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# Pass-Through Entities be Aware - The IRS is Coming Your Way

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Faris Fink, Commissioner of the Small Business/Self-Employed Division of the Internal Revenue Service, announced at the AICPA National Tax Conference on November 5, 2013, that his division is moving its audit focus from corporations to pass-through entities (i.e., S corporations, partnerships and sole proprietorships).

Fink was candid when he said his employees do not currently have the skills and knowledge to conduct these examinations. In anticipation of its new focus, however, the Service is developing pass-through entity examination strategies and is training its audit staff to conduct the exams. Practitioners should expect to see significantly more pass-through entity examinations in 2014. One would suspect these examinations, especially early on, will be challenging for taxpayers and their advisors.

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