



Tax Return Fraud Continues

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Identity theft does not appear to be decreasing in the near future. As technology use continues to increase, cyber criminals become more sophisticated. Examples of cyber crimes include hacking and phishing emails, which put businesses and individuals at risk. Crude phishing emails with typos and misspellings have now been replaced with professional emails that appear to originate from legitimate sources. Be wary of emails you receive that are unexpected or from an unknown source. In addition, be cautious when clicking email links or when downloading attachments. Through these cyber crimes, among others, cyber criminals can hack your information and/or steal your identify.

As tax accountants, we expect identity theft to continue to cause issues with e-file rejections for individual tax returns. This occurs when a social security number (SSN) has been filed on another return. If this occurs, the tax return will need to be paper filed and include an Identity Theft Affidavit (IRS Form 14039) for each taxpayer, along with a photocopy of a government-issued photo ID, such as a driver's license or passport.

The Internal Revenue Service (IRS) is taking a more proactive stance against fraudulently filed tax returns this year. Rather than releasing the refund immediately, taxpayers may receive a letter stating that a return has been filed with the taxpayer's SSN and asking for verification. However, be cautious of phone calls purportedly from the IRS, as the IRS is not contacting taxpayers to verify information.

Taxpayers receiving written correspondence from the IRS requesting the verification of a filed tax return should follow the instructions in the letter. If an authentic tax return has been filed, it can be faxed to the IRS via the contact information contained in the letter. If the taxpayer has not yet filed and the IRS has received a fraudulently filed tax return, the letter provides instructions on how to authenticate the taxpayer's identity online or by phone by speaking with an IRS representative. Please keep in mind that, in general, we recommend contacting your tax advisor before responding to any notices or inquiries from the IRS.

The IRS has published helpful information outlining steps that victims of identity theft should take, including contacting credit bureaus to activate a fraud alert. You can find this and additional tips on their website by clicking [here](#).

If you have additional questions or concerns regarding identity theft and your tax return, contact KPM today.