



Introduction

Tax reviews don't just happen randomly—they're often triggered by predictable patterns. This guide reveals five common mistakes that draw attention and shows you how to avoid them, using insights based on how professionals on the inside approach the system.

Mistake 1: Mixing Personal and Business Expenses

Why it's risky:

Blurring the lines between personal and business spending raises questions and increases your chances of review.

What to do instead:

Use a dedicated business account and carefully track all receipts—especially for meals, travel, and vehicles.

Mistake 2: Inconsistent Income Reporting

Why it's risky:

Big fluctuations in income—or totals that don't line up with your past filings—can trigger a closer look.

What to do instead:

Document the reasons for changes (e.g., new contracts, business changes). Keep records ready to back them up.

Mistake 3: Overstated Deductions

Why it's risky:

Claiming large or unusual deductions without clear documentation often draws scrutiny.

What to do instead:

Only claim what you can fully justify. Save receipts and make notes about the purpose of each expense.

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Mistake 4: Late or Missed Filings

Why it's risky:

Delays suggest disorganization or red flags, which can lead to further questions.

What to do instead:

Mark deadlines clearly. Set calendar alerts or work with a professional to stay on top of everything.

Mistake 5: Ignoring Official Notices

Why it's risky:

Not opening or responding to notices is a surefire way to escalate simple issues into serious ones.

What to do instead:

Read every letter. Respond early. Get support if you're unsure what's being asked.

Final Thoughts: Act Like the Insiders Do

The pros play by the rules—but they also know how to avoid the mistakes that cause problems. By staying clean, organized, and intentional, you'll not only avoid tax reviews—you'll run a stronger, more confident business.

Want expert guidance based on how the system really works?

Book a free 15-minute consultation with Sentinel Growth Partners and get clarity, confidence, and custom strategy—right when you need it most.

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