

Avoid These Tax Scams

By C.J. Griffin on March 5th, 2012

The IRS recently released its “Dirty Dozen” report – a list of the top twelve tax scams that taxpayers should avoid. Many of these scams are widespread and common in matters beyond tax, such as identity theft and information phishing. However, some are peculiar to the tax field and are very common during this time of year as everyone scrambles to file their taxes before the April 17, 2012 filing deadline.

Of prime importance — Beware of fraud by your tax return preparer. The IRS estimates that about 60% of tax filers will use a person or company to prepare their tax returns. Fraud can occur when the tax payer skims money off of your tax return, charges exorbitant fees, or lies on your return to get you a guaranteed, higher refund.

To ensure that your tax return preparer is legitimate and not committing any fraud, for which you could be held criminally or civilly liable, always:

- Ensure that the tax return preparer signs the return and places a Preparer Tax Identification Number (PTIN) on it
- Make sure you obtain a copy of your tax return
- Never pay a preparer a percentage of your refund as part of the preparation fee
- Avoid preparers who guarantee you a specific dollar amount as a tax refund
- Never, ever allow a tax preparer to include false information on your tax return