

Tax Season Scams

Tips for avoiding tax identity theft



AVOID UNSCRUPULOUS TAX PREPARERS. Find out whether they are licensed or credentialed, what the status is of their license or credential, and whether they have had any disciplinary actions brought against them. Consumers who need a tax preparer should seek assistance from reputable source such as the Taxpayer Advocate Service provided by the Internal Revenue Service (IRS). Additionally, the IRS offers access to free tax filing services to qualified consumers. Check tax preparers' qualifications and browse the IRS Free File Online Lookup Tool.



IRS Taxpayer Advocate Service

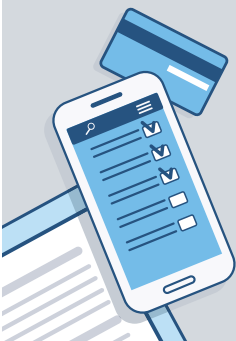


IRS Free File Online Lookup Tool

WHAT IS A TAX REFUND LOAN? Tax preparers often call these types of loans an “instant cash advance,” but these are real loans that charge you interest, and potentially other unnecessary fees, using your anticipated tax refund as a security. The products themselves can be in the form of loans, prepaid debit cards, or checks and are subject to a 36% annual percentage rate cap. Not only are tax refund loans often not worth the extra costs, but the loans rarely get consumers their money faster than a typical refund.



REVIEW DOCUMENTS. If you use a tax preparer, be sure to review all your documents and pay close attention to what you are asked to sign. Remember e-signatures are valid signatures. Watch out for scam tax preparers that try to use your e-signature to get you to sign documents or consents that are unrelated to filing your taxes in an attempt to sneak in extra charges and unnecessary fees.



SAFEGUARD YOUR PERSONAL AND FINANCIAL INFORMATION. Don't give out your Social Security Number (SSN) or other personally identifiable financial information like your bank routing numbers without a good reason — only if you know who you are providing it to and why. When a scammer has your personal information, they can file your tax return early and steal your refund. You may not even know your refund has been stolen until the IRS sends you a letter saying you submitted a duplicate return. If you think you have been a victim of identity theft call the Attorney General's Identity Theft Unit at 866-999-5630.

IF YOU DON'T UNDERSTAND A DOCUMENT, ask your tax preparer to explain it to you. While scammers want to keep you in the dark, a good tax preparer will take the time to make sure you are understanding what you are signing.



IF YOU ARE A TAX PREPARER. Tax Preparers can be the victim of scams too. If you are a tax preparer and take part in remote transactions, beware of identity thieves posing as potential clients. These types of fake clients might send an attachment or URL they claim is their tax information, but is actually malware. The malware can give the scammers access to client account passwords and personal information or remote access to the computers themselves. As a tax professional you have a special responsibility to protect taxpayer data by keeping your network secure. Keep up-to-date on the IRS's guidance on cyber security for your business.



Tips to Avoid Becoming a Victim of Tax Identity Theft

Apply for and use an Identity Protection PIN. This six-digit number confirms your identity and prevents someone else from filing a tax return using your Social Security number. Once you receive your PIN, you must provide it each year when you file your federal tax returns. Visit [IRS.gov](https://www.irs.gov) for more information.

Beware of suspicious contacts. Remember, the IRS will never initiate contact with you by email, text messages or social media requesting personal or financial information. Never open a link or open attachments from unsolicited, suspicious, or unexpected text messages.

The IRS will also never demand payment using unusual and specific methods such as gift cards, prepaid debit cards, wire transfer, or cryptocurrency. To confirm the validity of suspicious correspondence, call the IRS at **(800) 829-1040**.

Report any suspicious or threatening IRS mail, phone, email or social media correspondence to the Attorney General's website at [IllinoisAttorneyGeneral.gov](https://www.IllinoisAttorneyGeneral.gov) or call the Attorney General's Consumer Fraud hotlines listed below. Consumers can also report scams to the Treasury Inspector General for Tax Administration online at [tigta.gov](https://www.tigta.gov) or by calling 800-366-4484, the Federal Trade Commission on its website [reportfraud.ftc.gov](https://www.reportfraud.ftc.gov) and listing "IRS Telephone Scam" in the notes, and the IRS, by emailing phishing@irs.gov.

INDIVIDUALS WHO NEED TO REPORT A COMPLAINT involving a tax preparer or tax refund anticipation product should visit the Attorney General's website or call the Attorney General's Consumer Fraud hotlines:

1-800-386-5438
Chicago

1-800-243-0618
Springfield

1-800-243-0607
Carbondale

1-866-310-8398
Spanish-language Hotline

Individuals with hearing or speech disabilities can reach us by using the 7-1-1 relay service.



www.IllinoisAttorneyGeneral.gov

