

# AUDIT PROTECTION

## BUSINESSES 2025



To alleviate the cost burden of federal and state income tax audits, notices, and correspondence, Honkamp, P.C. offers you its

### **2025 Audit Protection Plan for Businesses**

Despite recent cuts, the IRS has received significant funding in the past few years. They have, and continue to, step up enforcement activities. Recent modernization efforts are allowing them to do more with less staff by focusing on those areas they expect will provide the highest average return. This includes individuals, small to large businesses, specific credits, and deductions their system flags as “out of the norm.”

This increased and targeted focus on enforcement, along with the continued efforts by the state governments to generate revenue, means more tax notices and audits experienced by taxpayers. Many of these notices are partially or completely incorrect, especially with the IRS being so far behind in processing returns and correspondence – creating even larger assessments of incorrect penalties and interest. However, these notices need to be handled correctly, as do audits.

Please submit all tax notices to us for review, no matter how minimal the dollar amount, so we can verify the accuracy of the notice and prepare a proper response.

In response to these notices and audits, Honkamp, P.C. offers our Audit Protection Plan. Many of our clients enroll in our Audit Protection Plan for peace of mind and to realize a cost savings when responding to these tax notices and audits. You will have the opportunity to enroll when you receive your income tax preparation invoice. You do not need to take any action now.

### **Questions?**

Call our office at 888.556.0123



Please note: You are, of course, responsible for maintaining adequate records and making them available to us so that we can properly represent you before the taxing authorities. Similarly, you are liable for any additional taxes, penalties or interest that may eventually be assessed. This Audit Protection Plan applies only to corporate and partnership income tax returns for 2025 and does not cover individual, payroll or other tax returns. We reserve the right to offer this Audit Protection Plan on a case-by-case basis.

## HOW IT WORKS

### SIGN UP FOR AUDIT PROTECTION PLAN



Your income tax preparation invoice will include a separate line item charge for the 2025 Audit Protection Plan for Businesses. It is shown as an optional charge. The fee provides coverage for up to three states. Companies filing tax returns in more than three states will be offered additional coverage per state and must pay the base fee and additional state(s) fee to be enrolled in the program. When you include the amount with your payment, you are automatically enrolled in the plan. Your payment constitutes a binding agreement for this service.

If you do not wish to take advantage of this plan, simply ignore the optional billing on your invoice. If you are on the Automatic Payment Service method, call our corporate office at 888-556-0123 to remove the charge.

*Deadline: All tax preparation and Audit Protection Plan fees must be paid in full within 90 days of your invoice date to be enrolled in this program. See your invoice for pricing details.*

### IF YOU ARE AUDITED



For the fee, Honkamp, P.C. will handle all correspondence to resolve letters of inquiry relating to your 2025 federal and state income tax returns on your behalf.

If your 2025 federal or state income tax returns should be audited, Honkamp, P.C. will represent you up to and including any appeals or protests needed to be filed with the IRS or the State Departments of Revenue at **no additional charge**.

Whenever you receive an audit notice or letter of inquiry from the federal or state government relating to your 2025 income tax returns, simply send it to Honkamp, P.C. and authorize us to represent you.

### WHAT THE PLAN COVERS



The Audit Protection Plan for Businesses includes IRS Form 1120, 1120S, 1065 and associated state income tax returns.

In addition to the peace of mind this program offers, our Audit Protection Plan could save you a substantial amount of money. Resolving audits and notices can be very time-consuming and costly.

## PLAN SERVICES

If you choose to participate in this protection program, Honkamp, P.C. will assist in responding to any notices or audits from the IRS or state tax agencies that involve reviewing, examining, investigating or verifying items from a federal or state income tax return prepared by Honkamp, P.C.

Honkamp, P.C. will assist you through this process, including activities such as:

- Drafting a letter of response
- Calls to the IRS practitioner hotline or state taxing agency
- Correspondence with the auditor
- In-person meetings and interview with auditor
- Submission of package of requested items to auditor
- Development of a strategy
- Communication with the client
- Follow-up on delayed refunds
- Requests for penalty abatement

Honkamp, P.C. will prepare a Power of Attorney form to have on file with the IRS or state agency so that the company will receive copies of any notices.

This program is limited to income tax returns that are prepared and filed by Honkamp, P.C.

Time spent to prepare additional tax filings, such as amended tax returns, is not covered under this program.

Honkamp, P.C. will not provide bookkeeping or organization of records under this program. We can provide assistance if needed, but time will be billed at hourly rates.

Honkamp, P.C. will also reimburse the client for any penalties that result from an error on the part of Honkamp, P.C. Any additional tax and/or interest due is the responsibility of the client.

**Exclusions:** Penalties (not due to an error on the part of Honkamp, P.C.) and interest, additional tax due, and legal assistance (if needed) are the responsibility of the client.