Part 1

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

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.

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

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

4. Most tax returns are ____.
   A. rejected by the IRS.
   B. selected for examination.
   C. appealed by taxpayers.
   D. accepted as filed.

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. ____________
2. Accept adjustment and agree to pay. ____________
3. Send a refund or bill. ____________
4. Share tax information with an outside party. ____________
5. Appeal a proposed tax adjustment. ____________

**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.

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