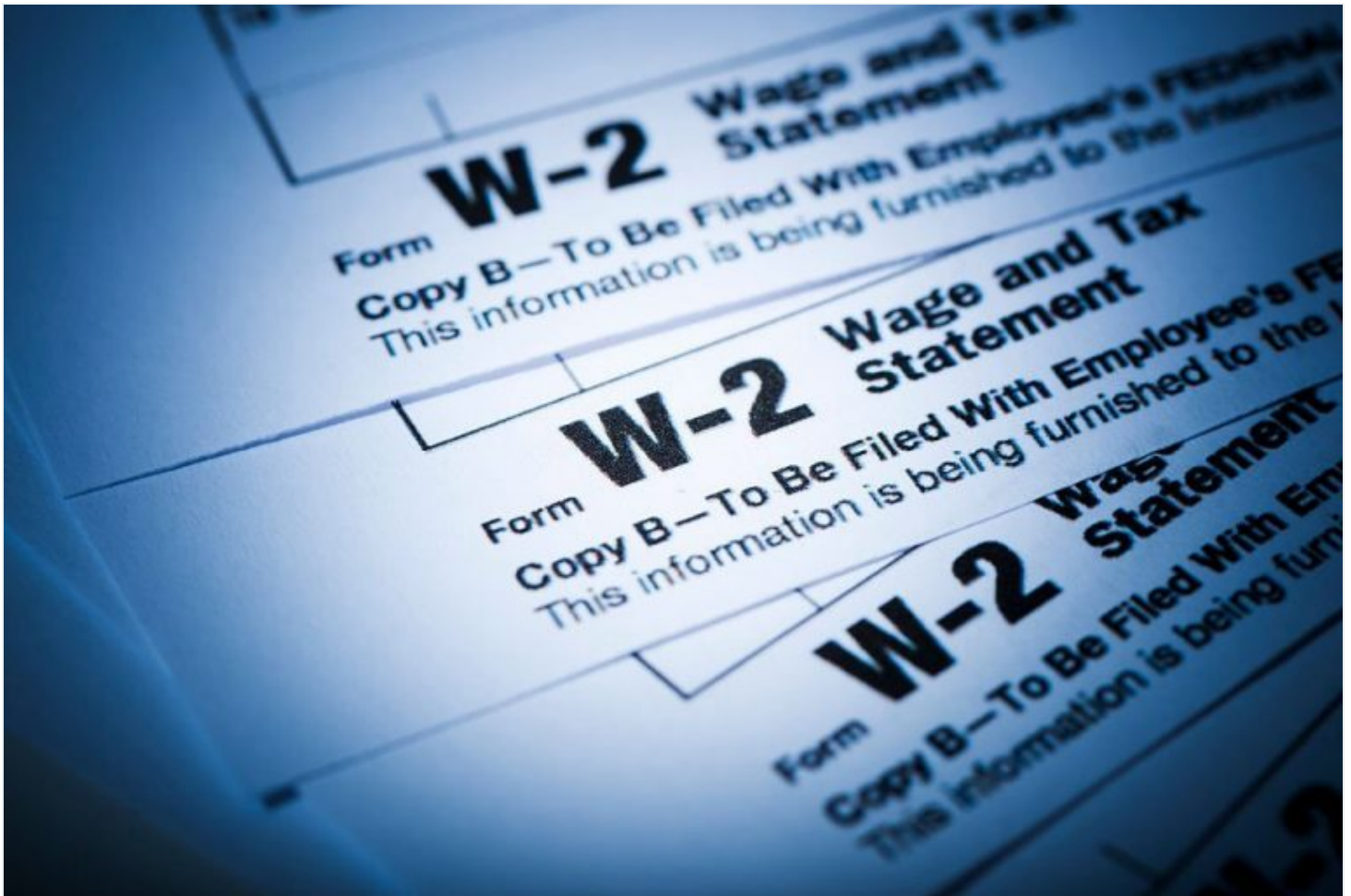


Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

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

Mar. 07, 2023



By Leada Gore, al.com (TNS)

The IRS is urging people to avoid scams currently making the rounds on social media.

One of the schemes, according to the IRS, encourages people to use tax software to manually fill out their W-2 form and provide false income information. This scheme suggests people make up a large salary and withholdings from a phony employer in an effort to get a large refund, sometimes as much as five figures.

“We are seeing signs this scam is increasing, and we worry that innocent taxpayers

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

employed individuals for 2020 and 2021 during the pandemic; they are not available for 2022 tax returns.

A variation of this scheme involves people making up fictional employees employed in their household and using [Schedule H \(Form 1040\), Household Employment Taxes](#), to try claiming a refund based on false sick and family wages they never paid. The form is designed to report household employment taxes if a taxpayer hired someone to do household work and those wages were subject to Social Security, Medicare, or FUTA taxes, or if the employer withheld federal income tax from those wages.

The IRS is working with states and tax industry companies to be on the lookout for this scheme and others. In addition, the IRS is working with payroll companies and large employers—as well as the Social Security Administration—to verify W-2 information. People who are caught violating the laws face a wide range of penalties, including a frivolous return penalty of \$5,000 and run the risk of criminal prosecution.

©2023 Advance Local Media LLC. Visit [al.com](#). Distributed by Tribune Content Agency LLC.

IRS • Payroll • Small Business • Taxes

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.

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