



BECOME AN INFORMED CONSUMER THIS TAX SEASON

by Texas Attorney General Greg Abbott

AS FEDERAL INCOME TAX FILING DEADLINES approach, consumers who do not have the time or experience to prepare tax forms rely on trusted tax professionals to file returns for them. Unfortunately, some unscrupulous operators exploit the tax season with deceptive practices that could cost you money and cause serious problems with the Internal Revenue Service (IRS).

Becoming an informed consumer this tax season can help you protect your income and avoid common tax scams.

Quick-refund and immediate-return offers typically begin to surface in early February after consumers begin receiving their W-2 forms. A tax preparer may offer to advance money to the taxpayer, which is paid back when the refund check is received. Generally, this kind of “instant refund” is simply a loan.

Carefully read the fine print in any ad for this kind of service. The fees and interest for instant-refund loans can be quite high, so you should consider whether it would be better filling out the tax refund paperwork yourself.

Additionally, if your refund is denied or less than you expected, you must

still repay the loan in full, as well as any fees. It may be better to wait a little longer to receive a refund directly from the IRS, free of charge.

Be extremely careful if a tax preparation service assures you they can obtain a larger refund. Some bogus tax return businesses promise larger “refunds” and deliver them only by adding phony deductions and making false claims on tax returns.

Before signing a return, review it carefully to confirm the truthfulness of its contents, especially income and deductions. Any errors or fabrications are your responsibility. You will have to return any refund money obtained after filing false information, along with any interest and penalties.

Also, beware of a tax preparer who urges you to sign your return without carefully reading it, or who refuses to provide you with copies of your return.

All homeowners, particularly senior Texans, should question any solicitation that charges application or registration fees for tax reductions, freezes, ceilings or deferments. Most often, the “reduction” offered

is nothing more than the homestead exemption that is already available to Texas homeowners. There is no need to pay anyone to secure a homestead tax exemption. You can easily claim it or other tax benefits yourself by contacting your local county tax assessor-collector.

Remember that taxes are NOT voluntary. Do not fall for pitches that promise to exempt you from taxes. U.S. courts have repeatedly rejected the argument that taxes are voluntary or optional.

Finally, beware of people going door-to-door posing as IRS agents. These con artists may claim you owe back taxes and pressure you to write a check on the spot. Don’t pay them anything. Verify the identification and documentation of anyone claiming to be an IRS agent. If you believe an imposter has shown up at your door, call your local police department immediately.

Become an informed consumer this tax season. Pay your taxes and enjoy your refunds.

POINTS TO REMEMBER



STAY INFORMED

- 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.
- You can file a homestead exemption application free of charge.

IRS Hotline for tax assistance:

(800) 829-1040

IRS Hotline to report tax fraud:

(800) 829-0433

Information on this and other topics is available on the Attorney General’s Web site at www.oag.state.tx.us



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