

INDEPENDENT AUDIT REVIEW CONFERENCE:

What To Do If You Disagree With The Audit

It's the final stage of your audit. It's called the Exit Conference. The auditor hands you a complex printout of audit work papers with a tax due amount that you disagree with. What should you do to STOP the audit?

1

UNDERSTAND

that you have the right to contest a decision prior to the auditor turning in your audit for billing.¹

Reconciliation Conference:

This informal meeting is judged by your auditor's group supervisor and/or audit manager. Although this process is faster than an IARC, it may not be your best option.

Independent Audit Review Conference (IARC):

This is your most important defense option. If you qualify for an IARC, a Dispute Officer will hold an informal hearing to let both sides provide their written and oral arguments in an effort to keep you from being overtaxed.

Administrative Hearings success rate 10% to 20%

An IARC is your best option

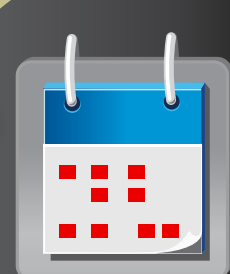
It is not easy to qualify for an IARC. After submitting your arguments, tax research and supporting documentation, your auditor may try to deny your request for technical reasons. Keep in mind that if you fail to request an IARC prior to the auditor turning in your audit for billing, your only alternative is to request a redetermination hearing. However, redetermination hearings are much riskier (only 10-20% success rate), take a lot longer (six months to over a year) and usually cost a lot more.

2

KNOW

when to request your IARC

You do not have to wait until the end of the Field Audit phase: You can reserve your right to an IARC at any time before the Exit Conference. Although the Texas Comptroller will not grant an IARC until the Exit Conference, it is best to reserve your RIGHT to an IARC at the first sign of trouble.



3

SUBMIT

your IARC request

Making the **initial** IARC request in writing is a requirement. Just send an email to your auditor and their supervisor as follows:

Email Subject Line: Request to Reserve My Right to an Independent Audit Review Conference (IARC).

Email Body: Please accept this email as a request to reserve my right to an Independent Audit Review Conference if all audit assessments have not been agreed to in writing.



4

SEND

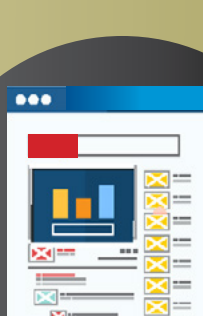
detailed documentation

Submit a clearly written description of your arguments (contentions) supported by:

- Tax research (i.e. Letter Rulings, Administrative Hearing Decisions, etc.).
- Documentary Evidence

Can I be denied an IARC?

Yes. The auditor or supervisor may overrule your request for either unclear contentions or lack of supporting evidence. In this case, an Administrative Hearing is your last resort.



Where can I receive help to ensure my audit is accurate?

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¹According to the Tax Payer's Bill of Rights, published by the Texas Comptroller of Public Accounts (<http://comptroller.texas.gov/about/bill-of-rights.php>)