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Beware More IRS Audits, Especially for Wealthy

No one wants to be noticed by the IRS, much less audited. While it might be nice to have your peers or former high school classmates look upon you as someone who made it big time, do you want the **IRS** to think you're a big shot? Look what happened to Leona Helmsley after she uttered her now immortal words: "[Only the little people pay taxes.](#)"



There are many old wives' tales about what triggers an audit. See [Proprietors: To Avoid Audit, Avoid Schedule C](#). The size of your income is only one factor. Your deductions matter, your tax credits, and even which specific items you claim. But does mere **wealth** trigger an audit?

The IRS's [Global High Wealth Industry Group](#)—aka the Rich Squad—has been around since 2009 and is now finally ramping up. Audits can start with a plain old Form 1040 but can expand into gift transfers, charitable issues and excise taxes. The high-net-worth person can expect a holistic approach. All entities connected to the taxpayer are up for grabs, including family companies.

The fact that the Rich Squad is part of the IRS's [Large Business and International Division](#) says a lot. They are adept at dealing with complex

business and investment structures used by wealthy people. Rich Squad audits take into account the range of assets and entities in a family group. Trained to ferret out data from large and sophisticated businesses, the IRS is turning these big guns on individuals. See [Richie Rich Tax Audits](#).

That means the IRS will ask questions and want documentation for virtually everything, overwhelming even wealthy taxpayers. Families (even wealthy ones) don't have big tax staffs the way major corporations do. The Rich Squad is not dealing primarily with those who simply have high income on their [Form 1040](#). The focus is not so much with high income as with complicated structures of business entities, trusts and assets.

If you're in this category, you may want to get organized. More of these audits appear to be on the way.

For more, see:

[IRS 'Wealth Squads' On The Way](#)

[Is the New IRS Wealth Squad Coming for You?](#)

[Is The IRS's Wealth Squad Working?](#)

[IRS Global High Wealth Taxpayer Program Lags](#)

[Avoid IRS Audit Triggers](#)

[IRS Audit Risk If You're "Rich"](#)

[How the IRS Is Probing the Rich](#)

[How to Speak 'IRS' Language During an Audit](#)

[What to Expect and How to be Prepared for an Audit](#)

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