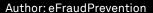
Common IRS Tax Scams





Tax season can be a busy time of the year. And scammers may try to take advantage of the stressors that can come with filing taxes. But knowing about common tax schemes can help you identify them—and make it easier to avoid becoming a victim.

Here's what you need to know about common IRS scams and how to stay safe.

IRS Impersonation Scams

Stay alert to scams that use the IRS as a lure. Tax scams can happen any time of year, not just at tax time. For more information visit Tax Scams and Consumer Alerts on IRS.gov. Please visit https://www.irs.gov/uac/tax-scams-consumer-alerts

IRS Phone Scams:

- Con artists make unsolicited calls claiming to be IRS officials. They demand that the victim pay a bogus tax bill. They convince the victim to send cash, usually through a wire transfer or a prepaid debit card or a gift card. They may also leave "urgent" callback requests through phone "robo-calls," or send a phishing email.
- Many phone scams use threats to intimidate and bully a victim into paying. They may even threaten to arrest, deport or revoke the driver's license of their victim if they don't get the money.
- Scammers often alter caller ID numbers to make it look like the IRS or another agency is calling. The callers use IRS employee titles and fake badge numbers to appear legitimate. They may use the victim's name, address, and other personal information to make the call sound official.
- Aggressive and threatening phone calls by criminals impersonating IRS agents remain a major threat to taxpayers, but variations of the IRS impersonation scam continue year-round and they tend to peak when scammers find prime opportunities to strike.

Debt Collection Scams:

Here's what to know if contacted about delinquent taxes by an IRS private collector:

- Private collectors for the IRS cannot accept direct payments all payments should be made to the U.S.
 Treasury. The agency will not require specific types of payments such as wire transfers or prepaid debit
 cards. Scammers prefer these methods because they are hard to trace and can be redeemed anywhere in
 the world.
- Unless the IRS has an incorrect address, both the agency and its private collectors should first make contact by mailed letter.
- Those who owe tax debt but cannot pay in full will be offered an installment plan for up to five years.
- The same rules for other collectors apply. No calls before 8 a.m. or after 9 p.m. You must be sent a written "validation notice" telling you how much money you owe within five days after first contact. No harassing, abusive, or threatening language is allowed.

• Certain tax bills (and therefore phone calls) cannot be handled by private collectors for the IRS: those for taxpayers who are deceased, under age 18, in a designated combat zone, or a victim of identity theft.

Debtors currently in audit, litigation, or criminal investigation are also off-limits to third-party hired guns.

Other IRS Impersonation Scams:

- The Economic Impact Payment Fraud: Scammers exploit the awareness around the stimulus payments, crafting emails with subject lines such as "Third Round of Economic Impact Payments Status Available."
 The link enclosed in the email leads to a fraudulent application that siphons personal information from its victims.
- **Misleading ERC Claims**: The Employee Retention Credit (ERC) was introduced during the pandemic for qualifying employers. Fraudsters leverage this to mislead individuals into believing they're eligible, often without clarifying the eligibility criteria. They employ various mediums such as social media, radio, unsolicited calls, emails, and counterfeit government letters to disseminate their scheme.
- **Phony Tax Refund Claims**: This scam capitalizes on the idea of a missed tax refund. The emails, often riddled with typos, prompt individuals to click on an embedded fraudulent link.
- The "Help You Fix-It" Text Fraud: In this scheme, scammers alarm individuals by stating an issue with their return, offering a quick fix if they click on a provided link.
- Deceptive "Delivery Service" Doorstep Scam: Here, the fraudsters create an illusion of a refund owed to the victim. A suspicious package arrives from a delivery service, housing a letter adorned with the IRS masthead, alerting the recipient of their "unclaimed refund."

Taxpayers who suspect they've been victims of identity fraud should call the IRS Identity Theft department at (800) 908-4490 with a copy of a police report, the completed IRS affidavit Form 14039, and state-issued identification. You'll find more information in the <u>Taxpayer Guide to Identity Theft</u> on the IRS website.

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