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Your odds of being audited

If you made less than \$200,000, your chance of being audited was just 0.88 percent. That's down from the 0.94 percent audit rate in fiscal year 2012.

- Your audit odds increased if your income was between \$200,000 and \$1 million. In fiscal year 2013, just 3.26 percent of returns filed by individuals in that income range were audited.
- If you made more than \$1 million, almost 11 percent of returns got closer looks from IRS auditors.

2013 audit rates were down from the prior fiscal year. The lower level of return examinations, however, is not just out of the goodness of Uncle Sam's heart. General budget cuts forced the IRS to pull back on some of its audit operations.

This filing season, IRS Commissioner John Koskinen says that budget cuts will mean fewer audits. While that might sound good to taxpayers who push the filing envelope, Koskinen says the estimated 326,000 fewer individual and business examinations will cost the U.S. Treasury at least \$2 billion in revenue that otherwise would have been collected in fiscal year 2015.

— Article by Kay Bell, contributing tax editor for *Bankrate.com*