

It's Tax Filing Season Again. Beware!

By Roy Niedermayer

The scammers are out in force with new tax scams. What are the latest tax return scams?

IRS Impersonation Telephone Scams. Imagine answering your phone or listening to your answering machine and hearing this:

"This prerecorded message is to notify you that the IRS has issued an arrest warrant against you. Right now you and your physical property are both being monitored, and it's very important that I do hear from you as soon as possible before we proceed further in any legal matter."

Scary? This is an actual message received by an innocent taxpayer and reported to authorities. It is absolutely fake. It is part of a criminal scam aimed at getting the recipient to call the scammer who may demand immediate cash payments or personal information to be used for identity theft.

Don't fall for this. Don't respond. Remember, the Internal Revenue Service NEVER calls taxpayers or sends emails. It only sends letters.

Here are two other tax scams being used right now.

False Return Filing. A criminal obtains your Social Security number (SSN) and then files a fraudulent federal or state tax return in your name with your SSN. He collects a refund. When you file your legitimate tax return, it's rejected because the IRS or state has already processed a return under your Social Security number. If you're lucky, the IRS or state may have sent you a notice of a suspicious return.

What should you do? Avoidance is best, so file your return early before the criminal can. If your return is rejected because of a claimed duplicate filing under your SSN, submit Form 14039 Identity Theft Affidavit to the IRS and also file a comparable affidavit with your state. But, pay your taxes that are due and file your legitimate tax return in paper, not electronically. Attach Form 14039 or your comparable state form to your return.

Tax Refund Fraud. In a variation of the refund scam, a criminal obtains your bank information, and has the illegal IRS refund deposited in your bank account or has an actual Department of the Treasury paper check sent to you. The criminal then calls you and demands return of the check to the IRS at a specified address used by the criminal, or demands that you "make good" on the check using your credit card. Not only do you not receive the refund, but when the IRS asks for the return of the improper refund, you end up paying twice.

Again, what steps should you take? Be wary if you have not filed your tax return, are not entitled to a refund or not expecting to get a refund. Instead, follow the steps outlined by Tax Topic Number 161 - Returning an Erroneous Refund. If the erroneous refund was by direct deposit to your account, contact your financial institution and tell them to return the refund to the IRS, then call the IRS at 800-829-1040 and explain why the refund is being returned. If you receive a paper check, right "void" on it and return it to the IRS with a note explaining it's an erroneous refund check. What if you've cashed the check? Immediately send your personal check with a notation on it "payment of erroneous refund," the tax year and your Social Security number, along with an explanatory note to avoid owing interest to the IRS.

These are not the only scams out there. Always remember to guard your Social Security number, your credit card numbers, your driver's license, and your banking information. We'll have more information for you soon on other scams.