

Better Business Bureau® Serving the Pacific Southwest 60 S Acoma Blvd., #B-102, Lake Havasu City, AZ 86403

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BBB Scam Alert: IRS Tax Filing Scams

(Lake Havasu City - April 2, 2020) The Internal Revenue Service (IRS) has announced the <u>deferment of the federal income tax</u> payment deadline from April 15 to July 15, 2020 to help taxpayers and businesses affected by the COVID-19 crisis. <u>Better Business Bureau</u> (BBB) warns against tax filing deadline extension scams that may compromise personal and financial security and cause undue stress amidst this uncertain time.

Many individuals and businesses are facing major life changes, like loss of income or a change in job, which makes filing taxes with accurate information and trustworthy resources especially important. Regardless of the amount owed, the deferment applies to all taxpayers automatically, including individuals, trusts and estates, corporations, and those self-employed without penalties or interest. Taxpayers who may need additional time to file past the updated July 15 deadline can request an extension at irs.gov.

"Scammers prey on headlines to take advantage of vulnerable individuals," said Michael Sedio, VP and General Counsel at the Better Business Bureau. "At this time, taxpayers and businesses should use measures to stay informed and protected against IRS impersonation scams surrounding the tax filing deadline extension that has been issued to alleviate those impacted by COVID-19."

For additional assistance, the IRS unveiled the <u>People First Initiative</u> as part of the COVID-19 effort, which provides immediate relief, including suspensions to collections and limited enforcement actions, to help people facing uncertainty.

BBB recommends the following tips to help recognize the telltale signs of a scam and keep your information secure:

Protect your personal information. Scammers contact taxpayers through phishing emails that appear to come from the IRS, demanding payment or requesting updated credentials at the expense of the consumer's personal or financial information. The IRS does not initiate contact through email, text messages, or social media. The <u>IRS IP Pin</u> prevents filing a fraudulent return with a social security number.

Recognize IRS impersonation. The IRS will not make threats of arrest or deportation. The IRS may call or come to a home or business unannounced to

collect a tax debt after first contacting in writing. Scammers use a high sense of urgency to pressure victims into revealing sensitive information that can be used to obtain a job or acquire debt through tax identity theft.

Avoid tax scams. Filing early prevents fraudulent returns with stolen information. Filing electronically and using direct deposit is the quickest way to receive returns. The IRS will never demand immediate payment, require a specific form of untraceable payment such as wire transfer, Visa or prepaid gift cards, or ask for card information over the phone. Pay taxes, view accounts, or file for a payment plan with the IRS at irs.gov/payments.

Find a trustworthy tax preparer. Tax returns signed by preparers must include a valid 2020 Preparer Tax Identification Number (PTIN). Review tax returns before submitting to ensure a proper signature by the tax preparer. Don't be afraid to ask about processes or credentials. Only allow funds to be deposited into personal accounts. Be wary of those offering fast refunds or large returns. Check out tax preparers at bbb.org.

Compromised information through tax related scams and identity theft is often not realized by the victim until written notice is received from the IRS. BBB is committed to building trust through trying times by providing best practices to ensure taxpayers are well equipped to avoid security threats this filing season.

Phishing emails and IRS tax filing scams can be reported to <u>BBB's Scam Tracker</u>, or <u>file a complaint</u> with BBB. Report tax-related scams and phishing emails to <u>phishing@irs.gov</u>. Victims of tax identity theft may retrieve a personalized identity theft recovery plan from the Federal Trade Commission at <u>identitytheft.gov</u>.

For more information or to schedule an interview with a BBB spokesperson, please contact Kryistyna Hook at 928.302.3701 or kryistyna.hook@@bbbcommunity.org. For more information regarding how BBB is supporting businesses throughout the Coronavirus (COVID-19) crisis, visit https://www.bbb.org/coronavirus-business/ and BBB.org/Coronavirus.

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For more than 100 years, Better Business Bureau (BBB) has been helping people find businesses and charities they can trust. In 2019, people turned to BBB more than 358 million times by checking more than 232 million Business Profiles views - all available to the public for free at bbb.org. Incorporated locally in 1938, BBB Serving the Pacific Southwest covers Greater Arizona and Southern California with key campuses in Phoenix, San Diego, Newport Beach, Prescott, Yuma and Lake Havasu City. BBB Serving the Pacific Southwest is supported by over 19,000 BBB Accredited Businesses, making it one of the largest BBB nationwide. Businesses that earn BBB Accreditation contractually agree and adhere to high standards of ethical business practices in the marketplace. BBB provides objective expertise and educational programs on topics affecting marketplace trust.