

Audit

Self-Help Tips

What happens when I
owe to the IRS?

Did you:

- ▶ Get a letter from the IRS saying "you're being audited" or one describing "proposed changes" to your tax return.
 - ▶ Claim children for the Earned Income Tax Credit (EITC) or the Child Tax Credit (CTC)?
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What does this letter mean?

- ▶ The IRS is asking you to provide proof of the claims you made on your tax return. They may have provided a deadline to respond by. They may also have temporarily frozen all or part of your refund.
- ▶ If you claimed the Earned Income Tax Credit or Child Tax Credit, proving your claim usually means giving the IRS documents that show that you are eligible for the credit. Most often, this involves showing relationship and residence for the children you are claiming.

How do I show proof of my eligibility?



In order to claim the EITC or CTC for a child, it is not enough that you are taking care of them. You must also be related to them, either by blood or marriage, or through legal adoption, foster care, or a custody order.



What qualifies as proof of relation? (Providing just one type of proof is enough):

- Birth Certificate Copies
- Custody Orders
- DNA Tests

Providing proof (cont.)



What qualifies as proof of residence?

- Any official document that shows:
 - Name of child
 - Address used on tax return
 - Year the audit is being performed

If the child is a family member but not your biological child, you must show the entire "family tree" connecting you. For example, to claim your nephew, you must provide his birth certificate, his parent (your sibling)'s birth certificate, and



your own birth certificate. If you are not related to the child (for example, your friend's child that you care for but never legally adopted), you cannot claim tax credits for the child.

But you may still be able to claim them as a dependent to reduce your tax burden if you lived with and supported them all year.



If you don't have documents that prove that you met the residency requirement, contact us to learn about your other options.

General Audit Tips

- ▶ Pay attention to and meet any deadlines. If you don't think you can gather the documents you need before a deadline, call or write to the IRS and ask for more time.
- ▶ Don't give up if you miss a deadline. If you are entitled to a credit, even if an audit goes against you the first time, you can send additional evidence and ask the IRS to reconsider.
- ▶ Keep records. Often, taxpayers who get audited for one year will be audited the next year as well. Hold on to papers that could be helpful in case of a future audit.

Where can I get help?

KYCC's Low Income Taxpayer Clinic helps clients understand and resolve issues with the IRS.

Services by appointment only.

Call: [\(213\) 232 - 2700](tel:(213)232-2700)

Email: litc@kyccla.org



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