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Media Contact: Alejandra Castro Nuñez

Tel. 305.375.4942, [acastro@miamidade.gov](mailto:acastro@miamidade.gov)

## CONSUMER SAVVY TIPS FOR TAX SEASON

Tax season is officially here, and most of you are getting ready to file your 2011 tax return. When gathering tax documents, it's extremely important that consumers protect themselves because during tax season, identity thieves are on the prowl. It is for this reason that the IRS continues to alert consumers to be wary of suspicious e-mails containing the IRS name or logo, because more than likely it's a scam to steal your money and your identity.

Typically, a consumer will receive an e-mail that claims to come from the IRS or Treasury Department. The message will contain an enticing or intimidating subject line, such as "**Tax Refund,**" "**Inherited Funds,**" or "**IRS Notice.**" Usually, the message will state that the recipient needs to provide the IRS with information to obtain the refund or avoid some penalty. The message will instruct the consumer to open an attachment or click on a link in the e-mail, which may lead to an official-looking IRS Web site. The look-alike site will then contain a phony but genuine-looking online form or interactive application that asks for personal and financial information, which the scammer then uses to commit identity theft. **Consumers should know that the IRS will not reach out to taxpayers via email or phone; they send refunds or audits through the mail.** Therefore, do not reply or open any e-mails that claim to come from the IRS. Instead, forward them to the IRS at [phishing@irs.gov](mailto:phishing@irs.gov)

Recently, the IRS and the Justice Department announced on their website [www.irs.gov](http://www.irs.gov), the results of a massive national sweep cracking down on suspected identity theft perpetrators. The nationwide effort targeted 105 people in 23 states. The coast-to-coast effort took place over the last week and included indictments, arrests and the execution of search warrants. Furthermore, the IRS is taking a number of additional steps this tax season to prevent identity theft and detect refund fraud before it occurs. These efforts includes designing new identity theft screening filters that will improve the IRS's ability to spot false returns before they are processed and before a refund is issued, as well as expanded efforts to place identity theft indicators on taxpayer accounts to track and manage identity theft incidents.

Although a person can't guarantee that they will never be a victim of identity theft, you can take precautionary steps to minimize your risk by simply following a few guidelines.

**Look after your mail.** During tax season, looking after your mail is one of the most important things you can do to protect yourself from becoming a victim of identity theft. Millions of W-2 forms are mailed out by the January 31<sup>st</sup> deadline, and if you don't have a locked mailbox, your W-2 forms containing your social security number, address, employment, and salary information can easily be stolen by an unscrupulous person. Several retail stores sell locking mailboxes. Consider investing in one.

**Check credentials when hiring a tax professional.** Keep in mind that the person that you choose to prepare your tax return will have access to all of your personal information. To find out if a tax practitioner has been sanctioned by the Office of Professional Responsibility (OPR), you can contact them at [opr@irs.gov](mailto:opr@irs.gov). The inquiry should include the tax preparer's name and address. In addition, there are certain things consumers can look out for when hiring a tax professional. Is this person making claims concerning large returns? Is he or she willing to sign your return? Do they work out of an office? Can you easily get a hold of them during regular business hours? Do they respond to your inquiries in a timely manner? In addition, if a tax preparer is basing his or her fee on your projected income, walk away and find someone else to do your taxes. Keep in mind that professional tax preparers work on flat-fee rates. Don't fall victims to tax scams. Remember that if it sounds too good to be true, it probably is.

**Be wary of instant refund offers.** Getting an instant tax refund can sound like a great opportunity, especially during troubled economic times. However, keep in mind that these offers are really straightforward loans that carry fees and high interest rates. These loans are usually referred to as **Refund Anticipation Loans (RAL)**, and can end up costing you a great portion of your tax return. It's wiser to wait a few more weeks for your tax return to arrive, than to agree to an instant refund.



Last but not least, review your tax return before you sign it and ask questions on entries you don't understand. Consider whether the individual or firm that prepared your tax return will be around to answer questions about the preparation of your return months, or even years, after the return has been filed. Once you have filed your income tax, you can learn the status of your refund by going to the IRS.gov website and clicking on "[Where's my refund?](#)" The last day to file your taxes is April 17, 2012.

For more consumer tips, or to check the complaint history of a company, file a complaint or ask consumer-related questions, visit the **Business Affairs and Consumer Protection** website at [www.miamidade.gov/csd](http://www.miamidade.gov/csd) or call (305) 375-3677.