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BBB Advises Tax Filing Season Open - Now 3 Things Certain Death, Taxes, and Tax Scams

ROCKFORD, IL - January 23, 2017 - The IRS has announced that today, January 23rd, is the start date for the 2017 tax season. The IRS will begin accepting tax returns for 2016, both filed electronically and on paper.

Tax scams led the list of the top ten scams again for 2016. The IRS is predicting more than 153 million returns will be filed, this is fertile ground for tax scammers. The IRS continues to increase its efforts against refund fraud, which includes identity theft. As a result of these aggressive efforts to combat identity theft from 2011 through November 2013, the IRS has stopped 14.6 million suspicious returns, and protected over \$50 billion in fraudulent refunds.

The U.S. Treasury Inspector General for Tax Administration recently projected that victims collectively have paid more than \$50 million to scammers posing as IRS officials since October 2013. The average amount lost is \$5,200.

"Unfortunately, across our service area, we expect there will be many consumers who will become victims of tax scams," says Dennis Horton, director of the Rockford Regional Office of the Better Business Bureau. "Our concern is to make sure that consumers are prepared to act, if or when they get a call or an email, and especially if they fall victim."

TIPS FOR AVOIDING TAX SCAMS:

- **Hang up on fake calls:** The IRS will not call to demand immediate payment, nor will the agency call about taxes owed without first having mailed you a bill. The IRS will not require a specific payment method or ask for credit or debit card numbers over the phone. Lastly, the IRS will not threaten to bring a local police and have you arrested for not paying. You can report it at: "IRS Impersonation Scam Reporting" on irs.gov or call 800-366-4484.
- **Don't open e-mail attachments or click on links: For emails** Don't open any attachment, forward it to the IRS to phishing@irs.gov and then delete it. The IRS doesn't initiate contact with taxpayers by email to request personal or financial information. All contact is via U.S. Post Office.

Horton also notes, "Consumers should also understand the IRS doesn't threaten taxpayers with arrest, revocation of their driver's license or deportation. And, it doesn't request payment of an outstanding bill without offering taxpayers the opportunity to appeal the bill."

This year the scams consumers are most likely to see:

- Fake CP2000 Notice A relatively new scam, be on guard against fake emails purporting to contain an IRS tax bill related to the Affordable Care Act. Generally, the scam involves an email that includes the fake CP2000 as an attachment. (The CP2000 is a notice commonly mailed to taxpayers through the United States Postal Service. It is never sent as part of an email to taxpayers.)
- Paying the "federal student tax" The IRS warns the public about bogus phone calls from IRS impersonators demanding payment for a non- existent tax, the "Federal Student Tax." The scammers try to convince people to wire money immediately to the scammer.
- Tax-related ID Theft The Federal Trade Commission reports that since 2009 tax or wage-related fraud has been the fastest-growing way that identity thieves misuse victim's information. Protection recommendations include never carrying your Social Security card, protecting your personal computer with anti-virus software, and being extremely careful with your personal information.
- Tax relief scams Consumers who owe back-taxes, sometimes out of desperation, readily fall victim to claims from scammers that they can free taxpayers from having to pay the IRS. They claim to be able to settle the debt for pennies on the dollar. These shady businesses and individuals charge exorbitant up-front fees ranging from \$3,000 to \$25,000. Consumers who are having trouble paying their taxes should contact the IRS or state comptroller.

Horton says, "Tax preparer fraud is also a common issue. When choosing a tax preparer for their own protection they need to know all they can about who they are dealing with and what is being done on their behalf - to avoid losing money unnecessarily - and because ultimately they bear full responsibility for the tax return they submit." Tips to help hire the right tax preparer are available on the BBB website.

The IRS's Taxpayer Advocate Service, an independent office within the IRS, offers free help to taxpayers having trouble paying their federal taxes. Taxpayers needing help with state taxes can contact the National Association of State Auditors, Comptrollers, and Treasurers for guidance.

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