CPA

Practice **Advisor**

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

percent of Americans believing they are vulnerable and could become a victim.

Taija Sparkman • Aug. 04, 2014

A majority of U.S. taxpayers view tax scams as a major issue for them, with 78 percent of Americans believing they are vulnerable and could become a victim, according to a recent survey released by TaxAudit.com. The survey, conducted by Toluna QuickSurveys, polled 2000 individuals. TaxAudit.com provides audit defense service for taxpaying individuals, small businesses and tax preparers.

According to the survey, at least 20 percent of Americans know someone that has fallen victim to a tax scam. And although they may know someone who has already been impacted, more than half of the respondents revealed that they do not know how to protect themselves from becoming a victim.

Veteran tax and IRS audit expert, Dave Du Val, Vice President of Customer Advocacy at TaxAudit.com, offers the following tips for how to identify and protect against tax scams:

- If the caller claims that you need to send money right now or they will call the IRS or another government agency, it is a scam. Hang up and do not provide any information.
- If you receive a call or email claiming to be holding your refund until they "verify" some information, such as your bank account number and PIN, it is a scam. Do not respond.
- If the person emailing claims, "I am from the IRS and I am here to help you obtain your refund," they are not from the IRS. The IRS does not contact taxpayers via email, so do not respond.

• If you receive a call from IRS asking for information, ask for the agent's ID number,

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

laws, old or new. The IRS has admitted it cannot include a ban on these tax return preparers. In fact, preparers who have previously been sanctioned by the IRS by having their preparer tax identification number blocked can obtain or renew their PTINS and prepare tax returns now.

• If you do fall victim to a scam, seek guidance from the various resources available at IRS.gov.

"It's important that tax experts know how pervasive this issue is. Unfortunately, a lot of the scammers do not live in this country and that makes it harder to get a handle on the situation. We get a lot of calls from people who are scared about losing their cars and money or having their credit ruined because someone has called them, yelling at them and claiming to be from the IRS," said Mark Olander, President and CEO, Tax Audit.

A main reason that tax scams continue to be so prevalent is because the people behind them prey on basic human emotions, such as fear and greed. Fear is one of the common emotions scammers try to evoke by yelling obscenities and issuing threats of financial consequence at their victims.

"Many individuals have an innate fear of the IRS, viewing them as big and bad. When someone calls and says they are from the IRS, most individuals will instantly believe them and comply to their demands because they are scared to death of challenging the IRS," said Olander.

Despite their reputation, the IRS is committed to reducing tax fraud. Anyone who suspects they may have been a victim of a tax scam should contact the IRS directly and immediately. Tax fraud is a federal crime and many local law enforcement agencies do not have the resources to ensure it is handled properly and in a timely fashion.

Tax scammers use information they have harvested from a variety of sources and

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved