



# TAX SCAMS -

**Tax Season Brings Out Scammers.**

**Be on the Look Out for These Scams!**

## Excessive or Deceptive Fees

Before you hire a tax preparer, discuss the fee the preparer will charge you. Some tax preparers overcharge their customers by:

- charging you a percentage of the refund amount as the fee,
- requiring you to split your refund with the preparer to pay the fee, or
- having a portion of your refund sent directly to the preparer's bank account without your permission (review the refund section of your tax return or "Form 8888" to prevent this scam).

## Tax Preparer Fraud: Falsifying Income Don't Put Your Benefits in Jeopardy!

Some low-income families have been the victim of a scam which involves reporting false or non-existent business income to the IRS in order to trigger a higher Earned Income Tax Credit refund.

The Problem: If you participate in federal or state programs that provide financial assistance based on your family income (e.g., Section 8 voucher, public housing, SSD, SSI, or TANF), reporting false or non-existent income to the IRS could trigger overpayments that you may be forced to repay and could negatively affect your eligibility for these programs (including termination from some programs).

If you are self-employed or have a business, review the "Schedule C" for your tax return and make sure the income listed is correct. If you aren't self-employed or do not have a business, you shouldn't have a "Schedule C."

## Protect Yourself

When reviewing your tax return, make sure you:

- review the entire return (including all attachments) before signing it.

- make sure the paid preparer signs the return and includes his/her PTIN on the return.
- ask questions!

### Red Flags

What are some other "red flags" I should look out for when choosing a tax preparer?  
You may be dealing with a crooked tax preparer if the preparer:

- wants you to sign a blank tax return.
- does not have a PTIN. Every paid tax preparer must now have a PTIN (Preparer Tax Identification Number).
- does not sign the tax return.
- refuses to give you a complete copy of the tax return.
- won't review the tax return with you before filing it.
- promises a larger than normal refund.
- adds forms you have never filed before.
- encourages you to place false information on your tax return such as false income, expenses or credits.

### Phishing Scams

The IRS contacted me by email today and requested my bank account number.  
Should I respond?

The IRS does not initiate contact with taxpayers by email, text message, or social media to request financial or personal information. If you are contacted electronically by someone claiming to be from the IRS, the person is probably a scammer phishing for information in order to steal your identity and/or your money.

Legal Services of Eastern Missouri, Inc. (LSEM), provides this educational information as a public service. It is not legal advice.

Sometimes the laws change. Always consult a lawyer, if you can, before taking legal action.

The mission of LSEM is to provide high-quality civil legal assistance and equal access to justice for low-income people in Eastern Missouri.

You may find additional legal educational materials at the websites of the Missouri statewide legal aid programs ([www.lsmo.org](http://www.lsmo.org)), LSEM ([www.lsem.org](http://www.lsem.org)) and the Missouri Bar ([www.Mobar.org](http://www.Mobar.org)). Contact us by phone at (314) 534-4200.

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