



INCOME-TAX SEASON BRINGS OUT SCAM ARTISTS

by Texas Attorney General Greg Abbott

ALBERT EINSTEIN IS RUMORED TO HAVE SAID: “The hardest thing in the world to understand is the income tax.” And was he right. At 13,000 pages, the federal tax code can be confusing – even intimidating. So with tax season approaching, many Texans may consider using a professional tax preparation professional or service to handle their federal income tax returns.

Legitimate tax preparation professionals offer a valid and helpful service to their clients. Unfortunately, there are more than a few con artists who pose as trustworthy tax experts – but are really out to steal from taxpayers. This tax season, Texans should be vigilant and avoid schemes designed to steal their money.

Here are some of the more common scams that Texans should avoid:

Unscrupulous Tax Preparers and Advisors. Texans should carefully choose their tax preparation service – especially those that “guarantee” the largest possible tax return. Some questionable services urge taxpayers to inflate their refunds with fraudulent claims. Under federal law, any deductions tax preparers assert for their clients must be accurate and legally permissible. Tax preparers that submit false information in order to obtain larger refunds for a client (and higher fees for the

preparer), put their clients in legal jeopardy. Competent, legitimate tax preparers will not hesitate to sign their clients’ tax returns, so Texans should always avoid preparation services that refuse to add their signature to the documents. Taxpayers who believe a tax preparer is not complying with the law should file a complaint with the Office of the Attorney General. Texans should also remember that taxpayers are ultimately responsible for the accuracy of their returns — whether they prepare it or not.

Frivolous Arguments. Taxes are NOT voluntary. Texans should not believe anyone who promises to exempt them from income taxes. U.S. courts have repeatedly rejected the arguments that taxes are voluntary or optional. Some scam artists trick taxpayers into paying for documents that promote these debunked ideas. The complete list of frivolous arguments against paying taxes is on the IRS Web site at www.irs.gov. Taxpayers who file a tax return or make a submission claiming one of the positions on the list are subject to a \$5,000 penalty.

Door-to-Door Scams. Beware of door-to-door operators posing as IRS agents. They usually claim a taxpayer owes back taxes and demand a check on the spot. Texans who are approached by someone purporting to serve the government should ask for

verifying identification and documentation. Anyone who believes an imposter has shown up at their door should call the local police department and report the incident immediately.

Phishing. Phishing is a largely e-mail based scam that was developed to help criminals acquire unsuspecting computer users’ sensitive personal information. Typically, phishers are seeking user names, passwords and account numbers. The trick is based upon a misleading message – a text message or e-mail – that appears to come from a legitimate business or government agency. In the days and weeks leading up to April 15, e-mails that appear to come from the IRS are increasingly used by scam artists seeking taxpayers’ Social Security numbers, credit card or bank account information.

Texans who receive messages like these should immediately delete them without opening any attachments. The IRS never uses e-mail to contact taxpayers about their taxes. Taxpayers who receive an unsolicited e-mail claiming to be from the IRS can forward the message to a special electronic mailbox, phishing@irs.gov.

For more information about tax-related scams, visit the IRS Web site at www.irs.gov.

POINTS TO REMEMBER



TAX SCAMS

- If you have your taxes prepared for you, read the returns carefully before you sign them.
- You will be held responsible for your return, even if it is prepared by someone else.
- Taxes are NOT voluntary.
- Do NOT open the door to anyone claiming to be with the IRS unless they show proper identification.

IRS
www.irs.gov

Tax Assistance Hotline:
(800) 829-1040

Tax Fraud Hotline:
(800) 829-0433

Report Phishing:
phishing@irs.gov

OAG Consumer Protection Division Hotline:
(800) 621-0508



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