

IRS Audit Issues for Taxpayers

IRS Updates

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IRS Updates

2015 Expectations

- ✓ IRS to open January 20th
- ✓ Tax Max processing tax returns since January 13th
- ✓ Our customers expect tax checks starting Friday 1/23 or Monday 1/26
- ✓ IRS Short Staffed
 - ✓ Only delays PAPER returns
 - ✓ Amended Returns
 - ✓ Fines imposed for not filing electronically – no electronic delays
 - ✓ Long hold times when calling the IRS

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IRS Updates

IRS 1099-C Form

- ✓ Cancellation of Debt
- ✓ Form 982 makes it 'go away'
 - ✓ Bankruptcy
 - ✓ Insolvency
 - ✓ Debts are greater than total assets

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IRS Updates

Identity Theft

- ✓ Identity Theft is being exaggerated by the media
- ✓ We saw no increase from year to year in % of returns affected
- ✓ IRS continues to catch and squash ID theft
- ✓ IRS is reviewing self-prepared returns on Turbo Tax more than professionally prepared returns

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IRS Updates

Obamacare Delays

- ✓ NO Major Delays Expected
- ✓ Penalty for no insurance is minor
 - ✓ Few hundred dollar penalty of a \$5,300+ average tax refund
- ✓ Most BHPH customers have no penalty
 - ✓ Income limits
 - ✓ Hardship exemptions

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IRS Updates

Rumors of Reduced Refunds

- ✓ Increases in Earned Income Credit (EIC)
- ✓ Increases in Standard Deductions
- ✓ Increases in Personal Exemptions
- ✓ Increases in Refund Amounts

QUESTIONS?



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