Taxinsight

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IRS's Dirty Dozen

Each year, the IRS publishes a list of the twelve most common tax scams. What are the dirty dozen for 2020?

- 1. **Phishing.** You may receive an email asking you to pay a debt or promising some sort of benefit.
- Fake charities. Criminals often use natural disasters or other crises to solicit money for fake charities. Be aware and check on the status of the charity on websites such as Guidestar.org or Charitynavigator.org.
- 3. Threatening phone calls. You may receive a phone call saying you owe certain taxes and demanding your tax bill be paid immediately. These are not legitimate. If you have a tax debt, the IRS will contact you by mail. The IRS will never demand immediate payment, threaten you, ask for financial information or inform you of an unexpected refund or economic impact payment over the phone.
- 4. **Social media scams.** In this scam, criminals will email or post a link. Once you open the link, they will be able to infiltrate your email, social media accounts or cell phone.
- 5. **EIP or refund theft.** Criminals who have your personal information may attempt to file a tax return or claim an economic impact payment using your Social Security number. In order to avoid this, keep your information close, and file as early as possible.
- 6. **Senior fraud.** All of these scams affect seniors more than other segments of society. As they increasingly use social media or email, they may fall victim to scams.
- 7. **Scams targeting non-English speakers.** Much like seniors, taxpayers who do not speak English are also common victims of tax scams.

- 8. **Unscrupulous return preparers.** Be careful about who is preparing your return. An unscrupulous return preparer can cause trouble for taxpayers by taking credits or deductions to which the taxpayer is not entitled.
- 9. Offer in compromise mills. It's always scary to know you have a tax debt. Beware of groups that offer to settle tax debts for pennies on the dollar.
- 10. Fake payments with repayment demands. In this scam, the criminal will deposit a fraudulent refund in your account, then call you to repay the amount via gift card. The IRS will never demand payment via gift card.
- 11. Payroll and HR scams. Be aware of scams where the criminal claims to be from your human resources department or a payroll company seeking to obtain information from you about your paycheck.
- 12. **Ransomware.** Increasing in popularity with scammers, malware is installed on your computer to track keystrokes and other activities.

Tax Due Dates

- September 15 Extended partnership and S corporation tax returns
- September 30 Extended trust and estate tax returns
- October 15 Extended individual and C corporation tax returns

Did You Know?

September 17 is Constitution Day. It commemorates the adoption of the U.S. Constitution, which occurred on Sept. 17, 1787. The Constitution has been amended 27 times since that date. The first state to ratify the Constitution was Delaware on Dec. 7, 1787. The Constitution became legal upon the ratification by New Hampshire on June 21, 1788. Rhode Island was the last on May 29, 1790. Fun fact: The north/south streets in Lawrence, Kansas are named in the order of the entry of states into the Union through Minnesota (32nd).

Quote Corner

"Always be a little kinder than necessary."

~ James M. Barrie