

Table 9a. Examination Coverage: Recommended and Average Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2015

Type and size of return	All returns filed in Calendar Year 2014 [1,2]	Returns examined in Fiscal Year 2015 [1]			
		Total	Percentage covered	Field [3]	Correspondence
		(1)	(2)	(3)	(4)
United States, total	191,857,005	1,373,788	0.7	376,223	997,565
Taxable returns:					
▶ Individual income tax returns, total	146,861,217	[5] 1,228,117	0.8	267,076	961,041
▷ Returns with total positive income under \$200,000 [7]:					
▶ Nonbusiness returns without Earned Income Tax Credit:					
Without Schedules C, E, F, or Form 2106 [8]	79,643,929	262,610	0.3	32,922	229,688
With Schedule E or Form 2106 [9]	15,997,590	107,300	0.7	49,408	57,892
▶ Business returns without Earned Income Tax Credit:					
Nonfarm business returns by size of total gross receipts [10]:					
Under \$25,000	10,534,942	94,952	0.9	35,192	59,760
\$25,000 under \$100,000	3,124,877	74,825	2.4	24,012	50,813
\$100,000 under \$200,000	877,851	21,724	2.5	13,681	8,043
\$200,000 or more	685,163	13,684	2.0	11,549	2,135

#1

#1 This represents the IRS AUDIT RATES for tax returns that DO NOT file a Schedule C (Form filed by those who receive 1099's). You will notice the chances of an audit in this scenario is .3% or 3 out of 1000.

#2 This is the IRS AUDIT RATES for people who receive 1099's as INDEPENDENT CONTRACTORS (like most Realtors). You will notice the chances of an audit in this filing scenario is approximately 2.5% or 2.5 out of 100.

#3 This is the IRS AUDIT RATES for people who own a P.A (S-Corp) instead of a non incorporated sole proprietorship. The audit rates for this scenario is .4% or 4 out of 1,000.

In summation, Realtors that do NOT have a PA and file as an unincorporated Sole Proprietorship ar 600% MORE likely to be audited by the IRS!!

Nontaxable returns [21]:					
▶ Partnership returns	3,766,567	19,212	0.5	10,377	8,835
▶ S corporation returns [22]	4,605,766	18,595	0.4	16,631	1,964
▶ Other nontaxable returns [23]	[4]	4,662	[4]	121	4,541
Income, estate, gift tax, and nontaxable returns, total	160,668,008	1,305,944	0.8	321,797	984,147

Footnotes at end of table.