

Responding to IRS Tax Notices

This playbook describes a step-by-step process for responding to IRS tax notices, with guidance on understanding and acting upon different types of notifications.

Step 1: **Identify Notice**

Carefully read and identify the type of IRS notice or letter you have received. The upper right-hand corner will typically have a notice or letter number, which indicates the specific issue the IRS is addressing.

Step 2: **Understand Content**

Understand the content and what the IRS is requesting or informing you of. This could range from a simple notification of changes to your account, a request for payment, a request for additional information, or a notification of an audit.

Step 3: **Review Information**

Review the tax return in question. Compare your records with the information in the IRS notice to verify its accuracy or note any discrepancies.

Step 4: **Prepare Response**

Prepare your response, if necessary. This may include drafting a letter for clarifications, gathering documentation to support your case, or rectifying any mistakes with an amended return.

Step 5: **Seek Assistance**

If you're unsure about the content of the notice or how to respond, seek professional tax advice from an accountant or tax attorney.

Step 6: **Respond Timely**

Act promptly and respond to the notice by the deadline provided. Include copies of any documentation requested, and retain a copy of your correspondence for your records.

Step 7: **Address Payment**

If the notice includes a payment request and you agree with the amount owed, arrange for payment. If you are unable to pay in full, contact the IRS to discuss payment options.

Step 8: **Document Actions**

Document all actions taken in response to the IRS notice, including phone calls, letters sent, and any additional filings. Keep these records organized with your tax documents.

Step 9: **Follow up**

Monitor for additional communications from the IRS to confirm resolution. If you sent a response, ensure you receive acknowledgment from the IRS, which could take several weeks.

General Notes

Notice Types

Certain IRS notice numbers correlate with common issues, such as CP2000 for proposed changes due to mismatched income reporting, or CP501 reminding you of a balance due.

Avoid Scams

Beware of scams impersonating the IRS. The IRS typically contacts individuals through mail and not via email, phone, or social media unless you initiated the contact.

Deadlines Matter

Ensure you understand any deadlines referenced in the IRS notice. Missing a deadline could result in additional penalties, interest, or enforcement actions such as liens or levies.

IRS Contact Information

If you need to contact the IRS, use the contact information provided on the IRS notice, which usually includes a phone number and the hours it is staffed.