

Summer 2015

IDENTITY THEFT

It's not just a North Idaho thing anymore to be a little paranoid about who's getting your information. It seems the whole country is now on the bandwagon.

Tax refund identity theft occurs when a criminal uses your social security number and other information to file a tax return that results in a refund—that the criminal gets! Then when you try to file your legitimate return, you are informed that your social security number has already been used on another return. The IRS says this type of identity theft is on the rise.



If that's something that concerns you, you may want to take some action before you file your taxes next year.

What can you do? You can request a PIN from the IRS that would prevent any return with your name and social security number from being e-filed without it.

Currently if you live in Florida, Georgia, or Washington DC you can be proactive and get a PIN. However, you can still request a PIN number from the IRS **if** you've experienced an event involving your personal information that **could** affect your federal tax records in the future. This includes things such as a lost or stolen purse or wallet, a home robbery, false charges on your credit card or data breaches where you do business or receive services.

This is done by filing a form 14039 Identity Theft Affidavit. We can help you complete this form and submit it from our office for \$120.00 per form. Or you can do it yourself for free! The form is available online at www.irs.gov. You can submit the form either by mail or by fax. Be sure to include copies of proper identification as requested on the form.

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SCAM ALERT!

Some of our clients have received phone calls from belligerent individuals claiming to work for the IRS and demanding money for tax debt. In these cases the caller may seem legitimate, using a fake name and IRS identification number. The caller may seem to know your personal information and the number on your caller ID may even seem accurate. Victims are threatened with arrest, deportation or suspension of a business or driver's license.

Remember the IRS never, never calls you on the phone and demands money! The IRS also never emails you asking for personal information.

What to do?

Record the person's name, badge number, and call back number.

Call 1-800-366-4484 to determine if the caller is really an IRS employee. If they are not, go to the website <http://www.treasury.gov/tigta> and click on the box IRS Impersonation Scam Reporting. This is TIGTA. Treasury Inspector General for Tax Administration. Complete the online form. You will be asked to create a 5 digit PIN. Memorize this PIN!

If a TIGTA Special Agent contacts you request that they tell you your PIN. Do not give any information if the person does not know the PIN.

YOU ARE INVITED! INVITATION TO AN AUDIT

In case you've ever wondered, here are some of the top ways to invite an audit.

- 1 Be super– **super wealthy!**
- 2 Be a **tax protester**. The IRS doesn't like it when you claim you owe no tax because the income tax is illegal, or only applies to odd income categories, but certainly Not You!
- 3 Claim **huge charitable contributions**. Correspondence audits make this an easy target, since you would be required to mail the documents backing your deductions to the IRS. Canceled checks don't work for one-time donations of \$250 or more.
- 4 Take **big business losses every year**. The IRS presumes that a Schedule C business that loses money year after year is not necessarily legitimate.
- 5 Take deductions in **round numbers**. If you file a tax return taking deductions ending in lots of zeros, the IRS may think you don't have the required backup paperwork.
- 6 **Fail to file on time, or at all**. The IRS has a special program that will generate a substitute return using W2 and 1099 information. Don't expect it to include your deductions.

If you received an email that claims to be from the IRS

Do NOT reply.
Do NOT click on any links.
Do NOT open any attachments.

Forward the email to phishing@irs.gov. Delete the email.

Oh Mr. IRS agent, please audit me!
My life has been too dull lately and I really need the stress!
I'm begging you!

