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

Isaac M. O'Bannon • Mar. 29, 2023



The Internal Revenue Service warns that trusting tax advice found on social media can lure otherwise honest taxpayers and tax professionals into compromising tax situations.

Social media can circulate inaccurate or misleading tax information, and the IRS has recently seen several examples. These can involve common tax documents like Form W-2 or more obscure ones, like Form 8944 that's aimed at a very limited, specialized group. Both schemes encourage people to submit false, inaccurate information in hopes of getting a refund.

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

the tax professional community at risk of losing money, personal information, data and more.

Working together as the Security Summit, the IRS, state tax agencies and the nation's tax industry have taken numerous steps since 2015 to warn people about common scams and schemes during tax season and beyond, including identity theft schemes. The Security Summit initiative is committed to protecting taxpayers, businesses and the tax system against fraud and identity theft.

Some items on this year's Dirty Dozen list are new, while others are re-emerging. While the Dirty Dozen is not a legal document or a formal listing of agency enforcement priorities, it is intended to alert taxpayers and the tax professional community about various scams and schemes.

Trending on social media: Fraudulent form filing and bad advice

Social media can connect people and information from all over the world. Unfortunately, sometimes people provide bad advice that can lure good taxpayers into trouble. The IRS warns taxpayers to be wary of trusting internet advice, whether it's a fraudulent tactic promoted by scammers or it's patently false tax-related scheme trending across popular social media platforms.

The IRS is aware of various filing season hashtags and social media topics leading to inaccurate and potentially fraudulent information. The central theme involves people trying to use legitimate tax forms for the wrong reason. Here are just two of the recent schemes circulating online:

Form 8944 fraud

A recent example of bad advice circulating on social media that could lead to

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

avoid tax bills. Taxpayers who intentionally file forms with false or fraudulent information can face serious consequences, including potentially civil and criminal penalties.

Form W-2 fraud

This scheme, which is circulating on social media, encourages people to use tax software to manually fill out Form W-2, Wage and Tax Statement, and include false income information. In this W-2 scheme, scam artists suggest people make up large income and withholding figures as well as the employer its coming from. Scam artists then instruct people to file the bogus tax return electronically in hopes of getting a substantial refund.

The IRS, along with the Security Summit partners in the tax industry and the states, are actively watching for this scheme. In addition, the IRS works with payroll companies and large employers – as well as the Social Security Administration – to verify W-2 information.

The IRS and Summit partners warn people not to fall for this scam. Taxpayers who knowingly file fraudulent tax returns potentially face significant civil and criminal penalties.

How taxpayers can verify information

Keep in mind: If something sounds too good to be true, it probably is.

- IRS.gov has a forms repository with legitimate and detailed instructions for taxpayers on how to fill out the forms properly.
- Use IRS.gov, official IRS social media accounts, or other government sites to fact check information.

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