

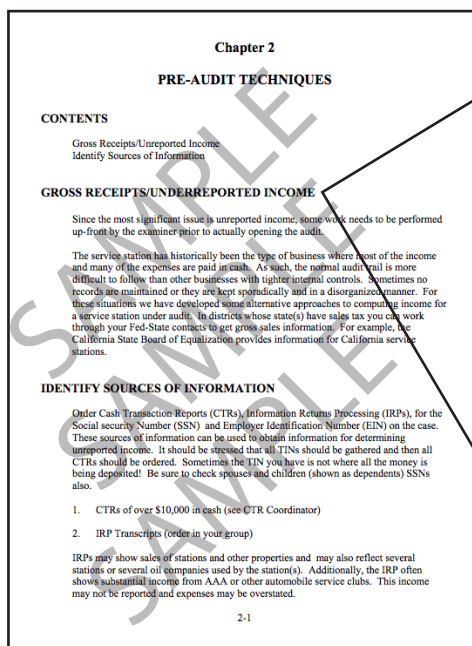
Your Petroleum and Convenience Store Retailer IRS AUDITOR'S GUIDE

will include...

1 an audit technique guide specific to Petroleum and Convenience Store Retailers

This indepth 60+ page Audit Technique Guide provides detailed information regarding the IRS Audit and how it pertains specifically to petroleum and convenience store retailers. The information is detailed and organized and includes...

- thorough background information on the industry
- tips for organizing receipts and unreported income pre-audit
- site visitation advice
- potential sources of additional income
- common gross income issues
- useful industry ratios
- how to compute purchases and sales in comparison to tax returns
- common audit-related issues specific to the industry
- how to deal with issues such as fraud, bribery, bankruptcy, and other employment tax issues
- preventing inadequate records notice
- and much more!



GROSS RECEIPTS/UNDERREPORTED INCOME

Since the most significant issue is unreported income, some work needs to be performed up-front by the examiner prior to actually opening the audit.

The service station has historically been the type of business where most of the income and many of the expenses are paid in cash. As such, the normal audit trail is more difficult to follow than other businesses with tighter internal controls. Sometimes no records are maintained or they are kept sporadically and in a disorganized manner. For these situations we have developed some alternative approaches to computing income for a service station under audit. In districts whose state(s) have sales tax you can work through your Fed-State contacts to get gross sales information. For example, the California State Board of Equalization provides information for California service stations.

2 fact sheets and references

- facts and figures about the industry and its top-selling products and services.
- a general scope of the industry in addition to crucial details such as industry issues and advantages.

Scope of the Industry
 The U.S. convenience store industry has 151,000-plus stores that account for nearly \$700 billion in sales. Here are more details.
Convenience Stores Offer More Convenience:
 Convenience stores offer speed of service to timestarved consumers who want to get in and out of the store quickly. These shoppers recognize this channel of trade for its convenient locations, extended hours of operation, one-stop shopping, grab-and-go foodservice, variety of merchandise and fast transactions. **U.S. Convenience Store Count:**
 The U.S. convenience store count increased to...

number of critical issues, as credit card fees, debit card credit and Debit Card Fees: After the convenience store industry they jumped 23.3% in 2011 to a Total credit and debit card fees -store industry profits for the ear. Credit card fees are the sec- at the store level. Only labor bit Holds for Fuels Purchases: he use of plastic at the pump have increased, consumers are increasingly...

3 compiled subsector data

This includes the latest industry-specific data and statistics on...

- workforce statistics
- earnings and hours
- work-related fatalities, injuries, and illnesses
- pricing information
- workplace trends

Workforce Statistics
 This section provides information relating to employ- ment in gasoline stations. These da from employer or establishment su following tables present an overview including the number of jobs, data common to the industry, and projec tional employment change.

Earnings and Hours
 This section presents data on employee earnings and weekly hours. The latest industry averages of hourly earnings and weekly hours are shown. In addition, recent hourly and annual earnings are shown for occupations commonly found in gasoline stations.

Employment

| Data series | Back data |
|---|-----------|
| Employment (in thousands) | |
| Employment, all employees (seasonally adjusted) | |
| Employment, production and nonsupervisory employees | |

Footnotes (P) Preliminary
 (Source: Current Employment Statistics)

Earnings and Hours of All Employees

| Data series | Back data | Mar. 2014 | Apr. 2014 | May 2014 | Jun. 2014 |
|-------------------------|-----------|-----------|-----------|----------|-------------|
| Average hourly earnings | | \$12.05 | \$11.94 | \$11.95 | (P) \$12.18 |
| Average weekly hours | | 31.2 | 31.3 | 31.4 | (P) 31.6 |

Footnotes (P) Preliminary
 (Source: Current Employment Statistics)

4 a comparison of income concepts

This excerpt from IRS economists includes analyses of...

- IRS statistics of income
- census current population surveys
- BLS consumer expenditure surveys

Taxable interest consists of interest from bonds, savings accounts and certificates of deposit, interest accrued on unpaid amounts due to the taxpayer, and interest on privately held mortgages. Tax-exempt interest, from sources such as tax-free municipal bonds, IRA's, and 401(k) accounts, is excluded from AGI.

Dividends and capital gain distributions do not include the one-time exclusion of part or all of the gain from the sale of principal residence by an individual 55 years of age or older. The words "one-time exclusion of" were deleted in Tax Years 1990 and 1991, brought back in 1992 to 1996, and then incorporated into the current wording, "Exclusion of part or all of the gain from the sale of principal residence up to \$250,000 (\$500,000 on joint returns)," in Tax Year 1997 to the present time.

Refunds of State and local income taxes claimed as itemized deductions in previous years were not gain from the sale of capital assets or of business...

and workers' compensation and ts include income from unemployment and workers' compensation and benefits, including educational benefits military retirement, which is also Government retirement. A minor rise from IRS's reducing unemployment on regular union dues by the paid. Because workers' compensation "under a workers' compensation the nature of a workers' compensation taxable, they are not included pt. Veterans' benefit payments are AGI, since they are not taxable. yments from workers' compensatory or other uniformed then...



Don't be scared.

Be prepared.

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