

Audit Defense Pro Service Overview

Your Tax Professional has partnered with TaxAudit.com to provide professional audit representation services for you through our Audit Defense Pro service should you ever be audited by the IRS or a state taxing authority. This document outlines the Audit Defense Pro service and the mutual responsibilities required in order for TaxAudit.com to provide audit defense services for your tax return.

DEFINITIONS

- **Audit:** Audit means any communication, including telephone calls, initiated by the IRS or State income tax agency that wishes to audit, examine, review, investigate or verify any item or items on the IRS income tax forms and State equivalent.
- **Audit Defense:** Audit Defense means that TaxAudit.com will represent you through the completion of any income tax audit for any income tax returns prepared by your Tax Professional (per the Exclusions and Limitations listed below).
- **Audit Defense Pro:** The Audit Defense service provided by TaxAudit.com to you in partnership with your Tax Professional.
- **Audit Representative(s):** Audit Representative(s) means your TaxAudit.com audit representative(s) who will be assigned to your audit case. These individuals will ordinarily be assigned to you according to their area of expertise.
- **IRS:** refers to the Internal Revenue Service
- **State:** refers to your state income tax authority.
- **Tax Professional:** the person and firm that prepared the tax return under audit by the taxing authority.

AUDIT DEFENSE PRO

TaxAudit.com will professionally defend a covered federal or state income tax audit or notice from the time of the first notice to its completion, as long as the associated return was prepared by your Tax Professional and subject to the Audit Defense Plan Limitations and Exclusions described below. All scheduling of appointments, telephone calls and correspondence will be handled by the assigned TaxAudit.com Audit Representative. TaxAudit.com will meet or correspond with the auditor on your behalf and will defend you through the highest level of appeals, subject to the terms herein.

Audit Defense Pro also includes:

- Handling all communications, including letters and/or telephone calls with the IRS or State regarding the Audit.
- Assigning the Audit Representative to manage your case.
- Developing a strategy with you and then meeting or corresponding with the IRS or State on your behalf.
- Consulting whenever necessary with your tax preparer
 - Note that while there are no additional charges for the Audit Defense Pro service, you are responsible for your tax preparer's fees (if any).

- Negotiating with the IRS or State through Appeals and pre-litigation Appeals review prior to trial in Tax Court.
 - No settlement will be reached with the IRS or State without your final approval and consent.
- Two hours of collection assistance is available on request if your covered audit results in additional tax due.

RESPONSIBILITIES

TaxAudit.com Responsibilities:

TaxAudit.com will provide you with professional audit defense service.

Your Responsibilities:

Upon receipt of any communication from the IRS or State, you are responsible to perform or provide the following:

- **Promptly** call TaxAudit.com at 866-224-9695 to report your audit.
 - **You must contact TaxAudit.com within 15 days of receiving the audit notification. If you do not contact us within 15 days of the date of the first notice, additional charges may apply. If you wait too long you will compromise the ability to defend your case.**
- **Do not contact the IRS or the State.** To ensure effective service regarding your Audit, you **must** use your assigned TaxAudit.com Audit Representative(s) as your **only** contact with the IRS or State.
- Provide your signature(s) on the required IRS or State Power of Attorney and return to the TaxAudit.com Audit Representative in a timely manner.
 - This will enable your Audit Representative to communicate with the IRS or State on your behalf.
 - This document must not be altered in any way.
- Provide in a timely manner the requested information and documentation necessary to substantiate the various items of income and expense in question so that your TaxAudit.com Audit Representative can prepare your defense.
- Comply with the Audit strategy and actions recommended by TaxAudit.com and any of the Audit Representatives working on your behalf.
 - If you are unwilling to do so, TaxAudit.com cannot be responsible for the outcome of your audit and reserves the right to cease providing service where reasonably warranted.

AUDIT DEFENSE PLAN LIMITATIONS

TaxAudit.com is dedicated to legitimately protecting your rights and assets in the event of an Audit. The following defines the Audit Defense Pro service limitations:

- TaxAudit.com does not provide legal assistance, nor represent our members in Federal or State Court, including Tax Court.
- TaxAudit.com does not provide legal assistance in defending issues of civil or criminal fraud, whether actual or alleged.
- TaxAudit.com does not prepare or amend Federal, State or Local income tax returns.

- TaxAudit.com will not reconcile checkbooks, organize records or do record keeping or bookkeeping.
- TaxAudit.com does not provide assistance for collection notices when we did not defend the Audit. If you have a collection notice from the IRS or State, it is not considered an Audit and will not be covered.
- TaxAudit.com is not responsible for the extra work and costs involved if you report your Audit late or you do not cooperate by providing requested documentation in a timely manner to your representative which results in the auditing agency issuing a Notice of Deficiency (NOD) or the state equivalent. If this occurs, TaxAudit.com will require you to pay for any such costs before proceeding.

AUDIT DEFENSE PLAN EXCLUSIONS

Certain Audits, tax returns, and issues of audit may be excluded for any of the following reasons:

- **Lapse in Coverage by your Tax Professional** – Your Tax Professional is providing this service on your behalf. However, if your Tax Professional fails to pay TaxAudit.com per the agreed schedule, TaxAudit.com will no longer service any incoming Audits. We will, however, complete any Audits that were already in process when the lapse occurred.
- **Unfiled Tax Returns** – Your Audit Defense Plan is limited to providing Audit Defense services for tax returns that have been prepared and filed. If a tax return has not been prepared and filed, TaxAudit.com will commence services on the Audit after the tax return has been prepared and filed.
- **Large Businesses** – Tax returns for business entities with gross receipts exceeding \$10 million and/or 10 partners / stockholders / beneficiaries / members are not covered.
- **Tax Returns for Other Entities Not Prepared by Your Tax Professional** – If you have an ownership interest in a Corporation, Partnership, LLC, LLP, Trust, Estate, or Tax Shelter that has been contacted for an Audit but your Tax Professional did not prepare that return, audit defense services for that entity are excluded.
- **Tax protestors** – TaxAudit.com will exclude anyone protesting the taxing of income on economic, religious, legal or constitutional grounds, or other frivolous claims.
- **Criminal Investigation (CI)** - If you are currently under investigation by CI, you are excluded from audit defense services. For any Audit that TaxAudit.com is defending in which CI enters the Audit, TaxAudit.com will cease working that Audit and will suspend further audit defense services until completion of the CI investigation. When the CI investigation is completed, TaxAudit.com will resume working on the Audit, if possible.
- **Other taxes** – Payroll tax, sales tax, property tax, gross receipts tax, city and local tax, estate and gift tax and compliance audits of pension and profit sharing plans are excluded from the Audit Defense Pro service.

CONFIDENTIALITY

Your name, address, and any other personal information will not be disclosed or sold to any persons or firms. Only TaxAudit.com's staff will have access to your tax information.

DISCONTINUATION OF SERVICE

TaxAudit.com reserves the right to discontinue service upon the breach of these terms by you, in the event that an Audit meets the criteria of any of the “AUDIT DEFENSE PLAN EXCLUSIONS” listed above, or in the event that a condition renders the completion of TaxAudit.com’s responsibilities unreasonably difficult to fulfill. Conditions that can render completion of TaxAudit.com’s responsibilities unreasonably difficult include, but are not limited to:

- Failure by you to reasonably fulfill any provision listed as “Your Responsibilities” under the “RESPONSIBILITIES” section above
- Failure to cooperate during the course of the Audit process
- Repeated use of abusive, inappropriate, or unprofessional language when communicating with any staff members or representatives of TaxAudit.com.