

Assessment Solutions

Theme 1: Your Role as a Taxpayer
Lesson 4: The Taxpayer's Rights

Part 1

Choose the answer that best completes the following phrases. Write the letter of the correct response in the space provided.

- B** 1. When the IRS selects a tax return for further study, it carries out an ____.
A. appeal.
B. examination, or audit.
C. approval.
D. adjustment.
- D** 2. Because the IRS respects the taxpayer's right to ____, only authorized tax officials can see a taxpayer's return.
A. appeal
B. courteous service
C. representation
D. privacy
- A** 3. If a taxpayer disagrees with the IRS about tax liability after an examination or audit, the taxpayer can ask the ____ to review the case.
A. court
B. Congress
C. police
D. state
- D** 4. Most tax returns are ____.
A. rejected by the IRS.
B. selected for examination.
C. appealed by taxpayers.
D. accepted as filed.
- C** 5. You will _____ owe more tax if the IRS examines your tax return.
A. always
B. never
C. sometimes
D. definitely

Part 2

Indicate whether each of the actions below is a right that belongs to the **taxpayer** or to the **IRS**. Write your answer in the space provided.

1. Select a return for examination. **IRS**
2. Accept adjustment and agree to pay. **taxpayer**
3. Send a refund or bill. **IRS**
4. Share tax information with an outside party. **taxpayer**
5. Appeal a proposed tax adjustment. **taxpayer**

Part 3

Put the following steps in the processing of tax forms in the correct order. Write the number in which each event occurs in the space provided.

- 2** IRS checks arithmetic.
- 4** Taxpayer is asked for verification and information.
- 5** Taxpayer accepts adjustment made to the return; receives a refund; or agrees to pay tax liability.
- 3** Return is selected for IRS examination.
- 1** Taxpayer files return by midnight on April 15.