

Audit Techniques Guides (ATGs)

The Audit Techniques Guides (ATGs) focus on developing highly trained examiners for a particular market segment. The Guides contain examination techniques, common and unique industry issues, business practices, industry terminology, and other information to assist examiners in performing examinations.

NOTE: These guides are current through the publication date. Since changes may have occurred after the publication date that would affect the accuracy of these documents, no guarantees are made concerning the technical accuracy after the publication date

[Accuracy - Related Penalties For Taxpayers Involved In Tax Shelter Transactions](#)

Publication Date: 08/04

This audit technique guide (“ATG”) was developed to support the field in the consistent development and application of penalties when a taxpayer was involved in an abusive tax shelter, including “technical” tax shelters.

[Aerospace Industry](#)

Publication Date: 01/05

The Service has prepared a comprehensive audit technique guide to assist examiners in evaluating research credit in the aerospace industry. The guide focuses on the particular unique aspects of the industry and provides examiners tools and tests to utilize in evaluating and auditing research credit.

[Auto Body and Repair Industry](#)

Publication Date: 8/95

Overview of the industry. Discusses some issues that may be encountered - including other sources of income; cost of sales; employment taxes; etc.

[Aviation Tax](#)

Publication Date: 2/99

Pertains to excise taxes imposed on commercial and non-commercial aviation. Discusses which set of taxes applies to which type of flights.

[Coal Excise Tax](#)

Publication Date: 05/05

Provides excise tax agents with specific tools to examine issues relating to domestically produced coal.

[Commercial Banking](#)

Publication Date: 5/01

Overview of the industry. Discusses potential issues and terminology unique to banking.

[Construction Industry](#)

Publication Date: 10/04

Overview of the industry including a glossary. Discusses types of contracts; types of contractors (large, small, home builder); change of accounting method; and joint ventures.

[Credit for Increasing Research Activities \(i.e. Research Tax Credit\) IRC § 41](#)

Publication Date: 06/05

This Audit Techniques Guide sets forth the Research Credit Technical Advisors’ suggested guidelines for auditing research credit issues.

[Cost Segregation Audit Techniques Guide](#)

Publication Date: 01/14/05

The Service has prepared a comprehensive audit techniques guide to assist examiners in evaluating cost segregation studies submitted by taxpayers in support of depreciation deductions. The guide is also beneficial for taxpayers and practitioners in preparing these studies.

[Drywallers](#)

Publication Date: 8/98

Overview of the industry. Addresses specific aspects of a drywall contractor's business - business/economic environment relationship with general contractor; cash vs. accrual method of accounting.

[Executive Compensation - Fringe Benefits Audit Techniques Guide](#)

Publication Date: 02/04/05

Corporate executives often receive extraordinary fringe benefits that are not provided to other corporate employees. An property or service that an executive receives in lieu of or in addition to regular taxable wages is a fringe benefit that may be subject to taxation.

[Factoring of Receivables Audit Techniques Guide](#)

Publication Date: 06/06

This audit techniques guide focuses on a strategy in which multinational corporations use factoring of accounts receivable among related parties to avoid U.S. taxation by shifting income offshore and reducing U.S. income by deducting expenses related to the same income.

[Farm Hobby Losses \(ATG\)](#)

Publication Date: 03/01

This audit techniques guide has been developed to provide guidance to Revenue Agents and Tax Compliance Officers pursuing the application of IRC Section 183 with respect to horse activities and cattle operations.

[Farmers Audit Techniques Guide \(ATG\)](#)

Publication Date: 07/06

The Agriculture Industry Audit Techniques Guide (ATG) focuses on developing highly trained examiners for the Agriculture market segment. The Guide contains examination techniques, common and unique industry issues, business practices, industry terminology and other information to assist examiners in performing examinations.

[Farming - Specific Income Issues and Farm Cooperative](#)

Publication Date: 7/97

Overview of the industry. Discusses potential for unreported income from primary farm income and nonfarming sources

[General Livestock](#)

Publication Date: 4/00

Provides a focus on the business of breeding, raising, buying and selling livestock.

[Golden Parachutes Audit Techniques Guide](#)

Publication Date: 02/04/05

The Service has prepared a comprehensive audit techniques guide to assist examiners in evaluating parachute examinations. The parachute examination can occur during the examination of either the corporation's or the individual's return.

[Grain Farmers](#)

Overview of the industry. Provides terminology. Topics discussed include underreporting of income, employment taxes, accounting methods, government farm programs, etc.

[Hardwood Timber Industry](#)

Publication Date: 2/98

Provides general and technical information useful to examiners in classifying, preplanning and examining returns relating to this industry.

[IRC 162\(m\) Salary Deduction Limitation Audit Techniques Guide](#)

Publication Date: 02/04/05

Every publicly held corporation maintains its executive compensation records differently. Likewise, every publicly held corporation maintains different methods for compensating its executives. As the examining agent, you must first learn the identity of the individual(s) within the corporation who are most familiar with how

the executive compensation records are maintained.

[The Laundromat Industry](#)

Publication Date: 6/00

Provides an explanation of water consumption analysis for reconstructing unreported income from the operation of a laundromat. This method is to be used only when there is a reasonable indication of unreported income.

[Lawsuit Awards and Settlements](#)

Publication Date: 01/01

This guide focuses on taxability of law suit awards and settlements.

[Masonry and Concrete Industry](#)

Publication Date: 8/98

Provides industry practices; description of the industry; potential issues and terminology.

[New Vehicle Dealership Audit Technique Guide](#)

Publication Date: 1/05

This guide will give you the key to a quick and competent closure of any new vehicle dealership examination which hinges on narrowing the scope of the examination to items that may prove productive.

[Non-Qualified Deferred Compensation Audit Technique Guide](#)

Publication Date: 02/04/05

The Service has prepared a comprehensive audit techniques guide to assist examiners in evaluating non-qualified deferred compensation. A nonqualified deferred compensation (NQDC) plan is any elective or nonelective plan, agreement, method or arrangement between an employer and an employee (or service recipient and service provider) to pay the employee compensation some time in the future.

[Oil and Gas Industry](#)

Publication Date: 5/96

Provides information on basic operations and common terminology. Includes reference to royalty owners and an introduction to financial products.

[Partnerships](#)

Publication Date: See Table of Contents for Publication/Revision Date of the Individual Chapters

The focus is on issues that fall within sections 701 through 761 of the Code (Subchapter K). Subchapter K deals primarily with the formation, operation, and termination of partnerships. Many issues arise during the initial or final year of the partnership.

[Passive Activity Losses](#)

Publication Date: 02/05

Provides examiners with specific guidance on potential audit issues, issue identification and lead sheets and other job aids.

[Placer Mining](#)

Publication Date: 7/99

Provides guidelines for the examination of taxpayers in this industry. Focuses on small mining operations represented as sole proprietorships on Schedule C, but can be adapted for partnership and corporate returns.

[Poultry Industry](#)

Publication Date: 12/02

The purpose of this guide is to highlight issues that are specific to or have a large impact on the poultry industry. Most of the issues in this guide relate directly to the major companies rather than the individual farmers. However, one chapter has been devoted to the issues normally found in conjunction with a poultry grower audit.

[The Port Project](#)

Publication Date: 8/95

Provides examiners assistance in auditing industries related to coastal and inland waterways.

[Reforestation Industry](#)

Publication Date: 8/05

Publication Date: 8/95

Overview of the industry. Discusses some issues that may be encountered - including employment taxes; poor accounting records; etc.

[Rehabilitation Tax Credit](#)

Publication Date: 12/02

Provides examiners with audit aids (i.e. issue checksheet, pro forma Information Document Request, and standardized audit reports, etc.) which assist in identifying and addressing common rehab tax credit issues.

[Retail Industry](#)

Publication Date: 8/05

Overview of the Retail Industry.

Scrap Metal Industry

Publication Date: 2/99

Provides overview of industry, glossary and examination techniques for both purchasers and sellers of scrap metal.

[Shareholder Loan \(ATG\)](#)

Publication Date: 06/01

This guide has been developed to provide guidance in addressing arm's length concerns, the timing of interest recognition and the allocation of interest and principal. This guide addresses only issues regarding loans to shareholders.

Split Dollar Life Insurance Audit Techniques Guide

Publication Date: 03/07/05

Split-dollar life insurance arrangements can be a key feature of executive compensation packages. Over the years, the Service has provided limited guidance regarding the taxation of these arrangements. Beginning in 2001, transitional guidance on the valuation of split-dollar life insurance arrangements was provided in the form of notices and proposed regulations in anticipation of final regulations.

[Sports Franchises](#)

Publication Date: 8/99

Focuses on major league franchises. Potential issues may include revenue (sponsorship, broadcast, season tickets), stadium fund payments, stadium issues, player contracts, purchase/sale of franchise, league expansion, etc.

Stock Based Compensation Audit Techniques Guide

Publication Date: 02/04/05

The Service has prepared a comprehensive audit techniques guide to assist examiners in evaluating stock-based compensation. Stock-based compensation generally consists of either the transferring of stock or the issuance of stock options to an employee or independent contractor.

[Swine Farm Industry](#)

Publication Date: 12/02

Overview of the industry includes methods of accounting (accrual vs. cash), farm price inventory, unit livestock price, prepaid feed, income from discharge of indebtedness, selection fees, depreciation, grower issues, penalties, research credits, employment taxes, and excise taxes.

[Tobacco Industry](#)

Publication Date: 3/96

Focuses on techniques for examining tobacco farmers, dealers and warehouse operations.

[Veterinary Medicine](#)

Publication Date: 4/05

Overview of industry includes discussion of types of business entities (especially personal service corporation); cash vs accrual method of accounting; and inventory vs. supplies.