



February 23, 2015

Theft by Tax Return

TAX

BY SHANE GASTECKI

It has been said that there are only two things certain in life: death and taxes. However, in today's world of cyber-attacks, phishing schemes, and credit card thefts, another topic is quickly becoming a certainty in our life: identity theft. This is not only one of the fastest-growing crimes in today's world, but is also a very frustrating process for all involved.

Although it may not be the first topic that comes to mind when thinking of identity theft, this can even impact filing your tax return. The Internal Revenue Service (IRS) recently released this year's "Dirty Dozen" tax scams. The Dirty Dozen is a list the IRS completes each year of common tax scams. For yet another year identity theft was included on this list. This relates to using stolen information, such as a social security number, to claim a fraudulent refund (often referred to as refund fraud).

The IRS has been making efforts over the past few years to strengthen controls and enhance its efforts to help the victims of these crimes. Through these increased efforts, the IRS has decreased the time it takes to resolve refund fraud cases to often less than 180 days. The IRS also issues Identity Protection (IP) PINs, which are unique numbers assigned to victims of identity theft. These IP PINs are reported in lieu of social security numbers on the taxpayer's federal tax return. The use of IP PINs avoids filing delays and refund processing. The IRS has stopped millions of suspicious tax returns and stopped billions in fraudulent refund claims.

Situations that may suggest you have been or could be a victim of identity theft includes a lost or stolen wallet, unusual credit card activity, an irregularity in your credit report, or direct correspondence from the IRS or other agency suggesting something fraudulent has occurred. Victims of suspected identity theft may file an IRS Identity Theft Affidavit (Form 14039) which is available on the IRS website. Also be sure to file a police report and alert all credit bureaus to stop any unusual activity from being processed.

It is important, especially at this time of year, to be extremely careful with any of your personal information (social security number, address, phone number, etc.). Be cognizant of what you dispose of and how. Refrain from giving your social security number to anyone unless it is absolutely necessary.

For more information regarding identity theft, please visit the [IRS's website](#).

You've heard our thoughts... We'd like to hear yours

The Schneider Downs Our Thoughts On blog exists to create a dialogue on issues that are important to organizations and individuals. While we enjoy sharing our ideas and insights, we're

especially interested in what you may have to say. If you have a question or a comment about this article – or any article from the Our Thoughts On blog – we hope you'll share it with us. After all, a dialogue is an exchange of ideas, and we'd like to hear from you. Email us at contactSD@schneiderdowns.com.

Material discussed is meant for informational purposes only, and it is not to be construed as investment, tax, or legal advice. Please note that individual situations can vary. Therefore, this information should be relied upon when coordinated with individual professional advice.

© 2024 Schneider Downs. All rights-reserved. All content on this site is property of Schneider Downs unless otherwise noted and should not be used without [written permission](#).