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Pop star [Iggy Azalea](#) has not been getting a lot of good news in the audit area lately. Not only did her Twitter Audit score land at 93 percent – meaning that only 7 percent of her followers are actually real people – but the IRS determined that she owes nearly \$400,000 in taxes from 2014. Like most of us, Iggy would probably prefer bad news from Twitter than from the IRS.

The Twitter situation is unknowable, but someone was asleep at the wheel on the tax issue – Iggy was clearly not employing an enrolled agent to handle her taxes! Although the IRS Data Book indicates that fewer than one in 100 households with

what would commonly be considered middle class incomes were audited in 2014,

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Taxpayers start to qualify for deductions and credits that were previously unavailable to them, such as the Child and Dependant Care Credit to help defray child care costs or the Savers Credit for retirement. Credits and deductions should never be missed, but the more deductions and credits, the more likely a mistake will be made that raises a red flag with the IRS.

While simple math errors can trigger an audit, tax software should make that less likely. However, your tax software won't make sure you have well documented your charitable donations or push you for the facts on that home office deduction (a big red flag for the IRS!). Even if you choose to hire a tax professional, you still aren't in the clear.

Although IRS now requires every paid preparer to register and have a Preparer Tax Identification Number (look for the PTIN), it generally doesn't take any skill at all to hang out a shingle. Be sure to ask a prospective paid preparer if she or he has a license. Anyone you trust with your financial information should have been tested on taxation and be required to take continuing education to keep their credential.

Enrolled agents and CPAs are usually considered the top-level paid return preparers. Enrolled agents receive their licenses from the US Department of the Treasury and CPAs are licensed by their individual states. To find an enrolled agent in your area, visit the "[Find an EA](#)" directory.

Auditing • Taxes

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