

The Newest Tax Scams for the 2021 Tax Season



Tax scams strike every tax season, and they are constantly evolving and changing. While most people intuitively recognize most forms of tax scams, it's still important to be aware of how these thieves are changing their tactics so that you can avoid becoming a victim. Here are some of the newest tax scams that we're seeing for the 2021 tax season. Make sure you know how to recognize them if they come your way.

Basics of Recognizing Tax Scams

Before we get into the particulars of this year's scams, we want to first go over some basic ground rules that the IRS follows. Knowing these things can help you to avoid most types of scams:

1. The IRS does *not* initiate contact via email, text message, or social media to request your personal or financial information.
2. They will *not* demand immediate payment using a specific payment method (especially not prepaid debit cards, gift cards, or wire transfers). They will always mail a bill first.
3. You will always be given the opportunity to question or appeal the amount you owe, and they will not demand you pay taxes without offering you this opportunity. It is your right as a taxpayer.
4. They will never threaten you with action from law enforcement.
5. They cannot revoke your driver's license, your immigration status, or a business license.

The IRS has recently started doing in-person visits to those who owe taxes. If you do get someone at your door claiming to be from the IRS, they should always provide you with two forms of ID—a pocket commission and an HSPD-12 card. You have a right to see these and to

confirm their credentials. If you ask to confirm those credentials, they should willingly give you an IRS phone number to do so.

Scam #1 – Claiming to Suspend Your SSN

Scams related to SSNs have been around for a while. This most recent evolution involves scammers claiming that they will suspend or cancel your SSN. This is a scare tactic to get you to answer or return the call. Make no mistake, this is a scam, and you should hang up and block the number immediately.

Scam #2 – IRS Impersonation Emails

Phishing scams are a common tactic among cyber thieves, and they're not limited to tax-related scams. However, one common tactic this tax season is to send very legitimate-looking emails that appear to be from the IRS. They may contain the subject line "Automatic Income Tax Reminder" or "Electronic Tax Return Reminder." They'll have links to a website that looks like the IRS site and will offer you a temporary password to access files for your tax refund.

However, these files are malicious files that contain malware. By infecting your computer with this malware, they could gain control of your computer or track the keystrokes of your computer to gain access to passwords for financial accounts.

Remember, the IRS will never contact you via email. Do not open emails from anyone claiming to be from the IRS, and certainly don't click on links or download files from these emails.

Scam #3 – Calls from the Taxpayer Advocate Service

There are many IRS phone impersonation scams out there. This year has brought a new one into the spotlight where the criminals claim to be from the Taxpayer Advocate Service (TAS). This is the name of a legitimate, independent organization within the IRS. However, like the IRS itself, TAS does *not* initiate phone calls to taxpayers; you contact them first. These scammers may be demanding payment or may claim you have a refund waiting for you. But either way, they'll try to get personal information from you, and you should never provide it.

Scam #4 – "Ghost" Tax Return Preparers

Another recent development is the introduction of "ghost" tax return preparers. These so-called preparers typically don't have any sort of credentials for preparing taxes, and they may require payment in cash or not provide a receipt. They'll also invent income or claim fake deductions to boost your refund, demanding payment in the form of a percentage of your tax refund.

Please note that a legitimate tax accountant will have credentials that qualify them to handle your taxes. They'll also never promise you a large refund, will offer several payment options, won't try to pad your return, and will always sign the return and include their Preparer Tax Identification Number for legal purposes.

Don't become a victim of these tax scams. Make sure you know how to recognize them upfront, and report any phone calls or emails from scammers to phishing@irs.gov. And if you're looking for a reliable and experienced CPA to prepare your tax return, contact us today.



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