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New Tax Scam Plugs Into Electronic Fears

By Ken Berry, J.D., Tax Correspondent

Now scammers are trying to scare taxpayers by thinking their payments to them will be linked to the Electronic Federal Tax Payment System (EFTPS).

The IRS is alerting the public about the latest tax scam making the rounds (IR-2017-107, 6/15/17). In this one, the caller claims to be from the IRS and tells the target that they were sent two certified letters that were returned "undeliverable." Then the con artist threatens to arrest the taxpayer if payment is not made immediately through a prepaid debit card. The scammer also tells the victim that the card is connected the EFTPS, but in fact it's controlled entirely by the scammer

In addition, the victim is warned not to contact their tax preparer, an attorney or their local IRS office until payment has been made. And this ruse is working.

"This is a new twist to an old scam," said IRS Commissioner John Koskinen. "Just because tax season is over, scams and schemes do not take the summer off. People should stay vigilant against IRS impersonation scams. People should remember that the first contact they receive from IRS will not be through a random, threatening phone call."

The EFTPS is an automated system for paying federal taxes electronically using the Internet or by phone using the EFTPS Voice Response System. It's offered for free by the Treasury Department and doesn't require users to purchase a prepaid debit card. Since EFTPS is an automated system, taxpayers won't receive a call from the IRS about this. What's more, there are several options for paying your tax bill – not just one.

In the news release, the IRS reminds that taxpayers that the nation's tax collection

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- Demand that taxes be paid without giving the taxpayer the opportunity to question or appeal the amount owed.
- Ask for credit or debit card numbers over the phone.

Tell your clients who don't owe any taxes – and don't have any reason to think they do – to hang up on bogus callers immediately. Then they should report the information to the IRS on its IRS Impersonation Scam Reporting web page or call the 800-366-4484.

This new scheme appears to be targeted to victims who may not be comfortable with new technology such as elderly individuals. As a result, you might reach out to clients who are retirees to keep them up-to-date. Also, remind all your clients that they should not hesitate to call you with any concerns.

This Month's Top Tax Social Media Posts

IRS Loses \$165 Million Class Action Lawsuit. **Kelly Phillips Erb at Forbes:** http://bit.ly/2tlNsJA

5 Tax Saving Tips for Business Owners. **Paul Pagnato via LinkedIn:** http://bit.ly/2tZeHro

A Tsunami of Corporate Tax Data is Coming Ashore. **Deborah Solomon via LinkedIn:** http://bit.ly/2tlSKov

Summer Doesn't Mean Scammers Take Time Off. Ian Gardner via LinkedIn:

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AICPA Applauds Passage of Mobile Workforce State Income Tax Act. The bill would simplify state tax rules for employees who sometimes work outside their home states.

http://cpapracticeadvisor.com/12345868

Phishing Scam Targets Income Tax Pros. The email's origin is unknown but likely issued by cybercriminals who could be operating from the U.S. or abroad. http://cpapracticeadvisor.com/12346808

Corporate Income Tax E-Commerce Special Report. Study examines which states impose corporate taxes on out-of-state companies that sell purely digital products and services.

http://cpapracticeadvisor.com/12346027

New eBook: Customs Duty & Import Tax for Dummies. Book helps business owners and their accounting professionals better understand the challenges and benefits of cross-border selling.

http://cpapracticeadvisor.com/12345739

Tax-Exempt Does Not Mean Exempt from Filing Tax Returns. Many nonprofits mistakenly believe that they are not required to file returns with the IRS, particularly if they have minimal gross receipts or no net income.

http://cpapracticeadvisor.com/12344111

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