



News Release

Internal Revenue Service
Media Relations Office
Washington, D.C.
Media Contact: 202.317.4000
Public Contact: 800.829.1040
www.irs.gov/newsroom

03 | 08 | 19

IRS: Be on the lookout for promises of inflated tax refunds *2019 IRS 'Dirty Dozen' list continues*

IRS YouTube Videos:

Dirty Dozen – [English](#) | [Spanish](#) | [ASL](#)

Choose a Tax Preparer Wisely – [English](#) | [Spanish](#) | [ASL](#)

IR-2019-33

WASHINGTON — The Internal Revenue Service warned taxpayers today to be alert to unscrupulous tax return preparers boasting of inflated tax refunds, a common scam tactic during filing season.

Return preparers promising larger refunds than competitors or providing refunds substantially larger than taxpayers have routinely seen could be a warning sign.

The IRS has included this scheme on its 2019 Dirty Dozen list of tax scams. To help protect taxpayers against these threats, the IRS highlights one scam on 12 consecutive weekdays to help raise awareness.

Con artists promising overly large refunds frequently prey on older Americans and low-income taxpayers and those who don't have a filing requirement. They may also victimize non-English speakers who may or may not have a requirement to file a tax return.

Scam artists can use flyers, advertisements, phony storefronts or word-of-mouth to attract victims. They may even make presentations through community groups or churches.

These unscrupulous individuals may dupe others into making claims for fictitious rebates, benefits or tax credits. They may also file a false return in their client's name, and the client never knows that a refund was paid.

Cons may also target those with a filing requirement who are due a tax refund. This may be done by promising larger refunds based on fake Social Security benefits and false claims for education credits or the Earned Income Tax Credit (EITC), among others.

Those perpetrating these scams can face significant penalties and interest and possible criminal prosecution. To protect taxpayers, the IRS Criminal Investigation Division works closely with the Department of Justice to shutdown scams and prosecute the criminals behind them.

Falsely claiming zero wages, filing phony Forms W-2, 1099

Filing a phony information return, such as those involving made-up Forms 1099 or W-2, is an illegal way to lower the amount of taxes owed. The use of self-prepared, "corrected" or otherwise bogus forms that improperly report taxable income as zero is illegal. So is an attempt to submit a statement rebutting wages and taxes reported by a third-party payer to the IRS.

Some people also attempt fraud using false Form 1099 refund claims. In some cases, individuals have made refund claims based on the bogus theory that the federal government maintains secret accounts for U.S. citizens and that taxpayers can gain access to the accounts by issuing 1099-OID Forms to the IRS.

Taxpayers should resist the temptation to participate in any variation of this scheme. The IRS is aware of this scam, and the courts have consistently rejected attempts to use this tax dodge. Perpetrators receive significant penalties, imprisonment or both. Simply filing this type of tax return may result in a \$5,000 penalty.

The IRS sometimes hears about scams from victims worried about losing their federal benefits, such as Social Security, veterans or low-income housing benefits. The loss of benefits comes because of false claims being filed with the IRS that provided incorrect income amounts.

Choose tax preparers with care

Honest tax preparers provide their customers a copy of the tax return they've prepared. Scam victims frequently are not given a copy of what was filed. Victims also report that the fraudulent tax refund is deposited into the scammer's bank account. The scammers deduct a large "fee" before paying victims, a practice not used by legitimate tax preparers.

The IRS reminds taxpayers that they are legally responsible for what's on their tax return even if it was prepared by someone else. Taxpayers who buy into such schemes can end up being penalized for filing false claims or receiving fraudulent refunds.

Taxpayers can help protect themselves by taking some simple steps before choosing a tax preparer. Start with the [IRS Directory of Federal Tax Return Preparers with Credentials and Select Qualifications](#). This tool can help taxpayers find a professional tax return preparer with the right qualifications. The Directory is a searchable and sortable listing of preparers registered with the IRS. It includes the name, city, state and zip code of:

- Attorneys
- CPAs
- Enrolled Agents
- Enrolled Retirement Plan Agents
- Enrolled Actuaries
- [Annual Filing Season Program](#) participants

Check the preparer's history. Visit the Better Business Bureau's website to check on the preparer. Look for disciplinary actions and the license status for credentialed preparers. For CPAs, check with the State Board of Accountancy. For attorneys, check with the State Bar Association. For Enrolled Agents, go to IRS.gov and search for "verify enrolled agent status" or check the [Directory](#).

www.irs.gov/chooseataxpro has additional information to help taxpayers including tips on choosing a preparer, the differences in credentials and qualifications, as well as how to submit a complaint regarding an unscrupulous tax return preparer.