

SERVICE OVERVIEW

It is no secret that the IRS has increased audit activity against organizations filing questionable tax credits and deductions in recent years. Where appropriate, the IRS may assert accuracy-related penalties ranging from 20% to 40%, as well as a civil fraud penalty of 75% on underpayment of tax with respect to unsubstantiated tax credits taken.

The IRS suggests that taxpayers who are considering claiming one or more of these credits take precautions (e.g., consult with an independent advisor) to avoid filing unsubstantiated returns that won't withstand audit scrutiny. Likewise, those who have already filed are also advised to consult an independent advisor, and consider filing an amended return, if deemed necessary.

Whether your organization is currently considering pursuing such tax credit(s), or has already done so, having an independent advisor conduct an analysis to evaluate your ability to withstand IRS scrutiny is often a good idea. Common situations when such evaluation/analysis can prove useful include those claiming (or who have already claimed):

- Research & Development Tax Credit
- Employee Retention Tax Credit
- Work Opportunity Tax Credit
- Cost Segregation (§1245/§1250)
- Energy Credits (§179D or §45L)

Our firm is available to evaluate your tax credit filing (whether before, or after the fact) and advise on any corrective action(s) available to mitigate potential adverse consequences against your organization.

LEARN MORE

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WHAT WE DO

- Conduct interview with key team member(s) and advisors to determine level of evidentiary substantiation available.
- Research relevant law to determine whether your organization more than likely satisfies eligibility requirements.
- Provide a written audit defensibility analysis report or tax opinion with our findings, including potential areas of concern (when necessary).

Our firm is also available for defense in tax credit focused audits, should the need arise.

CONNECT

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