

# Balance *sheet*

## Identity Protection Numbers and Tax Scams

By Thomas Tomlins

Just like in years past, tax scams and identity theft continue to be an escalating problem for both taxpayers and the IRS. In order to combat these identity thieves and scam artists, the IRS has taken measures in order to keep taxpayers identities safe. Two ways that the IRS is accomplishing this is by issuing Identity Protection numbers to taxpayers and to educate taxpayers about the different types of tax scams.

### Identity Protection Numbers

For those taxpayers who have been victims of identity theft and tax scams, the IRS may have issued you an Identity Protection number. An Identity Protection number (IP PIN) is a 6-digit number assigned to certain taxpayers by the IRS in order for the IRS to confirm a taxpayer's identity and process their returns promptly. If a taxpayer is assigned an Identity Protection number, they must use it in order to successfully file their return. Starting January 1, 2016, the IRS is requiring all taxpayers whose social security numbers have an IP PIN requirement to use their IP PIN's regardless of whether you are filing as the primary taxpayer, the spouse, or a dependent. Failure to use the Identity Protection number will result in either the rejection of your return (if e-filing) or a delay in the processing of your return while the IRS authenticates the information that you submitted (if paper filing). A taxpayer can be assigned an IP PIN if they meet one of the following criteria:

- If you received an IP PIN last year
- If you received a CP01A notice (which provides an IP PIN) or a CP01F notice (which invites the taxpayer to obtain an IP PIN)
- If you filed your return as a Florida, Georgia, or DC resident



New IP PINS are assigned to participating taxpayers every December through the mail. If you received a CP01A notice dated January 4, 2016; it should be noted that these notices indicate that the IP PIN should be used for the 2014 tax return. This date is incorrect. These IP PIN's are to be used for the 2015 tax return.

### Education of Different Tax Scams

Just knowing the different types of tax scams and knowing when you are being scammed can go a long way in helping you to protect your identity. Some of the more common scams used today are emails and phone calls from criminals pretending to be the IRS. The emails will typically direct you to click on a link and take you to a website that appears to look like it belongs to the IRS. These websites will ask you for personal information such as bank accounts, social security numbers, and other personal information which will make stealing your identity all too easy. Not to mention that some of these links may contain malware that can corrupt your computer. The phone calls that these scammers make can appear on caller ID to look like it is coming from the IRS or another law enforcement agency and ask for payment for taxes due or other personal information to confirm identity. The key to prevent becoming a victim to

these tax scams is to know when you are being scammed. Remember the following when assessing whether or not you are being scammed:

- The IRS will always first contact taxpayers by mail about outstanding taxes, never by phone
- The IRS will never call you and demand immediate payment and not allow you to appeal what you owe
- The IRS will never require you to pay your taxes in a particular way such as with a prepaid debit card or a wire transfer
- The IRS will never ask for your credit card or bank account over the phone
- The IRS will never threaten you with a lawsuit or to bring in the police or another law enforcement agency to arrest you without paying

Remember, each and every taxpayer has a set of fundamental rights they should be aware of when dealing with the IRS. These are called your Taxpayer Bill of Rights. The IRS must follow these procedures to ensure that they do not violate your fundamental rights as a taxpayer.

If you receive a call from someone claiming to be from the IRS and you do not owe taxes or have any reason to think that you do not owe taxes, contact the Treasury Inspector General for Tax Administration. Use TIGTA's "IRS Impersonation Scam Reporting" web page to report the incident.

If you receive a call from someone claiming to be from the IRS and you think you do owe taxes, ask for a call back number and an employee badge number. Then call the IRS at 800-829-1040 and an IRS employee will assist you.

Articles on most recent tax scams can be found on the IRS's website. If you have any questions about Identity Protection numbers or tax scams, please contact our office.