taxpayer prevails in the Appeals Office, which type of claim for fees and costs should be initiated?
- A. Administrative
 - B. Examination
 - C. Judicial
 - D. Appeals
94. Within how many days after a final decision must a taxpayer file an administrative claim under code section 7430?
- A. 30 days
 - B. 180 days
 - C. 90 days
 - D. 45 days

Chapter 19 – 10 Ways to Protect Yourself From the IRS

95. Why did Congress add section 7434 to the tax code?
- A. Mistakes made on Forms W-2
 - B. Lost information returns
 - C. Failure to timely issue information returns
 - D. Fraudulent information returns
96. Which of the following is not a factor used in the DIF scoring process?
- A. Geographic location
 - B. Age
 - C. Profession
 - D. Income
97. If a taxpayer suspects identify theft issues regarding a tax notice, which of the following should be notified immediately?
- A. Bank
 - B. Credit card companies
 - C. IRS
 - D. Law enforcement
98. What is a clear indication of a tax scam?
- A. An IRS agent requests a face-to-face meeting
 - B. An agent contacts the taxpayer instead of his or her authorized representative
 - C. An IRS agent shows up unannounced at the taxpayer's business
 - D. Credit card information is requested over the phone to pay a tax liability

Final Exam

99. Which of the following provides some insulation from a tax inquiry?
- A. Use of tax return preparation software
 - B. Documentation that supports underlying claims
 - C. Lack of mistakes made in the tax return
 - D. Retention of a professional tax return preparer
100. Which form should be filed to request a 6-month extension of time to pay a tax liability?
- A. Form 8275
 - B. Form 9465
 - C. Form 1127
 - D. Form 4868

**Thank you for taking our course.
We hope you enjoyed it.**

How to Win Your Tax Audit

Course Number: TAX152401
IRS Course Number: BSND7-T-00046-15-S
Qualifies for 20 hours of CPE credit

If you are mailing or faxing your test to us for grading, please fill in Member ID _____ and Validation number _____.

Name as it should appear on your Certificate: _____

Where should we send your results? _____

License State(s): _____

License Number: _____

Date Course Completed: _____

PTIN: _____



*** Note: If you are registered with the IRS as a tax preparer, you must provide your PTIN in order for us to report this course completion to the IRS.**

- * Answer each question A, B, C, or D, as appropriate.
- * Be sure you are answering questions from the Final Examination, not from the Study Guide
- * For instant online grading, go to www.cpestore.com and click the link for Online Services

1.	<input type="checkbox"/>	21.	<input type="checkbox"/>	41.	<input type="checkbox"/>	61.	<input type="checkbox"/>	81.	<input type="checkbox"/>
2.	<input type="checkbox"/>	22.	<input type="checkbox"/>	42.	<input type="checkbox"/>	62.	<input type="checkbox"/>	82.	<input type="checkbox"/>
3.	<input type="checkbox"/>	23.	<input type="checkbox"/>	43.	<input type="checkbox"/>	63.	<input type="checkbox"/>	83.	<input type="checkbox"/>
4.	<input type="checkbox"/>	24.	<input type="checkbox"/>	44.	<input type="checkbox"/>	64.	<input type="checkbox"/>	84.	<input type="checkbox"/>
5.	<input type="checkbox"/>	25.	<input type="checkbox"/>	45.	<input type="checkbox"/>	65.	<input type="checkbox"/>	85.	<input type="checkbox"/>
6.	<input type="checkbox"/>	26.	<input type="checkbox"/>	46.	<input type="checkbox"/>	66.	<input type="checkbox"/>	86.	<input type="checkbox"/>
7.	<input type="checkbox"/>	27.	<input type="checkbox"/>	47.	<input type="checkbox"/>	67.	<input type="checkbox"/>	87.	<input type="checkbox"/>
8.	<input type="checkbox"/>	28.	<input type="checkbox"/>	48.	<input type="checkbox"/>	68.	<input type="checkbox"/>	88.	<input type="checkbox"/>
9.	<input type="checkbox"/>	29.	<input type="checkbox"/>	49.	<input type="checkbox"/>	69.	<input type="checkbox"/>	89.	<input type="checkbox"/>
10.	<input type="checkbox"/>	30.	<input type="checkbox"/>	50.	<input type="checkbox"/>	70.	<input type="checkbox"/>	90.	<input type="checkbox"/>
11.	<input type="checkbox"/>	31.	<input type="checkbox"/>	51.	<input type="checkbox"/>	71.	<input type="checkbox"/>	91.	<input type="checkbox"/>
12.	<input type="checkbox"/>	32.	<input type="checkbox"/>	52.	<input type="checkbox"/>	72.	<input type="checkbox"/>	92.	<input type="checkbox"/>
13.	<input type="checkbox"/>	33.	<input type="checkbox"/>	53.	<input type="checkbox"/>	73.	<input type="checkbox"/>	93.	<input type="checkbox"/>
14.	<input type="checkbox"/>	34.	<input type="checkbox"/>	54.	<input type="checkbox"/>	74.	<input type="checkbox"/>	94.	<input type="checkbox"/>
15.	<input type="checkbox"/>	35.	<input type="checkbox"/>	55.	<input type="checkbox"/>	75.	<input type="checkbox"/>	95.	<input type="checkbox"/>
16.	<input type="checkbox"/>	36.	<input type="checkbox"/>	56.	<input type="checkbox"/>	76.	<input type="checkbox"/>	96.	<input type="checkbox"/>
17.	<input type="checkbox"/>	37.	<input type="checkbox"/>	57.	<input type="checkbox"/>	77.	<input type="checkbox"/>	97.	<input type="checkbox"/>
18.	<input type="checkbox"/>	38.	<input type="checkbox"/>	58.	<input type="checkbox"/>	78.	<input type="checkbox"/>	98.	<input type="checkbox"/>
19.	<input type="checkbox"/>	39.	<input type="checkbox"/>	59.	<input type="checkbox"/>	79.	<input type="checkbox"/>	99.	<input type="checkbox"/>
20.	<input type="checkbox"/>	40.	<input type="checkbox"/>	60.	<input type="checkbox"/>	80.	<input type="checkbox"/>	100.	<input type="checkbox"/>



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Tomball, TX 77375
Phone 1-800-910-2755
Fax 281-255-4337
www.cpestore.com

Course Evaluation

Course # _____

Your Name _____

About the Course

Were the stated learning objectives met?

- 1 - Not at all 2 - Marginally 3 - Somewhat 4 - Mostly 5 - Absolutely

If applicable, were prerequisite requirements appropriate and sufficient?

- 1 - Not at all 2 - Marginally 3 - Somewhat 4 - Mostly 5 - Absolutely N/A

Was the text well-written, accurate and easy to understand?

- 1 - Not at all 2 - Marginally 3 - Somewhat 4 - Mostly 5 - Absolutely

Was the final exam well-written, accurate and easy to understand?

- 1 - Not at all 2 - Marginally 3 - Somewhat 4 - Mostly 5 - Absolutely

Were course materials relevant and did they contribute to the achievement of the learning objectives?

- 1 - Not at all 2 - Marginally 3 - Somewhat 4 - Mostly 5 - Absolutely

Was the time allotted to the learning activity appropriate?

- 1 - Not at all 2 - Marginally 3 - Somewhat 4 - Mostly 5 - Absolutely

If applicable, were the individual instructors effective?

- 1 - Not at all 2 - Marginally 3 - Somewhat 4 - Mostly 5 - Absolutely N/A

About the Service

Were you satisfied with the ordering process?

- 1 - Not at all 2 - Marginally 3 - Somewhat 4 - Mostly 5 - Absolutely

Were your course materials in good condition when they arrived?

- 1 - Not at all 2 - Marginally 3 - Somewhat 4 - Mostly 5 - Absolutely

Did you receive your materials in a timely manner?

- 1 - Not at all 2 - Marginally 3 - Somewhat 4 - Mostly 5 - Absolutely

About You

What is your preferred method for completing your CPE?

- Textbook PDF materials downloaded from the internet Online courses Live seminars

Would you like us to notify you by email of our weekly specials and new courses?

- No Yes, my email address is _____ Already receiving

Comments Please

Are there any particular topics you would like to see covered in a CPE course or any additional services you would like to see us provide? _____

Please provide any additional feedback, either positive or negative, regarding our products or our service: _____