

IRS Agents Will be Requesting Electronic Copy of QuickBooks

Are you using QuickBooks? You had better read this!

The National Association of Tax Professionals (NATP) has learned that IRS Agents are being instructed to obtain a copy of the taxpayer's database for examinations of any taxpayer who uses QuickBooks.

This will not be done in all examinations, only those examinations the IRS deems necessary based on the judgment of the agent. But as experience has shown, once a Revenue Agent discovers the taxpayer uses QuickBooks, the Agent will almost always deem it necessary to have a copy of the database.

If the taxpayer refuses to provide the database and the Agent or his IRS manager determines it's necessary, a Summons to obtain the information would be issued.

The Agent is only supposed to look at information for the year under audit unless they decided to expand the examination to other years. But if the Agent decides to expand to other years, then all years in the database would be reviewed.

The NATP has learned the IRS purchased between 1,500 and 2,000 licenses from Intuit and will have one Agent trained and licensed per group to assist in the examination of taxpayers who use QuickBooks.

You may not have heard of this yet, but as the software finds its way into Revenue Agent groups and more Agents are trained in its use, we could definitely be seeing a trend in the way exams are conducted.