



Why Tax Audit Insurance Is Necessary for Your Business Development?

Tax Audit Insurance helps with the service of protecting you and your clients from the prices incurred in unexpected tax and government audits. The possibility of being subject to a random audit is increasing per annum. Responding to official queries and audits is often stressful and dear to your business. You'll risk damaging client relationships by submitting unexpected invoices (that could run into thousands of dollars) otherwise you may have to write down off chargeable hours, costing you valuable time and money.

Who Needs Tax Insurance?

Tax Audit Insurance is a crucial sort of protection for all businesses, large and little. They are often purchased within the sort of a stand-alone plan or as a part of a broad business insurance protection package. Individuals also can purchase tax audit insurance or they'll be included during a businesses' policy if they're related to the business.

Most **Audit Insurance** is escalated from a review. This might happen, for instance, in cases involving fewer complex issues, or where we suspect fraud or evasion, or where an appointment or transaction is considered at high risk.

What Triggers A Tax Audit?

1. **Not declaring income** – While it's true at tax time the ATO will have already got many your income information, it's still your responsibility to form sure you've declared everything you've earned.
2. **Mistakes and Inconsistencies** – Unusual money deductions, excessive irrelevant spending, regular sudden drops, or wild variations in your business income from year to year.
3. **International transactions** – Even in today's world of worldwide business and banking, money regularly getting into and out of foreign bank accounts will make the ATO stop and take a better look.
4. **Claiming deductions that you're not entitled to** – This is often an enormous no-no and therefore the tax office never has and never will like this type of shenanigans.

5. **You're not paying the right amount of superannuation to employees** – The ATO doesn't like this and that they will come knocking.
6. **Your business is usually running at a loss** – Albeit there are good reasons why, if you're still running at a loss three out of any five years, the ATO will want to require a peek inside your records.

Advantages of Tax Audit Insurance

1. This Process protects clients in the event of an audit.
2. Valuable, cost-effective and affordable protect clients.
3. Simple implementation of tax audit Insurance saves you and your client's time and money.
4. Protection for your business against the value of audits.

You are comprehensively covered!

All of your current and previously lodged returns are covered by the Tax Audit Insurance service, albeit you had another accountant taking care of your tax affairs in the past. All Federal and government revenue agencies are covered. The list includes tax, fringe benefits tax, GST, employee superannuation, payroll tax, SMSFs, Work Cover, property tax, and lots more.

Source: [Why Tax Audit Insurance Is Necessary for Your Business Development?](#)