



## 5 tips to avoid getting scammed at tax time

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### TAX PLANNING

*Tax season is a prime chance for fraudsters to make their move. Learn how to recognize some key strategies to watch out for.*

Tax season is rife with opportunists who use a multitude of nefarious tactics to get you to part with your money. Increasingly sophisticated, even the savviest tax filer might have trouble discerning a real IRS request from a fake one. Here are five ways to protect yourself this tax season.

#### 1. Get your IRS online account set up

The No. 1 thing you can do to protect yourself is to sign up for an online IRS account. Your account will give you the clearest picture of balances owed, payment plans, tax records, past tax years, authorizations from your accountant or tax preparer, any additional taxes on qualified plans or other tax-favored accounts, shared responsibility payments, and trust fund recovery penalties. You'll be required to go through an extensive process to verify your identity and create an Identity Protection PIN through the IRS secure site – an additional layer of protection for you against tax fraud and identity theft.

**Tip:** [irs.gov](https://www.irs.gov) is the official website for the IRS. If you get a communication from [irs.com](https://www.irs.com), [irs.net](https://www.irs.net), [irs.org](https://www.irs.org) or any other website, you'll know immediately it is not a legitimate request.

#### 2. Don't answer

The IRS will never initiate contact with you through phone calls, texts, social media, direct messages or emails. It always contacts you by letter first if you owe money. The only exceptions may be if you are undergoing a criminal investigation or if you haven't filed at all. The IRS does not demand immediate payment or leave you prerecorded or threatening voicemail messages either. If you receive any kind of call like this, do not give out any information. Instead hang up and immediately report it to the Federal Trade Commission.

**Tip:** Since criminals can now "spoof" IRS phone numbers, don't let the fact that it appears to be a legitimate IRS number sway you. If they demand payment or ask for identifying information, hang up.

### *3. Beware of ghosts*

“Ghost” tax preparers have an easily identifiable hallmark – they don’t sign the tax return they have prepared. They might also require you to pay them in cash, invent fake income or deductions, or try to direct refunds into their own account – not yours.

**Tip:** All tax preparers are required by federal law to have a preparer identification number they include with their signature on the tax return.

### *4. Look out for fake charities*

Fraudsters posing as charities are a classic scam at tax season. They may ask you for identifying information and push the fact that you can reduce your tax burden by donating. However, any legitimate charity operating in the U.S. must have an Employer Identification Number it will happily provide to you. If you don’t get one, don’t donate.

### *5. Be on guard*

Fraudsters escalate activity around tax time, especially to seniors and non-native English speakers. Anything at all that seems strange or confusing and is asking for your personal identity information is a red flag. Don’t be afraid to ask questions. Your advisor and tax pro may track the latest scams and have insight to share. Remember, it’s not personal – it’s just that tax scam time of year.

*Sources: forbes.com; IRS; cnbc.com; nerdwallet.com; reportfraud.ftc.gov*