

High-Risk Tax Audit Targets

Worried about the possibility of a tax audit? The odds are low: during the past few years, less than two percent of all tax returns were audited by the Internal Revenue Service (IRS).

Your chances of being audited depend on:

- What type of income you report
- The amount of income you report
- The type of business you're in
- The tax deductions you report
- Your past history with the IRS

Your odds are higher if:

- Your income runs on cash transactions (such as restaurants, bars, retail stores and so forth) where it would be easier to skim cash undetected
- Your itemized deductions are high in proportion to your income
- You claim tax shelter investment losses
- You have been previously audited and found to be owing taxes

It's especially important to keep good records, such as:

- Detailed accounts of daily business cash transactions
- Receipts for charitable deductions and all itemized deductions
- Investment loss documentation

It's also a good idea to consult with a tax attorney now to learn what more you can do to protect yourself should you be audited in the future.

**Please contact Cascade if you would like further information.
The EAP is here to help.**

