

The Automated Underreporter Program (AUR)

Presented by: Dennis Parizek
Program Manager,
Ogden Campus Compliance Services,
Automated Underreporter Operation



Southern California Tax Symposium
January 2009

What is AUR?

Automated Underreporter (AUR) is one of the major compliance programs used by the IRS to foster voluntary compliance.



AUR Case Selection

An AUR case is created when there are mismatches between amounts reported on individual tax returns and those reported to the IRS by third parties.



AUR Workflow

AUR case processing:

- Screening or “Case Analysis”
- Responses



AUR Notice CP2000

- Summary Page
- Frequently Asked Questions (FAQs)
- Response Form Page(s)
- Explanation Section



AUR Statutory Notice of Deficiency (SND)

- Letter 3219 (SC/CG)
- Form 5564 Notice of Deficiency – Waiver
- Explanation Section of the AUR CP2000 Notice.



Responding to an AUR Notice

- Review your tax return
- Respond by the due date
- Enclose the Response Page from the AUR Notice
- Use the return envelope provided



Tips for Avoiding the AUR Program

- Common mistakes
- Useful information



Tips cont.

- Do not group income amounts together
- Include an explanation when payer data is incorrect
- Avoid netting
- Report income on the correct line of the tax return



Tips cont.

- Identify reporting from joint accounts
- Provide an explanation when the amount differs from the payer information
- Include copies of revised schedules
- Maintain detailed records



AUR Notice-Program Issues

The AUR program strives to improve procedures and reduce burden.

Addressing concerns/issues raised by the practitioner community contributes to those improvements.



Issues cont'd

Form 1040X Amended Tax Return:
To submit or not to submit, that is
the Question.



Issues cont'd

State Income Tax Refund (SITR) and
Alternative Minimum Tax (AMT)



Issues cont'd

AUR does not acknowledge
correspondence



Issues cont'd

Premature receipt of Statutory
Notices of Deficiency (SND)



Issues cont'd

AUR is not recalculating the State Sales Tax Deduction on Schedule A.



Issues cont'd

Larger sized return envelopes and/or mailing labels for responding to AUR notices



Issues cont'd

Determining where to send a response to an AUR notice.



Issues cont'd

Long wait times when calling the AUR
toll-free numbers



Questions?



Contact Information

Dennis Parizek

- Phone: (801) 620-6276

- E-mail:

dennis.l.parizek@irs.gov

Practitioner Priority Service

(866) 860-4259


